Attachment 1

Continuing Disclosure Annual Report

For the Fiscal Year Ended August 31, 2010

Filed by

TEXAS TRANSPORTATION COMMISSION

Pursuant to Undertaking Provided to
Permit Compliance with SEC Rule 15c2-12
Relating to

Each Issue of Bonds of the Commission
with CUSIP Prefixes 882762 and 88283K

February 28, 2010

This Continuing Disclosure Report consists of the following two components:

1. Attachment 1, Part A: Remarketing Memorandum, Central Texas Turnpike System, First Tier Revenue Refunding Put Bonds, Series 2009, and

2. Attachment 1, Part B: Central Texas Turnpike System, General Engineering Consultant's Annual Inspection Report for Fiscal Year 2010.

REMARKETING MEMORANDUM DATED FEBRUARY 8, 2011

Ratings: ***Fitch "BBB+"***
Moody's "Baa1"
Standard & Poor's "BBB+"
See "RATINGS" herein.

NOT A NEW ISSUE – Book-Entry-Only

In the Original Opinion, Bond Counsel rendered an opinion that interest on the Bonds (defined below) would be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings, and court decisions existing on the date of issuance and that interest on the Bonds would 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. Capitalized terms used in this cover page and not otherwise defined on this cover page are defined in this Remarketing Memorandum. See "TAX MATTERS" herein.

$149,275,000
TEXAS TRANSPORTATION COMMISSION
CENTRAL TEXAS TURNPIKE SYSTEM
FIRST TIER REVENUE REFUNDING PUT BONDS, SERIES 2009
(February 15, 2011 Remarketing)

Interest Accrual Date: Date of Delivery of Remarketed Bonds **Due: August 15, 2042**
Mandatory Tender Date: February 15, 2013

The Texas Transportation Commission (the "*Commission*"), the governing body of the Texas Department of Transportation (the "*Department*"), initially issued its Central Texas Turnpike System First Tier Revenue Refunding Put Bonds, Series 2009 (the "*Bonds*") on March 5, 2009 pursuant to the Indenture of Trust, dated as of July 15, 2002 (the "*Master Indenture*") as supplemented by the Fifth Supplemental Indenture of Trust, dated as of February 1, 2009 (the "*Fifth Supplemental Indenture*," and collectively, with the Master Indenture, the "*Indenture*") each by and between the Commission and The Bank of New York Mellon Trust Company, National Association, as trustee (the "*Trustee*") and paying agent for the Bonds. The Bonds were initially issued in a multiannual mode which terminates on the mandatory tender date of February 15, 2011. The Commission has determined to remarket the Bonds in another multiannual mode of 24 months. The proceeds of the Bonds were originally used to refund the Commission's First Tier Revenue Bonds, Series 2002-B (Weekly Rate Demand Bonds) and to pay the costs of issuance for the Bonds. The Bonds, together with the outstanding Series 2002 First Tier Obligations and any Additional First Tier Obligations, constitute special, limited obligations of the Commission payable solely from and secured by a first lien on, pledge of, and security interest in the Trust Estate, as defined herein. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Sources of Payment."

The Bonds were initially issued as fully registered bonds, without coupons, in denominations of $5,000 or any integral multiple thereof and dated February 1, 2009. Through the period that commences on the date of delivery of the remarketed Bonds and ends on the last date of the Multiannual Period described below (the "*Multiannual Period*"), interest will accrue on the Bonds at the Initial Interest Rate specified below, calculated on the basis of a 360-day year of twelve 30-day months, from their date of delivery and will be payable on February 15 and August 15 of each year, commencing August 15, 2011. Principal will come due on August 15, 2042 or upon the earlier redemption of the Bonds.

THIS REMARKETING MEMORANDUM DESCRIBES THE BONDS IN THE MULTIANNUAL PERIOD ONLY. AT THE TERMINATION OF THE MULTIANNUAL PERIOD, THE BONDS ARE SUBJECT TO MANDATORY TENDER AND PURCHASE. UPON SUCH MANDATORY TENDER AND PURCHASE, THE BONDS ARE EXPECTED TO BE REMARKETED UNLESS OTHERWISE REDEEMED. SEE "THE BONDS - INTEREST RATE MODES."

MATURITY SCHEDULE

Maturity Date	Last Day of Multiannual Period	Principal Amount	Initial Interest Rate	Initial Yield[1]	Mandatory Tender Date	CUSIP No.[2]
August 15, 2042	February 14, 2013	$149,275,000	2.75%	2.75%	February 15, 2013	88283K AA6

The Bonds are not subject to redemption prior to the end of the Multiannual Period. See "THE BONDS - Redemption."

The Bonds are not subject to conversion to another interest rate mode prior to the end of the Multiannual Period.

The Bonds are not subject to optional tender by the holders thereof for purchase prior to the end of the Multiannual Period. The Bonds are subject to mandatory tender on the Mandatory Tender Date referred to above, subject to the successful remarketing of such Bonds. See "THE BONDS - Optional and Mandatory Tender."

As of the date of this Remarketing Memorandum, the Commission has not provided any credit or liquidity facility for the payment of the purchase price of Bonds payable upon the mandatory tender of the Bonds on the Mandatory Tender Date, nor is there any requirement or expectation that such credit or liquidity facility will be obtained. The principal portion of the purchase price for the Bonds is expected to be obtained from the remarketing thereof. The obligation of the Commission to purchase Bonds on the Mandatory Tender Date is subject to the successful remarketing of such Bonds. The Commission has no obligation to purchase Bonds except from remarketing proceeds. If the Bonds are not remarketed, the interest rate on the Bonds will be increased to the Stepped Coupon Rate of 12% per annum as described herein. See "THE BONDS – Optional and Mandatory Tender – *Effects of a Failed Remarketing*."

The Bonds were initially issued only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("*DTC*") pursuant to the book-entry-only system described herein. No physical delivery of the Bonds will be made to the purchasers thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Trustee to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners thereof. See "APPENDIX C – BOOK-ENTRY-ONLY SYSTEM."

This cover page contains information for quick reference only and is not a summary of the Bonds. Potential investors must read the entire Remarketing Memorandum to obtain information essential to making an informed investment decision. Investment in the Bonds is subject to certain risk factors. See "RISK FACTORS" herein.

NONE OF THE STATE OF TEXAS, THE COMMISSION, THE DEPARTMENT, OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS EXCEPT FROM THE TRUST ESTATE AND CERTAIN FUNDS CREATED UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. NEITHER THE COMMISSION NOR THE DEPARTMENT HAS ANY TAXING POWER. THE INDENTURE DOES NOT CREATE A MORTGAGE ON THE CENTRAL TEXAS TURNPIKE SYSTEM.

The remarketed Bonds are offered for delivery by the 2011 Remarketing Agents named below. Certain legal matters have been and will be passed upon for the Commission and Department by their counsel, McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel and Disclosure Counsel. See "APPENDIX F – ORIGINAL OPINION OF BOND COUNSEL." Certain legal matters will be passed upon for the 2011 Remarketing Agents by their counsel, Winstead PC. It is expected that delivery of the remarketed Bonds will be made through DTC in New York, New York on February 15, 2011.

WELLS FARGO SECURITIES

PIPER JAFFRAY & CO. **SOUTHWEST SECURITIES**

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

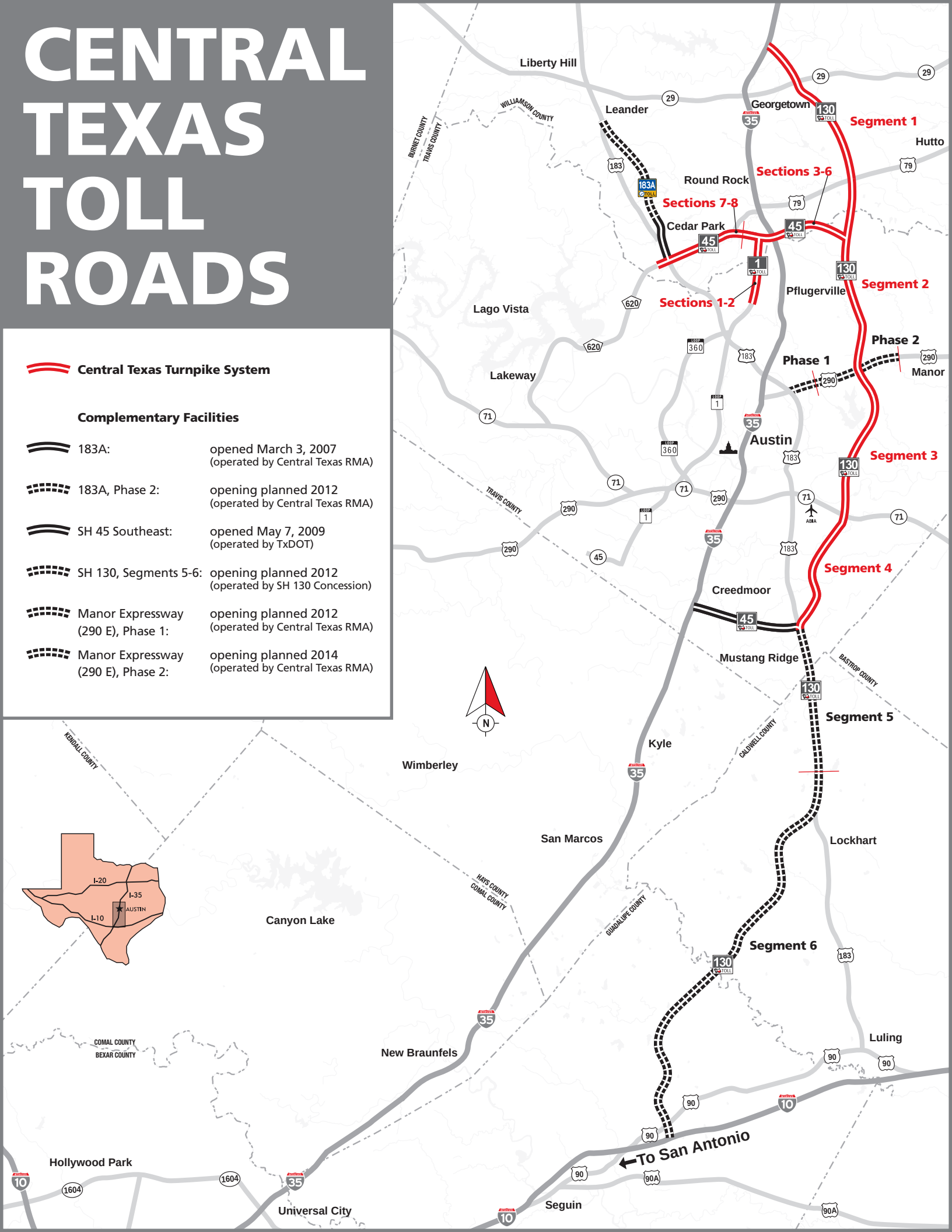
(2) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are included herein solely for the convenience of the owners of the Bonds. Neither the Department, the Commission, the Financial Advisor nor the 2011 Remarketing Agents shall be responsible for the selection or correctness of the CUSIP numbers shown herein.

CENTRAL TEXAS TOLL ROADS

Central Texas Turnpike System

Complementary Facilities

183A:	opened March 3, 2007 (operated by Central Texas RMA)
183A, Phase 2:	opening planned 2012 (operated by Central Texas RMA)
SH 45 Southeast:	opened May 7, 2009 (operated by TxDOT)
SH 130, Segments 5-6:	opening planned 2012 (operated by SH 130 Concession)
Manor Expressway (290 E), Phase 1:	opening planned 2012 (operated by Central Texas RMA)
Manor Expressway (290 E), Phase 2:	opening planned 2014 (operated by Central Texas RMA)



COMMISSION MEMBERS, DEPARTMENT OFFICIALS, AND CONSULTANTS AND ADVISORS

TEXAS TRANSPORTATION COMMISSION

Name	Title	Term Expires
Deirdre Delisi	Chair	February 1, 2013
Ned S. Holmes	Commissioner	February 1, 2011*
Ted Houghton	Commissioner	February 1, 2015
William Meadows	Commissioner	February 1, 2013
Fred Underwood	Commissioner	February 1, 2015

*Continues to serve until a replacement is named.

TEXAS DEPARTMENT OF TRANSPORTATION SELECT PERSONNEL

Name	Position	Total Service with the Department
Amadeo Saenz, Jr., P.E.	Executive Director*	32 years
John A. Barton, P.E.	Assistant Executive Director, Engineering Operations	25 years
James M. Bass	Chief Financial Officer	22 years
John Muñoz, C.P.A.	Deputy Director, Finance Division	22 years
Bob Jackson	General Counsel	24 years
Mark Tomlinson, P.E.	Director, Texas Turnpike Authority Division	28 years

*On January 24, 2011, Mr. Saenz announced his intention to retire, effective August 31, 2011.

CONSULTANTS AND ADVISORS

Bond Counsel and Disclosure Counsel ..... McCall, Parkhurst & Horton L.L.P., Austin, Texas
Traffic Consultant ..... Stantec Consulting Services Inc., New York, New York
General Engineering Consultant ..... Post, Buckley, Schuh & Jernigan, Inc., Austin, Texas
Financial Advisor ..... Public Financial Management, Inc., Austin, Texas
Trustee ..... The Bank of New York Mellon Trust Company, National Association

For additional information regarding the Commission or the Department, please contact either:

Mr. John Muñoz
Deputy Director, Finance Division
Texas Department of Transportation
125 E. 11th Street
Austin, Texas 78701-2483
(512) 486-5597
john.munoz@txdot.gov

Mr. Don Henderson
Public Financial Management, Inc.
700 Lavaca Street
Suite 1500
Austin, Texas 78701
(512) 472-7194
hendersond@pfm.com

For additional information regarding the Trustee, Paying Agent/Registrar and Tender Agent, please contact:

The Bank of New York Mellon Trust Company,
National Association
2001 Bryan Street, 11th Floor
Dallas, Texas 75201
Attention: Deirdre Wilson
Telephone: (214) 468-6526
Fax: (214) 468-5166
Deirdre.Steven@bnymellon.com

REMARKETING OF THE BONDS

Use of Remarketing Memorandum

No dealer, broker, salesman, or other person has been authorized by the Commission, the Department or the remarketing agents set forth on the cover page hereof (the "*2011 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 Commission, the Department or the 2011 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 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 made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Commission or the Department since the date hereof. This Remarketing Memorandum is submitted in connection with the sale of the Bonds as described herein and may not be reproduced or used for any other purpose. In no instance may this Remarketing Memorandum be reproduced or used in part.

Certain information set forth in this Remarketing Memorandum has been furnished by the Commission, the Department and other sources, including third parties, which are believed to be reliable, but such information is not to be construed as a representation by the Commission, the Department or the 2011 Remarketing Agents.

The 2011 Remarketing Agents have provided the following sentence for inclusion in this Remarketing Memorandum. The 2011 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 2011 Remarketing Agents do not guarantee the accuracy or completeness of such information.

The Trustee assumes no responsibility for this Remarketing Memorandum and has not reviewed or undertaken to verify any information contained in this Remarketing Memorandum.

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 IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION MAY NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS REMARKETING MEMORANDUM AT TIMES SUBSEQUENT TO THE REMARKETING OF THE BONDS DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

Neither the Commission, the Department, the Financial Advisor nor the 2011 Remarketing Agents make 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 provided for in "APPENDIX C - BOOK-ENTRY-ONLY SYSTEM", as such information was furnished by DTC.

Securities Laws

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (THE "*SEC*") NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS REMARKETING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No registration statement relating to the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon an exemption provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. Neither the Commission nor the Department assume any responsibility for the registration or qualification for sale or other disposition of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

Forward Looking Statements

The statements contained in this Remarketing Memorandum, and in other information provided by the Commission, that are not purely historical, are forward-looking statements, including statements regarding the Commission's expectations, hopes, intentions or strategies regarding the future and the projections in APPENDIX D -- CENTRAL TEXAS TURNPIKE SYSTEM 2010 TRAFFIC AND REVENUE FORECAST (the "*2010 Traffic and Revenue Report*"). All forward-looking statements included in this Remarketing Memorandum are based on information available to the Commission on the date hereof, and the Commission assumes no obligation to update any such forward-looking statements. See "RISK FACTORS – Forward-Looking Statements."

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REMARKETING MEMORANDUM

relating to

$149,275,000
TEXAS TRANSPORTATION COMMISSION
CENTRAL TEXAS TURNPIKE SYSTEM
FIRST TIER REVENUE REFUNDING PUT BONDS, SERIES 2009
(February 15, 2011 Remarketing)

INTRODUCTION

This Remarketing Memorandum (the "*Remarketing Memorandum*") contains certain information relating to the remarketing by the Texas Transportation Commission (the "*Commission*") of its Central Texas Turnpike System First Tier Revenue Refunding Put Bonds, Series 2009 (the "*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, or that they will be realized. 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 "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE FIFTH SUPPLEMENTAL INDENTURE – Definitions."**

The Bonds are special, limited obligations of the Commission payable from and secured by a first lien on, pledge of and security interest in the Trust Estate granted in the Indenture, on an equal and ratable basis with the other Outstanding First Tier Obligations and any Additional First Tier Obligations issued in the future in accordance with the provisions of the Master Indenture (collectively, the "*First Tier Obligations*"). See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Sources of Payment."

The Bonds were originally issued for the purpose of refunding the then outstanding Series 2002-B Bonds (as defined below) and paying the costs of issuance for the Bonds.

The Bonds were originally issued by the Commission pursuant to the laws of the State, particularly Chapters 1207 and 1371, Texas Government Code, as amended, and Subchapter C of Chapter 228, Texas Transportation Code, as amended (collectively, the "*Acts*"), an authorizing minute order adopted by the Commission on November 20, 2008 and an Indenture of Trust, dated as of July 15, 2002 (the "*Master Indenture*"), by and between the Commission and The Bank of New York Mellon Trust Company, National Association, as trustee, (the "*Trustee*"), as supplemented by the Fifth Supplemental Indenture of Trust, dated as of February 1, 2009 (the *"Fifth Supplemental Indenture*," and collectively with the Master Indenture, the "*Indenture*"), between the Commission and the Trustee.

The Commission adopted a minute order on January 5, 2011 approving certain matters related to the remarketing of the Bonds, including approval of documents necessary to give effect to the remarketing and appointing the 2011 Remarketing Agents.

In 2002, the Commission issued its Texas Turnpike Authority[(1)] Central Texas Turnpike System First Tier Revenue Bonds, Series 2002-A (the "*Series 2002-A Bonds*"), First Tier Revenue Bonds, Series 2002-B (Weekly Rate Demand Bonds) (the "*Series 2002-B Bonds*" and, together with the Series 2002-A Bonds, the "*Series 2002 First Tier Bonds*"), and Second Tier Bond Anticipation Notes, Series 2002 (the "*Series 2002 Second Tier BANS*"

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(1) The Texas Transportation Code previously provided for a separate board of directors of the Texas Turnpike Authority that was authorized to issue bonds for toll projects. Effective November 6, 2001, the separate board of directors of the Texas Turnpike Authority was abolished by S.B. 342 (77th Texas Legislature, Regular Session) and all powers, duties, obligations, rights, contracts, leases, records, employees and real or personal property of the board, including the authority to issue bonds for toll projects, were transferred to the Commission. The Texas Turnpike Authority now operates as a separate division within the Department. Subsequent to the issuance of the Series 2002 Obligations all references to the Texas Turnpike Authority as a separate board were deleted from state statutes and replaced by the Commission. As a result, the title of the Bonds does not contain any reference to the Texas Turnpike Authority.

and, together with the Series 2002 First Tier Bonds, the "*Series 2002 Obligations*") for the purpose of paying a portion of the Costs of planning, designing, engineering, developing and constructing the initial phase of the Central Texas Turnpike System (the "*System*") located in Travis and Williamson Counties, Texas, in the greater City of Austin, Texas metropolitan area.

Pursuant to the Transportation Infrastructure Finance and Innovation Act of 1998, 23 United States Code, Section 181, et seq. ("*TIFIA*"), the United States Department of Transportation ("*USDOT*") agreed to lend to the Commission funds to pay or reimburse the Commission for a portion of the Costs of the 2002 Project (as defined below) under the Master Secured Loan Agreement, dated as of July 15, 2002 (the "*TIFIA Loan Agreement*"). To evidence the Commission's obligation under the TIFIA Loan Agreement, the Commission issued a bond to USDOT (the "*2002 TIFIA Bond*") as a Subordinate Lien Obligation pursuant to the Master Indenture. The 2002 TIFIA Bond is in the aggregate principal amount of $900,000,000. The 2002 TIFIA Bond and other Subordinate Lien Obligations hereafter issued are payable from and secured by a lien on, pledge of and security interest in the Trust Estate subordinate and junior to the First Tier Obligations and Second Tier Obligations unless, with respect to the 2002 TIFIA Bond, a Bankruptcy-Related Event occurs under the TIFIA Loan Agreement and the Master Indenture while USDOT owns the 2002 TIFIA Bond. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS- Additional Obligations - *Springing First Tier Obligation*" and "- Default and Remedies - *2002 TIFIA Bond Default Remedy*" and "RISK FACTORS – Dilution of First Tier Security Upon Bankruptcy-Related Event." The 2002 TIFIA Bond was used to reimburse the Commission for qualifying project costs. The Commission applied such reimbursements to retire the Series 2002 Second Tier BANS by making the June 1, 2007 and June 1, 2008 principal payments of $124,930,000 and $775,070,000, respectively. See "THE SYSTEM AND THE 2002 PROJECT - TIFIA Funding."

The System initially consists of the "*2002 Project*," which includes the following three elements of the System, each as more fully described in "THE SYSTEM AND THE 2002 PROJECT": (i) segments 1 through 4 of State Highway 130 ("*SH 130*"), from Interstate Highway 35 to United States Highway 183 (the "*SH 130 Element*"); (ii) State Highway 45 North (the "*SH 45N Element*"); and (iii) the north extension of Loop 1 (the "*Loop 1 Element*").

The elements of the 2002 Project, together with certain other connector and complementary facilities which are not part of the 2002 Project or the System, are shown on the map on page ii hereof. The SH 130 Element is approximately 49 miles long extending from Interstate Highway 35 ("*IH35*") near State Highway 195 ("*SH195*"), north of Georgetown, Texas, southward to United States Highway 183 ("*US183*"), southeast of Austin, and provides an eastern alternative to IH35. The SH 45N Element is approximately 13 miles long extending from US183 on the west to SH 130 on the east and provides an east-west roadway for the Austin metropolitan area. The Loop 1 Element is approximately three and a half miles long extending northward from the existing Loop 1 at Parmer Lane to the SH 45N Element and is a major north-south route of the 2002 Project (collectively, the SH 45N Element and the Loop 1 Element are referred to herein as, the "*Northwest Austin Elements*"). See "THE SYSTEM AND THE 2002 PROJECT."

All elements of the 2002 Project have been opened for traffic as of April 30, 2008. The 2002 Project reached substantial completion under the terms of the Master Indenture (i.e. the date on which portions of the 2002 Project originally projected to produce 80% of the 2002 Project's revenues were open to traffic) on September 27, 2007. The Department has granted final acceptance for the entire 2002 Project, with final acceptance of the last portion of the 2002 Project occurring on January 16, 2009. See "THE SYSTEM AND THE 2002 PROJECT."

In connection with the 2002 Project, the Commission has, subject to constitutionally dedicated funds appropriated to the Commission in a manner that would allow their use, covenanted (i) to pay all Maintenance Expenses when due; (ii) to pay Operating Expenses to the extent of any deficiency in the Operating Account; and (iii) to fund the Reserve Maintenance Account. These commitments and covenants of the Commission are multi-year funding obligations that are payable from lawfully available funds of the Commission which historically has been funded from the State Highway Fund to the extent the System has not generated sufficient revenue to make such payments. See "FUNDING OF COMMISSION OBLIGATIONS." The ability of the Commission to satisfy such commitments and covenants is dependent upon the continued availability to the Commission of adequate funds for such purposes. See "SYSTEM RELATED FUNDING OBLIGATIONS OF COMMISSION." For Fiscal Year 2011, the Commission has budgeted for the System an amount of $44,436,136 for operations and $7,609,888 for

maintenance expenses. See "SYSTEM RELATED FUNDING OBLIGATIONS OF COMMISSION – System Operations and Maintenance Expenditures."

Total Obligations issued to finance the 2002 Project are currently outstanding as follows:

Title	Original Issue Amount	Amount Outstanding	Tier
First Tier Revenue Bonds, Series 2002-A	$ 1,149,993,781.80[1]	$ 1,149,993,781.80[1]	First Tier
First Tier Revenue Refunding Put Bonds, Series 2009	$ 149,275,000.00	$ 149,275,000.00	First Tier
TIFIA Loan Agreement and 2002 TIFIA Bond	$ 900,000,000.00[2]	$ 900,000,000.00	Subordinate Lien, with springing First Tier lien upon occurrence of a "Bankruptcy-Related Event"[3]

Pursuant to the Master Indenture, the Commission has reserved the right to expand the System in the future as well as issue additional debt to finance improvements and additions to the System; however, the Commission currently has no plans to expand the System or issue any additional debt related to the System.

Investment in the Bonds involves certain risks, some of which are discussed throughout this Remarketing Memorandum. The statements contained in this Remarketing Memorandum, and in other information provided by the Commission or the Department, that are not purely historical, are forward-looking statements, including statements regarding the expectations, hopes, intentions or strategies regarding the future of the Commission or the Department. 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 Commission and the Department on the date hereof, and neither the Commission nor the Department assumes any obligation to update any such forward-looking statements. See "RISK FACTORS" for a discussion of several risks that should be considered in evaluating an investment in the Bonds.

NONE OF THE STATE, THE COMMISSION, THE DEPARTMENT OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS EXCEPT FROM THE TRUST ESTATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. NEITHER THE COMMISSION NOR THE DEPARTMENT HAS ANY TAXING POWER. THE INDENTURE DOES NOT CREATE A MORTGAGE ON THE SYSTEM.

For purposes of providing additional background information with respect to the 2002 Project, this Remarketing Memorandum contains references to certain historical documents available online at http://www.centraltexasturnpike.org, including but not limited to the 2002 Traffic and Revenue Report, the 2005 Update and the 2008 Review (all as defined herein). Such documents and any other documents on such website contain information only as of their respective dates and have not been updated to reflect any subsequent information. THE FOREGOING LINKS ARE NOT INCORPORATED BY REFERENCE, EITHER EXPRESSLY OR BY IMPLICATION, INTO THIS REMARKETING MEMORANDUM NOR ARE ANY INFORMATION OR MATERIALS ON SUCH WEBSITE. THE INFORMATION CONTAINED AT THE LINK LOCATIONS IS

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(1) The Series 2002-A Bonds are insured by Ambac Assurance Corporation. See "RISK FACTORS – Rating Changes of Ambac Assurance Corporation and Possible Impact of Bankruptcy of Ambac Financial."

(2) The Commission drew $900,000,000 of the $916,760,000 that was available under the TIFIA Loan Agreement. No additional draws on the 2002 TIFIA Bond are permitted. See "THE SYSTEM AND THE 2002 PROJECT – TIFIA Funding."

(3) See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Additional Obligations – *Springing First Tier Obligation*" and "– Default and Remedies – *2002 TIFIA Bond Default Remedy*" and "RISK FACTORS – Dilution of First Tier Security Upon Bankruptcy-Related Event."

DATED AS OF THE DATE OF SUCH REPORTS OR DOCUMENTS, AND THERE CAN BE NO ASSURANCE THAT SUCH INFORMATION WILL BE UPDATED IN THE FUTURE, AND THE COMMISSION, THE DEPARTMENT, ITS FINANCIAL ADVISOR AND THE 2011 REMARKETING AGENTS DISCLAIM ANY RESPONSIBILITY TO UPDATE SUCH INFORMATION. THE DEPARTMENT, ITS FINANCIAL ADVISORS AND THE 2011 REMARKETING AGENTS DISCLAIM ANY RESPONSIBILITY AS TO THE ACCURACY OR COMPLETENESS OF THE CONTENT OF ANY MATERIAL CONTAINED ON ANY LINKS TO OR CONTENT OR MATERIAL ON OTHER INTERNET SITES OR HYPERLINKS/URL REFERENCES ACCESSED THROUGH SUCH WEBSITE. See "RISK FACTORS - Forward-Looking Statements."

THE BONDS

General

The Bonds are being remarketed as fully registered bonds, without coupons, in denominations of $5,000 or any integral multiple thereof and are dated February 1, 2009. Through the period which commences on the date of delivery of the remarketed Bonds and ends on the date specified as the last date of the Multiannual Period on the cover page hereof (the "*Multiannual Period*"), interest on the Bonds accrues, calculated on the basis of a 360-day year composed of twelve 30-day months, from their initial date of delivery and is payable on February 15 and August 15 of each year, commencing August 15, 2011 for the remarketed Bonds, at a rate of interest equal to the per annum Initial Interest Rate specified on the cover page hereof (the "*Multiannual Rate*") until the Mandatory Tender Date for the Bonds as specified on the cover page hereof. Principal will come due on August 15, 2042, or upon the earlier redemption of the Bonds.

The Bonds will be subject to mandatory tender for purchase on the Mandatory Tender Date specified on the cover page hereof (the "*Mandatory Tender Date*") subject to the successful remarketing of such Bonds as described below under "- Optional and Mandatory Tender." At that time, the Commission expects to either redeem or remarket the Bonds in one of the several interest rate modes authorized by the Fifth Supplemental Indenture, including a Daily, Weekly, Monthly, Flexible, Quarterly, Semiannual, Auction Rate, Multiannual or Fixed Rate Mode (as such terms are defined in the Fifth Supplemental Indenture). This Remarketing Memorandum does not describe the terms and provisions of the Fifth Supplemental Indenture and the Bonds as they relate to the Bonds following the Multiannual Period except as described below in connection with the mandatory tender for purchase occurring at the end of the Multiannual Period. Upon mandatory tender for purchase of the Bonds, such 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 such Bonds.

As of the date of this Remarketing Memorandum, the Commission has not provided any credit or liquidity facility for the payment of the Purchase Price payable upon the mandatory tender of the Bonds on the Mandatory Tender Date, nor is there any requirement or expectation that such credit or liquidity facility will be obtained. The principal portion of the Purchase Price for the Bonds is expected to be obtained from the remarketing thereof. The obligation of the Commission to purchase Bonds on the Mandatory Tender Date is subject to the successful remarketing of such Bonds. The Commission has no obligation to purchase Bonds except from remarketing proceeds. If the Bonds are not remarketed, the interest rate on the Bonds will be increased to the Stepped Coupon Rate (defined below under "THE BONDS – Optional and Mandatory Tender – *Effects of a Failed Remarketing*") of 12% per annum.

Redemption

Optional Redemption. The Bonds are not subject to redemption prior to the Mandatory Tender Date therefor. The Bonds are subject to optional redemption on the Mandatory Tender Date and on any date during the Stepped Rate Period (defined below under "THE BONDS – Optional and Mandatory Tender – *Effects of a Failed Remarketing*") at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

Notice of Redemption. At least 30 days (two days during a Stepped Rate Period) prior to the date fixed for optional redemption of any Bonds, a written notice is required to be sent by the Trustee by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared in the registration books maintained by the Trustee on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, will not

affect the validity or effectiveness of the proceedings for the optional redemption of any such Bond. The mailing of such notice as required above in connection with the redemption of such Bonds prior to maturity at the option of the Commission will be the only notice actually required in connection with or as a prerequisite to such optional redemption of any Bonds or portions thereof. All redemption notices for the Bonds are required to contain a description of the Bonds to be redeemed including such items specified in the Indenture.

In addition to the foregoing, the Trustee is required to give notice of defeasance of any Bonds by mail, first-class, postage prepaid at least 30 days after the defeasance date to each registered securities depository and to any national information service that disseminates such notices. In addition, in the event of a redemption caused by an advance refunding, the Trustee is required to send a second notice of redemption to the persons specified in the preceding sentence at least 30 days but not more than 90 days prior to the actual redemption date. Any notice sent to the registered securities depositories or national information services is required to be sent so that it is received at least two days prior to the general mailing of such notice. The Trustee is also required to send a notice of prepayment or redemption to the registered owner who has not sent its Bonds in for redemption 60 days after the redemption date.

So long as a Book-Entry-Only System is used for the Bonds, the Trustee will send any notices with respect to such Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, will not affect the validity of the redemption of such Bonds called for redemption or any other action premised on any such notice.

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

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

Any Conditional Redemption may be rescinded in whole or in part at any time prior to the redemption date if the Commission delivers a certificate of a TTA Representative to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee is required to give prompt notice of such rescission or failure to deposit funds to the affected Registered Owners. Any Bonds subject to Conditional Redemption where redemption has been rescinded or funds to effect the redemption have not been deposited will remain outstanding and the rescission or failure to deposit funds will not constitute an event of default.

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

Interest Rate Modes

The Bonds are not convertible into any other interest rate mode during the Multiannual Period. As described above under "THE BONDS – General," after the Multiannual Period, the Commission expects to either redeem or remarket the Bonds in one of the several interest rate modes authorized by the Fifth Supplemental Indenture.

Optional and Mandatory Tender

Optional Tender. The Bonds are not subject to optional tender during the Multiannual Period.

Mandatory Tender. The Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date 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 Commission to purchase Bonds on the Mandatory Tender Date is subject to the successful remarketing of such Bonds. The Commission has no obligation to purchase Bonds except from remarketing proceeds.** The purchase price (the "*Purchase Price*") on the Mandatory Tender Date is equal to the principal amount of the Bonds, plus accrued interest, if any, to the Purchase Date (defined herein). The Commission has appointed the 2011 Remarketing Agents set forth on the cover page hereof to act as remarketing agents solely in connection with the remarketing of the Bonds on the February 15, 2011 mandatory tender date pursuant to a remarketing agreement to be entered into with the Commission.

The Commission has agreed to appoint one or more Remarketing Agents, prior to the Mandatory Tender Date and that it will use its best efforts to have Bonds remarketed on the Mandatory Tender Date, if the Bonds are not redeemed on such date. Each Remarketing Agent must have a capitalization of at least $100,000,000 and be authorized by law to perform all the duties imposed upon it by the Fifth Supplemental Indenture. Such future Remarketing Agents may not remarket any Bonds if a default in the payment of principal of or interest on the Bonds has occurred and is continuing. The Remarketing Agents to be appointed by the Commission will be required to use its best efforts to remarket the Bonds on the Mandatory Tender Date. If on the Mandatory Tender Date money sufficient to pay the Purchase Price is on deposit with the Trustee, acting as tender agent, the Bonds will be deemed to have been tendered on such date for purchase and interest on such tendered Bonds will cease to accrue. Bonds that have been deemed tendered, but have not been delivered to the Trustee, will not be considered outstanding under the Indenture on the Purchase Date. See "- *Undelivered Bonds*" below.

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

Payment of the Purchase Price of the Bonds will be made by the Trustee on the Purchase Date provided that the Bonds subject to purchase are delivered to the Trustee prior to 11:00 a.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 Bonds tendered for purchase will be paid by the Trustee to the owners solely from the proceeds of the remarketing of the Bonds.

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

Effects of a Failed Remarketing. In the event that any Bonds cannot be remarketed to new purchasers on the Mandatory Tender Date, the Commission has no obligation to purchase the Bonds tendered on the Mandatory Tender Date, the failed conversion and remarketing will not constitute an Event of Default under the Indenture, the mandatory tender will be deemed to have been rescinded for that date, and such Bonds (i) will continue to be outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarketing of such Bonds, (iii) will bear interest at the rate of 12% per annum (the "*Stepped Coupon Rate*") from the Mandatory Tender Date until purchased upon a subsequent remarketing (the "*Stepped Rate Period*"), (iv) will be subject to optional redemption and mandatory tender for purchase on any date during the Stepped Rate Period and (v) will be deemed to continue in the Multiannual Mode during a new Interest Rate Period. In the event of a failed remarketing on the Mandatory Tender Date, the Commission has agreed that it will cause the Bonds to be remarketed on the earliest possible date on which they can be sold at par, in such rate mode or modes as the Commission directs, at a rate not exceeding 12% per annum.

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

Trustee

The Commission has covenanted to maintain and provide a Trustee at all times while Obligations are outstanding, and any successor Trustee must be a corporation or banking association, duly organized and doing business under the laws of the United States or of any state, authorized under such laws to exercise corporate trust powers and subject to supervision or examination by federal or state banking authority, of good standing, and having, at the time of its appointment, a combined capital and surplus aggregating not less than $100,000,000, or is an affiliate of, or has a contractual relationship with, a corporation or banking association meeting such capital and surplus requirement which guarantees the obligations and liabilities of the proposed trustee, and which is subject to supervision or examination by federal or state banking authority. In the event that the entity at any time acting as Trustee should resign or otherwise cease to act as such, the Commission will promptly appoint a successor Trustee by written instrument. If an instrument of acceptance has not been delivered to the resigning Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee or any Secured Owner may petition a court of competent jurisdiction for the appointment of a successor Trustee.

Transfer, Exchange and Registration

Beneficial ownership of the Bonds registered in the name of Cede & Co. will initially be transferred as described in "APPENDIX C - BOOK-ENTRY-ONLY SYSTEM."

As initial Bond Registrar, so long as any Obligations of a series remains outstanding, the Trustee will maintain a Bond Register for the registration and transfer of the Obligations of such series in accordance with the terms of the Indenture.

Upon surrender of any Bond at the designated office of the Trustee, together with an assignment duly executed by the current Registered Owner of such Bond or such Registered Owner's duly authorized representative, such Bond may, at the option of the Registered Owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate and in the same form as the Bond being surrendered for exchange, registered in the name or names designated on the assignment; provided that the Trustee is not required to exchange or register the transfer of Bonds after the giving of notice calling such Bonds for redemption, in whole or in part.

The Trustee may make a charge to any Registered Owner requesting such exchange or registration in the amount of any tax or other governmental charge required to be paid with respect thereto and the Commission may charge such amount as it deems appropriate for each new Bond delivered upon such exchange or transfer, which charge or charges shall be paid before any new Bond shall be delivered.

The Trustee will not be required to transfer or exchange any Bond after the giving of notice calling such Bonds for redemption, in whole or in part.

BOOK-ENTRY-ONLY SYSTEM

In reading this Remarketing Memorandum it should be understood while the Bonds are in the Book-Entry-Only System, references in other sections of this Remarketing Memorandum to Owners should be read to include the person for which the Direct Participant or Indirect Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above,

notices that are to be given to Owners under the Indenture will be given only to DTC. See "APPENDIX C – BOOK-ENTRY-ONLY SYSTEM."

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Sources of Payment

Special, Limited Obligations. The First Tier Obligations, including the Series 2002-A Bonds and the Bonds, are special, limited obligations of the Commission and are payable solely from, and secured solely by, a first lien on, pledge of and security interest in the Trust Estate, consisting of (i) all Revenues, and to the extent set forth in a Supplemental Indenture, any Additional Obligation Security; (ii) all money, including investment earnings, deposited into the Revenue Fund, the Construction Fund (except for any amounts held in a subaccount containing money derived from the State Highway Fund or any money received by the Commission that is restricted to another use, such as right-of-way contributions that may be used only for that purpose), the First Tier Debt Service Fund, the First Tier Debt Service Reserve Fund, the Rate Stabilization Fund and the General Reserve Fund, described below; (iii) any insurance proceeds and other money required to be deposited in the pledged funds listed in (ii) above; and (iv) all payments received by the Commission pursuant to Approved Swap Agreements with respect to First Tier Obligations.

The Commission may also issue Second Tier Obligations under the Master Indenture which are special, limited obligations of the Commission payable solely from, and secured solely by, a lien on, pledge of and security interest in the Trust Estate subordinate to the security interest in the Trust Estate pledged for the security and payment of the First Tier Obligations, consisting of (i) all Revenues, and to the extent set forth in a Supplemental Indenture, any Additional Obligation Security; (ii) all money, including investment earnings, deposited into the Revenue Fund, the Construction Fund (except for any amounts held in a subaccount containing money derived from the State Highway Fund or any money received by the Commission that is restricted to another use, such as right-of-way contributions that may be used only for that purpose), the Second Tier Debt Service Fund, the Second Tier Debt Service Reserve Fund, if any, the Rate Stabilization Fund and the General Reserve Fund, described below, but not including any amounts held in the First Tier Debt Service Fund or the First Tier Debt Service Reserve Fund; (iii) any insurance proceeds and other money required to be deposited in the pledged funds listed in (ii) above; and (iv) all payments received by the Commission pursuant to Approved Swap Agreements with respect to Second Tier Obligations. The lien securing the Second Tier Obligations is subordinate and junior to the lien securing the First Tier Obligations. Currently, there are no Second Tier Obligations outstanding.

The Commission may also issue Subordinate Lien Obligations under the Master Indenture which are special, limited obligations of the Commission payable solely from, and secured solely by, a lien on, pledge of and security interest in the Trust Estate subordinate to the security interest in the Trust Estate pledged for the security and payment of the First Tier Obligations and the Second Tier Obligations, consisting of (i) all Revenues, and to the extent set forth in a Supplemental Indenture, any Additional Obligation Security; (ii) all money, including investment earnings, deposited into the Revenue Fund, the Construction Fund (except for any amounts held in a subaccount containing money derived from the State Highway Fund or any money received by the Commission that is restricted to another use, such as right-of-way contributions that may be used only for that purpose), the Subordinate Lien Debt Service Fund, the Subordinate Lien Debt Service Fund, if any, the Rate Stabilization Fund and the General Reserve Fund, described below, but not including any amounts held in the First Tier Debt Service Fund, the First Tier Debt Service Reserve Fund, the Second Tier Debt Service Fund and the Second Tier Debt Service Reserve Fund; (iii) any insurance proceeds and other money required to be deposited in the pledged funds listed in (ii) above; and (iv) all payments received by the Commission pursuant to Approved Swap Agreements with respect to Subordinate Lien Obligations. The lien securing the Subordinate Lien Obligations is subordinate and junior to the lien securing the First Tier Obligations and the lien securing any Second Tier Obligations. Currently, the 2002 TIFIA Bond is the only Subordinate Lien Obligation outstanding. See " – Default and Remedies – *2002 TIFIA Bond Default Remedy*" and "THE SYSTEM AND THE 2002 PROJECT - TIFIA Funding."

NONE OF THE STATE, THE COMMISSION, THE DEPARTMENT OR ANY OTHER AGENCY OR POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS EXCEPT FROM THE TRUST ESTATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE

BONDS. NEITHER THE COMMISSION NOR THE DEPARTMENT HAS ANY TAXING POWER. THE INDENTURE DOES NOT CREATE A MORTGAGE ON THE SYSTEM.

Other than the pledge of the Trust Estate, the Commission has not mortgaged, assigned or pledged any interest in any real or personal property or improvements, including any interest in the System or any expansions or extensions thereto, as security for payment of the Bonds.

Revenues. "*Revenues*" consist of all income and revenues derived from the operation of the System, including (a) all rates, rents, fees, charges, fines and other income derived by the Commission from vehicular usage of the System together with all rights of the Commission to receive the same (collectively, the "*Tolls*") received by or on behalf of the Commission, (b) any other sources of revenues or funds of the Commission derived from or attributable to the System or from the ownership or the holding of certain properties constituting a part of the System, (c) the proceeds of any insurance covering business-interruption loss relating to the System, (d) any other sources of revenues or funds of the Commission that the Commission chooses to designate as Revenues pursuant to a Supplemental Indenture, (e) the interest and income earned on any fund or account in which said interest or income is required to be credited to the Revenue Fund created under the Master Indenture and (f) transfers of excess funds from the Rate Stabilization Fund to the Revenue Fund as described under " – Funds and Accounts – Rate Stabilization Fund." "*Revenues*" expressly does not include Additional Obligation Security.

The Master Indenture contemplates that the Commission may enter into agreements with other turnpike operating entities, whether or not connected to the System, (i) with respect to the establishment of a combined Toll rate schedule and/or (ii) for the collection and application of Tolls charged for trips over all or a portion of both turnpikes combined. Such agreements must result in the receipt by the Commission of its allocable portion of such Tolls (less fees and expenses associated with such arrangement) on the basis of the Revenues to be received under any such agreement. The Commission may also enter into agreements with other entities with respect to the collection of Tolls or advances or prepayment of Tolls charged for trips over all or a portion of the System, provided that such collections will result in the receipt by the Commission of the appropriate Tolls for such trips, on the basis of the Revenues to be received under any such agreement. Amounts received by the Commission from any such entity under such agreements are required to be deposited in the Revenue Fund and will constitute Revenues to the extent the Commission is not required to pay such amounts to another entity in accordance with such agreements. Amounts received by the Commission and deposited in the Revenue Fund that are payable by the Commission to such other entity under such agreements, will be withdrawn by the Trustee from the Revenue Fund and paid by the Trustee pursuant to the terms of such agreements upon written instructions from the Commission to the Trustee.

Additionally, the Master Indenture provides that in the event the Commission receives advances or prepayments of funds prior to the actual usage of the System or otherwise operates or participates in a system in which funds are collected prior to the actual usage of the System, such funds will not be deemed to be Revenues until such actual usage occurs or the funds are earned pursuant to the agreement under which the Commission receives such funds.

Funds and Accounts

The Master Indenture establishes certain special funds of the Commission. They are designated the "Revenue Fund," the "Construction Fund," the "First Tier Debt Service Fund," the "First Tier Debt Service Reserve Fund," the "Rate Stabilization Fund," the "Second Tier Debt Service Fund," the "Second Tier Debt Service Reserve Fund," the "Subordinate Lien Debt Service Fund," the "General Reserve Fund" and the "Rebate Fund," all of which are held by the Trustee. The Master Indenture also establishes the "Operating Account," the "Maintenance Account," and the "Reserve Maintenance Account," each to be held by the Commission outside of the Master Indenture.

Revenue Fund. In the Master Indenture, the Commission has covenanted that all Revenues will be deposited daily, as far as practicable, with the Trustee, or in the name of the Trustee with a depositary, to the credit of the Revenue Fund.

As of December 31, 2010, approximately $24.9 million in cash and investments in market value was on deposit in the Revenue Fund.

Construction Fund. Money held in the Construction Fund has been and will continue to be used to pay the Costs of the 2002 Project. The Master Indenture provides that a special account will be created and identified for each construction project, although the Commission may direct the transfer of funds from one account in the Construction Fund to another account in such Fund. The Master Indenture creates two separate accounts in the Construction Fund designated the "Bond and Replacement Proceeds Account" and the "Capital Contribution Account." The Commission deposited to the Bond and Replacement Proceeds Account the proceeds of the Series 2002 Obligations remaining after making required deposits to the First Tier Debt Service Fund for capitalized interest and to the First Tier Debt Service Reserve Fund to fund the First Tier Debt Service Reserve Requirement (as defined below). All proceeds of the Series 2002 Obligations deposited into the Bond and Replacement Proceeds Account have been spent. There remains approximately $193 million on deposit in the Capital Contribution Account, which is comprised of Department contributions and amounts received from local governments and other entities which are being used to pay for the final right-of-way acquisition and utility relocation costs.

First Tier Debt Service Fund. The Master Indenture creates two separate accounts in the First Tier Debt Service Fund designated the "First Tier Interest Account" and the "First Tier Principal Account" and permits the Trustee and the Commission, pursuant to a Supplemental Indenture, to create such additional accounts in the First Tier Debt Service Fund as they deem necessary or appropriate. The Master Indenture requires withdrawal from time to time from the First Tier Interest Account and the First Tier Principal Account for deposit with the Trustee of sufficient money for paying the interest on and the principal of and premium on the First Tier Obligations as the same become due, except to the extent such interest, principal or other amounts are payable from a fund or account other than the First Tier Debt Service Fund as provided in any Supplemental Indenture. If at the time the Trustee is required to make a withdrawal from the First Tier Debt Service Fund the money therein is not sufficient for such purpose, the Trustee will withdraw the amount of such deficiency from the money on deposit in the following funds or accounts and transfer the same to the First Tier Debt Service Fund in the following order: the Revenue Fund, the General Reserve Fund, the Rate Stabilization Fund and the First Tier Debt Service Reserve Fund.

As of December 31, 2010, approximately $22.4 million in cash and investments in market value was on deposit in the First Tier Interest Account of the First Tier Debt Service Fund.

First Tier Debt Service Reserve Fund. Money, investments and First Tier DSRF Security (as defined below) held in the First Tier Debt Service Reserve Fund will be held and used for the purpose of paying interest on, maturing principal of, and mandatory sinking fund redemption price of First Tier Obligations whenever and to the extent that the money held for the credit of the First Tier Debt Service Fund, after making all required transfers from other Funds, is insufficient for such purpose. Notwithstanding the foregoing, the 2002 TIFIA Bond is not secured by the First Tier Debt Service Reserve Fund, and under no circumstances will amounts in the First Tier Debt Service Reserve Fund be used to pay the 2002 TIFIA Bond. See "- Default and Remedies - *2002 TIFIA Bond Default Remedy*."

If at any time the money and the principal amount of any First Tier DSRF Security held in the First Tier Debt Service Reserve Fund exceeds the First Tier Debt Service Reserve Requirement, subject to receipt of an opinion of Bond Counsel to the effect that such transfer and use will not adversely affect the tax treatment of any Outstanding Obligations, the Commission will direct whether such excess money is to be transferred by the Trustee to the credit of the First Tier Debt Service Fund, used to reduce the principal amount of any First Tier DSRF Security or, to the extent that such excess was derived from Revenues, transferred to the Revenue Fund or the General Reserve Fund. The "*First Tier Debt Service Reserve Requirement*" is an amount equal to the least of (i) the maximum Annual Debt Service of all First Tier Obligations, (ii) 1.25 times the Average Annual Debt Service of all First Tier Obligations, or (iii) 10% of the aggregate amount of the Outstanding First Tier Obligations, as determined on the date each Series of First Tier Obligations is issued (but under no circumstances will the 2002 TIFIA Bond be taken into account in making such calculation). The First Tier Debt Service Reserve Requirement has been funded with proceeds of the Series 2002 Obligations.

In lieu of the deposit of money into the First Tier Debt Service Reserve Fund, the Commission may cause to be provided a surety bond, an insurance policy, a letter of credit or similar financial instrument (each, a "*First Tier DSRF Security*") payable to the Trustee for the benefit of the Secured Owners in an amount equal to the difference between the First Tier Debt Service Reserve Requirement and the amounts then on deposit in the First Tier Debt Service Reserve Fund. Each First Tier DSRF Security must be satisfactory to the Rating Agency (as

evidenced by a letter from the Rating Agency confirming that the First Tier DSRF Security will not result in the rating on any outstanding First Tier Obligations being downgraded). The First Tier DSRF Security will be payable (upon the giving of required notice) on any Interest Payment Date, principal payment date or redemption date on which money will be required to be withdrawn from the First Tier Debt Service Reserve Fund and applied to the payment of the principal of or interest on any First Tier Obligations to the extent that such withdrawals cannot be made by amounts on deposit in the First Tier Debt Service Reserve Fund. If a disbursement is made pursuant to a First Tier DSRF Security, the Commission will be obligated either (i) to cause the reinstatement to the maximum limits of such First Tier DSRF Security or (ii) to deposit into the First Tier Debt Service Reserve Fund, funds in the amount of the disbursement made under such First Tier DSRF Security, or a combination of such alternatives, as will provide that the amount credited to the First Tier Debt Service Reserve Fund equals the First Tier Debt Service Reserve Requirement within 18 months. If the rating on the First Tier Obligations is downgraded or threatened to be downgraded as a result of the First Tier DSRF Security, the Commission will use reasonable efforts to replace such First Tier DSRF Security with one that would not cause the rating on the First Tier Obligations to be downgraded, but will not be obligated to pay, or commit to pay, increased fees, expenses or interest in connection with such replacement or to deposit Revenues in the First Tier Debt Service Reserve Fund in lieu of replacing such First Tier DSRF Security with another.

As of December 31, 2010, approximately $130.3 million in cash and investments in market value was on deposit in the First Tier Debt Service Reserve Fund. The Commission has entered into a Master Repurchase Agreement (the "*Master Repurchase Agreement*") with Salomon Brothers Holding Company, now operating as Citigroup Financial Products, Inc. ("*Citigroup*"), with respect to approximately $115 million in the First Tier Debt Service Reserve Fund to provide a fixed rate of return of 5.2% per annum on such amount for a term of 20 years, which runs through August 15, 2022. The Commission has also entered into a Debt Service Reserve Forward Delivery Agreement (the "*Forward Delivery Agreement*") with Wachovia Bank, National Association, (which merged with Wells Fargo Bank, National Association as of December 31, 2008) ("*Wells Fargo*" and, collectively with Citigroup, the "*Investment Providers*") with respect to approximately $15 million in the First Tier Debt Service Reserve Fund to provide a fixed rate of return of 4.475% per annum on such amount for a term of 10 years. Wells Fargo is affiliated with Wells Fargo Securities, one of the 2011 Remarketing Agents.

As of October 27, 2010, Citigroup's ratings were "A+" on negative watch by Fitch, "A3" with a negative outlook by Moody's and "A" with a negative outlook by S&P. Pursuant to the Master Repurchase Agreement, in the event the long-term senior unsecured debt rating of Citigroup is suspended, withdrawn or graded below "AA-" by S&P's, or below "Aa3" by Moody's, Citigroup will notify the Trustee, the Bond Insurer and the Commission within five business days. Citigroup will, within ten business days of its notice to the Trustee (the "*Cure Period*") and subject to the consent of the Bond Insurer, either (i) provide additional securities sufficient to satisfy S&P's then current "AA-" collateral requirements; or (ii) assign its rights and obligations under the Master Repurchase Agreement to an entity, which entity may be an affiliate, which is rated at least "AA-" by S&P and "Aa3" by Moody's and approved by the Bond Insurer, or (iii) obtain a guarantee of its obligations under the Master Repurchase Agreement from an entity which is rated at least "AA-" by S&P and "Aa3" by Moody's and approved by the Bond Insurer. If Citigroup fails to take such action within the Cure Period, the Trustee will have the option, subject to the consent of the Insurer and exercisable within ten days of the expiration of the Cure Period, to terminate the Master Repurchase Agreement and all outstanding transactions under the Master Repurchase Agreement on two business days prior notice. Citigroup has continued to perform under the Master Repurchase Agreement and has not provided notice of such downgrade to the Commission or provided additional securities or a guarantee as described above. The Commission has taken no action regarding such rating downgrade.

As of January 13, 2011, Wells Fargo's ratings were "AA-" with a stable outlook by Fitch, "Aa2" with a stable outlook by Moody's and "AA" with a negative outlook by S&P. Pursuant to the Forward Delivery Agreement, in the event that the rating assigned to the senior unsecured long-term debt obligations of Wells Fargo is suspended, withdrawn or falls below "A-" by S&P or "A3" by Moody's, Wells Fargo will provide written notice of such event to the Trustee and the Commission within 15 business days of its occurrence. Following such downgrade Wells Fargo has the right to (a) enter into a custodial arrangement with the Trustee or other third party custodian selected by Wells Fargo and which is reasonably acceptable to the Commission, pursuant to which Wells Fargo will deliver and pledge eligible securities on each valuation date having a market value at least equal to the termination amount which would be payable by the provider, if any, on such valuation date determined as described in the Forward Delivery Agreement, (b) assign the Forward Delivery Agreement on or prior to the termination date set forth in the Trustee's notice to a party the senior unsecured long-term debt obligations or claims-paying ability of

which are rated "A-" or higher by S&P or "A3" or higher by Moody's and who is reasonably acceptable to the Trustee, the Commission and the Bond Insurer or (c) terminate the Forward Delivery Agreement upon delivery of at least 10 Business Days prior written notice to the Trustee and the Commission. If Wells Fargo does not take one of the actions described in clauses (a), (b) and (c) above within 10 business days of delivery of the notice of downgrade or if Wells Fargo elects to take action under clause (a) of this paragraph and subsequently fails to deliver eligible securities, the Trustee may elect to terminate the Forward Delivery Agreement by delivery of at least two Business Days' prior written notice to Wells Fargo.

Rate Stabilization Fund. The Commission has covenanted in the Master Indenture to accumulate and maintain the Rate Stabilization Fund Requirement in the Rate Stabilization Fund. Money held in the Rate Stabilization Fund is intended to assure that rates and charges associated with the System remain competitive and reasonable.

Rate Stabilization Fund Requirement. Except as described below in this paragraph, for so long as the Series 2002 Obligations, the 2002 TIFIA Bond and the Bonds remain outstanding, the Rate Stabilization Fund Requirement will be equal to approximately $67.86 million, which represents all Revenues received through August 31, 2008. A Supplemental Indenture may increase the Rate Stabilization Fund Requirement (or, if the Series 2002 Obligations, the 2002 TIFIA Bond and the Bonds are no longer Outstanding, decrease it). Whenever amounts in the Rate Stabilization Fund are used to cure a deficiency in the First Tier Debt Service Fund, the Second Tier Debt Service Fund or the Subordinate Lien Debt Service Fund, the Rate Stabilization Fund Requirement will be reduced by such amount, or to $10,000,000, if such reduction would result in a Rate Stabilization Fund Requirement below $10,000,000.

Funding of Rate Stabilization Fund. In each Fiscal Year, after first having made or provided for all required deposits described in items "First" through "Seventh" of "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Flow of Funds," the Trustee will transfer from the Revenue Fund to the Rate Stabilization Fund each month amounts sufficient to accumulate in the Rate Stabilization Fund an amount equal to the Rate Stabilization Fund Requirement. If at any time the Rate Stabilization Fund is reduced below the Rate Stabilization Fund Requirement, the deficiency will be funded (after making the required deposits described above) in 24 approximately equal monthly deposits from the Revenue Fund.

Uses of Money in the Rate Stabilization Fund. Amounts on deposit in the Rate Stabilization Fund, if any, may be used to cure a deficiency in the First Tier Debt Service Fund, the Second Tier Debt Service Fund or the Subordinate Lien Debt Service Fund (prior to the amounts in the respective reserve funds being used for such purpose). Upon direction of the Commission, amounts held in the Rate Stabilization Fund may be (i) deposited to the Operating Account in any month that Revenues on deposit in the Revenue Fund are less than Projected Operating Expenses Capacity, (ii) used to pay Operating Expenses or Maintenance Expenses for which Revenues or amounts on deposit in the Operating Account or Maintenance Account are insufficient, or (iii) used, to the extent such amounts exceed the Rate Stabilization Fund Requirement, for any other purpose for which Revenues are permitted to be used under applicable law and the Master Indenture. The Master Indenture specifies that the use of the amounts on deposit in the Rate Stabilization Fund for any of the foregoing purposes will not constitute an Event of Default. In the event that the amounts on deposit in the Rate Stabilization Fund exceed the Rate Stabilization Fund Requirement, the Commission may direct the transfer of such excess to the Revenue Fund.

As of December 31, 2010, approximately $67.86 million in cash and investments in market value was on deposit in the Rate Stabilization Fund.

Second Tier Debt Service Fund. Money held in the Second Tier Debt Service Fund will be held by the Trustee in trust for the benefit of any Second Tier Obligations, to the extent the foregoing is payable from such Fund, and, to said extent and pending application, will be subject to a lien and charge in favor of the Secured Owners of Second Tier Obligations until paid out or transferred as hereinafter provided. Money held in the Second Tier Debt Service Fund is solely for the benefit of Second Tier Obligations and does not secure payment of the First Tier Obligations, including the Bonds. The Master Indenture requires withdrawal from time to time from the Second Tier Debt Service Fund for deposit with the Trustee of sufficient money for paying the interest on and the principal of and premium on Second Tier Obligations as the same become due, except to the extent such interest, principal or other amounts are payable from a fund or account other than the Second Tier Debt Service Fund as provided in any

Supplemental Indenture. If at the time the Trustee is required to make a withdrawal from the Second Tier Debt Service Fund the money therein is not sufficient for such purpose, subject to the requirements of the Master Indenture, the Trustee will withdraw the amount of such deficiency from the money on deposit in the following funds or accounts and transfer the same to the Second Tier Debt Service Fund in the following order: the Revenue Fund, the General Reserve Fund, the Rate Stabilization Fund and the Second Tier Debt Service Reserve Fund (except to the extent provided below in "- Flow of Funds").

Second Tier Debt Service Reserve Fund. One or more Second Tier Debt Service Reserve Funds may be created with respect to each Series of Additional Second Tier Obligations issued pursuant to any Supplemental Indenture. Currently, there are no Second Tier Obligations outstanding and no Second Tier Debt Service Reserve Funds have been created.

Subordinate Lien Debt Service Fund. Money held in the Subordinate Lien Debt Service Fund will be held by the Trustee in trust for the benefit of the Subordinate Lien Obligations, to the extent the foregoing is payable from such Fund, and, to said extent and pending application, will be subject to a lien and charge in favor of the Owners of the Subordinate Lien Obligations until paid out or transferred as hereinafter provided. Money held in the Subordinate Lien Debt Service Fund is solely for the benefit of the Subordinate Lien Obligations and does not secure payment of the First Tier Obligations, including the Bonds, or any Second Tier Obligations. The Master Indenture requires withdrawal from time to time from the Subordinate Lien Debt Service Fund for deposit with the Trustee of sufficient money for paying the interest on and the principal of and premium on the Subordinate Lien Obligations as the same become due, except to the extent such interest, principal or other amounts are payable from a fund or account other than the Subordinate Lien Debt Service Fund as provided in any Supplemental Indenture. If at the time the Trustee is required to make a withdrawal from the Subordinate Lien Debt Service Fund the money therein is not sufficient for such purpose, subject to the requirements of the Master Indenture, the Trustee will withdraw the amount of such deficiency from the money on deposit in the following funds or accounts and transfer the same to the Subordinate Lien Debt Service Fund in the following order: the Revenue Fund, the General Reserve Fund, the Rate Stabilization Fund and the respective Subordinate Lien Debt Service Reserve Funds for a special series of Subordinate Lien Obligations (except to the extent provided below in "- Flow of Funds").

As of December 31, 2010, approximately $15.3 million in cash and investments in market value was on deposit in the Subordinate Lien Debt Service Fund.

Subordinate Lien Debt Service Reserve Fund. One or more Subordinate Lien Debt Service Reserve Funds may be created with respect to each Series of Additional Subordinate Lien Obligations issued pursuant to any Supplemental Indenture. The 2002 TIFIA Bond is the only Subordinate Lien Obligation outstanding. No Subordinate Lien Debt Service Reserve Fund is provided with respect to the 2002 TIFIA Bond, and the 2002 TIFIA Bond will have no right to any money held in any Subordinate Lien Debt Service Reserve Fund in connection with any Series of Additional Subordinate Lien Obligations.

General Reserve Fund. Money held in the General Reserve Fund will be used by the Trustee as provided in the Master Indenture and may be expended upon direction of the Commission to restore deficiencies in any funds or accounts created under the Master Indenture. Any money remaining in the General Reserve Fund on the last day of a Fiscal Year, after satisfying the requirements described in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Flow of Funds – Tenth," will first be used to reimburse the Commission for amounts expended by the Commission in that Fiscal Year to pay Maintenance Expenses. See "SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION – Covenant to Fund Maintenance Account." After satisfying those requirements, such money may be expended for any of the following purposes, with no one item having priority over any of the others:

(a) to purchase or redeem First Tier Obligations, Second Tier Obligations or Subordinate Lien Obligations;

(b) to pay Maintenance Expenses;

(c) to make payments into the Construction Fund;

(d) to fund improvements, extensions and replacements of the System; or

(e) for any other lawful purpose.

As of December 31, 2010, no funds were on deposit in the General Reserve Fund nor are any such funds required to be on deposit pursuant to the Master Indenture.

Rebate Fund. The Rebate Fund is a trust fund, although the amounts therein do not constitute part of the Trust Estate. Amounts held in the Rebate Fund may be used solely to make payments to the United States of amounts due under section 148 of the Internal Revenue Code of 1986, as amended (the "*Code*"), and to pay costs related to the calculation of such amounts, although the Commission has covenanted in the Master Indenture to calculate and pay directly to the United States all amounts due for payment of "arbitrage rebate" under section 148(a) of the Code. Upon satisfaction of the Commission's covenants relating to payment of such arbitrage rebate, any amounts remaining in the Rebate Fund will be deposited in the Revenue Fund. Money held in the Rebate Fund does not secure the payment of any Obligations, including the Bonds.

Operating Account. As described above, the Master Indenture requires the Commission to establish the Operating Account, which will be held by the Commission in the name of the Commission outside of the Master Indenture until applied as described below. Money held in the Operating Account will be used to pay costs incurred by the Commission in operating the System. In making payments from the Operating Account, the Commission will be deemed to be certifying that obligations in the stated amounts have been incurred by the Commission and that each item thereof was properly incurred in operating the System, and has not been paid previously. Money held in the Operating Account does not secure the payment of any Obligations, including the Bonds. The Commission has covenanted in the Master Indenture, subject to funds being appropriated by the Texas Legislature (the "*Legislature*") for such purposes, to deposit funds to the Operating Account to the extent that Revenues are insufficient to make the required monthly deposits. See "SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION – Covenant to Cover Shortfalls in Operating Account."

Maintenance Account. The Master Indenture requires the Commission to establish the Maintenance Account, which will be held by the Commission in the name of the Commission outside of the Master Indenture. Money held in the Maintenance Account will be used to pay costs incurred by the Commission in maintaining and repairing the System. In making payments from the Maintenance Account, the Commission will be deemed to be certifying that obligations in the stated amounts have been incurred by the Commission and that each item thereof was properly incurred in maintaining and repairing the System, and has not been paid previously. Money held in the Maintenance Account does not secure the payment of any Obligations, including the Bonds. The Commission has covenanted in the Master Indenture, subject to funds being appropriated by the Legislature for such purposes, to pay any required Maintenance Expenses to the extent money in the Maintenance Account is insufficient for such purpose. See "SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION – Covenant to Fund Maintenance Account."

Reserve Maintenance Account. The Master Indenture requires the Commission to establish the Reserve Maintenance Account, which will be held by the Commission in the name of the Commission outside of the Master Indenture. Money held in the Reserve Maintenance Account will be used to pay current capital expenditures shown in the Annual Capital Budget for the System, plus the cost of unusual or extraordinary maintenance (as determined solely by the Commission) and will be disbursed only for such purposes, except as otherwise provided in the Master Indenture. Such purposes include, but are not limited to, paying the cost of constructing, repairing, replacing, improving and reconstructing improvements and betterments to all parts of the System at any time open to vehicular traffic, including, without limitation, additional lanes, tunnels, interchanges, toll plazas, bridges, connecting roads, transit interface facilities, safety rails and other safety improvements, illumination, signage and any equipment and other improvements deemed necessary or desirable by the Commission. Money held in the Reserve Maintenance Account does not secure the payment of any Obligations, including the Bonds. The Commission has covenanted in the Master Indenture, subject to funds being appropriated by the Legislature for such purposes, to pay any required capital expenses to the extent money in the Reserve Maintenance Account is insufficient for such purpose. See "SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION – Covenant to Fund and Cover Shortfalls in Reserve Maintenance Account."

Flow of Funds

The Master Indenture establishes the Revenue Fund for the application and deposit of all Revenues. As far as practicable, the Commission will deposit all Revenues daily to the credit of the Revenue Fund.

In recognition that Obligations may come due on various dates; that First Tier Obligations have a security interest in the Trust Estate senior to the Second Tier Obligations and the Subordinate Lien Obligations; that the security interest in the Trust Estate securing any Second Tier Obligations is superior to the security interest securing the Subordinate Lien Obligations; and that Second Tier Obligations and Subordinate Lien Obligations, or interest thereon, may become due and payable on a date or dates in a Fiscal Year prior to the date a First Tier Obligation or the interest thereon is due and Subordinate Lien Obligations may come due prior to First Tier Obligations and Second Tier Obligations, the Commission has covenanted that no transfer from the Revenue Fund to any fund, other than the First Tier Debt Service Fund or the First Tier Debt Service Reserve Fund, will be made in any Fiscal Year unless, in the opinion of a TTA Representative set forth in a certificate delivered to the Trustee, the transfer is not anticipated to result in the inability of the Commission to make a later transfer, as required by the Master Indenture, to a fund securing Obligations that have a security interest in the Trust Estate senior to that securing the Obligations that are secured by the fund into which the transfer is scheduled to be made.

Except as provided above, the Trustee will transfer amounts on deposit in the Revenue Fund to the following Funds and in the following order of priority:

(1) **First**, to the Rebate Fund from time to time, money that the Commission determines to deposit to such fund (i) for purposes of compliance with any amendments to section 148(a) of the Code or (ii) as it otherwise deems necessary or appropriate to provide funds for payments to the United States of amounts due under section 148 of the Code and to pay costs related to the calculation of such amounts.

(2) **Second**, to the applicable account of the First Tier Debt Service Fund (or to a fund or account created to pay or repay amounts owed under a Credit Facility entered into in connection with a Series of First Tier Obligations) on or before the last Business Day preceding each Interest Payment Date or principal (or sinking fund redemption) payment date for the First Tier Obligations (or such other day as set forth in a Supplemental Indenture), the amounts due on any First Tier Obligation.

(3) **Third**, to the First Tier Debt Service Reserve Fund on or before the last Business Day of each month, (i) the amount, if any, required to make the amount on deposit in the First Tier Debt Service Reserve Fund equal to the First Tier Debt Service Reserve Requirement, which restoration is intended to occur within 18 months of the occurrence of any deficiency, and (ii) the amount set forth in a Supplemental Indenture if an amount different from the First Tier Debt Service Reserve Requirement is required.

(4) **Fourth**, to the applicable account of the Second Tier Debt Service Fund (or to a fund or account created to pay or repay amounts owed under a Credit Facility entered into in connection with a Series of Second Tier Obligations) on or before the last Business Day preceding each Interest Payment Date or principal (or sinking fund redemption) payment date for the Second Tier Obligations (or such other day as set forth in a Supplemental Indenture), the amounts due on any Second Tier Obligation.

(5) **Fifth**, to the Second Tier Debt Service Reserve Fund on or before the last Business Day of each month the amount set forth in a Supplemental Indenture establishing the Second Tier Debt Service Reserve Requirement is required.

(6) **Sixth**, to the applicable account of the Subordinate Lien Debt Service Fund (or to a fund or account created to pay or repay amounts owed under a Credit Facility entered into in connection with a Series of Subordinate Lien Obligations) on or before the last Business Day preceding each Interest Payment Date or principal (or sinking fund redemption) payment date for the Subordinate Lien Obligations (or such other day as set forth in a Supplemental Indenture), the amounts due on any Subordinate Lien Obligation.

(7) **Seventh**, to any reserve fund or other funds or accounts created under Supplemental Indentures for the security of Subordinate Lien Obligations.

(8) **Eighth**, to the Rate Stabilization Fund on or before the last Business Day of each month, amounts sufficient to accumulate in or restore the balance in such fund, as soon as possible, to an amount equal to the Rate Stabilization Fund Requirement.

(9) **Ninth**, to the Operating Account on or before the last Business Day of each month, an amount sufficient to make the balance in the Operating Account equal to the amount contemplated by (i) the Commission's Annual Operating Budget and (ii) a certificate of a TTA Representative, to be necessary to pay Operating Expenses for the ensuing two months (the "*Operating Account Requirement*"). Notwithstanding the foregoing, in any Fiscal Year in which the portion of Operating Expenses estimated to be paid with Revenues for such period is equal to less than the Projected Operating Expenses, the amount required to be transferred from the Revenue Fund to the Operating Account each month will be limited to the amount set forth in the Annual Operating Budget for that Fiscal Year. The Commission has covenanted in the Master Indenture to cover shortfalls in the Operating Account. See "SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION – Covenant to Cover Shortfalls in Operating Account."

(10) **Tenth**, to the General Reserve Fund (after retaining such funds in the Revenue Fund as are required by the Master Indenture and subject to certain conditions as described above in "Funds and Accounts – General Reserve Fund") on or before the last Business Day of each Fiscal Year (or more frequently if every such condition has been satisfied), any Surplus Revenues from the Revenue Fund. "*Surplus Revenues*" are those funds held in the Revenue Fund that a TTA Representative determines, in a certificate (the "*Surplus Revenues Certificate*") delivered to the Trustee, to be in excess of the amount required to be reserved therein for future transfers to the First Tier Debt Service Fund, the Second Tier Debt Service Fund or any fund or account established for the payment or security of any Obligations. The Surplus Revenues Certificate must also state that as of the date of the transfer (i) no Event of Default has occurred and is continuing and (ii) every Fund and Account contains the amount then required to be on deposit therein.

The Commission has covenanted in the Master Indenture that no transfer from the Revenue Fund to any fund, other than the First Tier Debt Service Fund or the First Tier Debt Service Reserve Fund, will be made in any year if the result of the transfer is anticipated, in the opinion of a TTA Representative, to result in the inability of the Commission to make a later transfer, as required by the Master Indenture, to a fund securing Obligations that have a security interest in the Trust Estate senior to that securing the Obligations that are secured by the Fund into which the transfer is scheduled to be made.

Rate Covenant

Maintenance of Rates. The Commission has covenanted in the Master Indenture that it will (a) adopt and maintain in effect a Toll rate schedule for the System, in substantial conformity with the recommendation of the Traffic Consultants and (b) establish charges for other uses of the property constituting a part of the System, such as real property leases, designed collectively to produce Revenues in each Fiscal Year in an amount at least equal to the sum of (i) and (ii) below as follows:

(i) the amounts required to be deposited in the First Tier Debt Service Reserve Fund, the Second Tier Debt Service Reserve Fund, the Rate Stabilization Fund, and any other fund established by a Supplemental Indenture to be funded by Revenues; and

(ii) the greater of (a), (b) or (c) as follows:

(a) 140% of the Annual Debt Service (as defined below) on all Outstanding First Tier Obligations; or

(b) 110% of the Annual Debt Service on all Outstanding First Tier Obligations, all Outstanding Second Tier Obligations and the 2002 TIFIA Bond; or

(c) 100% of the Annual Debt Service on all Outstanding First Tier Obligations, all Outstanding Second Tier Obligations, and all Outstanding Subordinate Lien Obligations.

In the process of developing and adopting the Toll rate schedule for a period or portion of a period that constitutes a "*Construction and Ramp-Up Period*" (as defined below), the Traffic Consultants and the Commission will assume that Revenues for such period include the amounts forecasted to be on deposit in the Rate Stabilization Fund and the General Reserve Fund as reflected in the Annual Operating Budget for such period.

In making the calculations in (a), (b) and (c) above, the Commission may take into account any amounts reasonably expected to be received in the Fiscal Year from or as a result of any Additional Obligation Security the Commission has pledged for the benefit of all Obligations or the Obligations of any particular Tier or Series; however, if the pledge is not for the benefit of all Obligations, the amounts reasonably expected to be received may be taken into account only when making the calculation for the affected Obligations.

"*Annual Debt Service*," for any annual period, means with respect to all Outstanding Obligations or to all First Tier Obligations, Second Tier Obligations or Subordinate Lien Obligations, (i) the amount of principal and interest paid or payable with respect to such Obligations in the annual period, plus (ii) Reimbursement Obligations paid or payable by the Commission in such annual period (but only to the extent they are not duplicative of such principal and interest), plus (iii) the amounts, if any, paid or payable by the Commission in such annual period with respect to Approved Swap Agreements, minus (iv) the amounts, if any, paid or payable to the Commission in such annual period with respect to Approved Swap Agreements, provided that the difference between the amounts described in clauses (iii) and (iv) will be included only to the extent that such difference would not be recognized as a result of the application of the assumptions set forth below, and minus (v) all amounts which are deposited to the credit of a debt service fund or the Construction Fund for the payment of interest on First Tier Obligations, Second Tier Obligations or Subordinate Lien Obligations, as the case may be, from original proceeds from the sale of such Obligations or from any other lawfully available source (other than the Revenue Fund or any money that would constitute Revenues in the subject annual period), and that are used or scheduled to be used to pay interest on such Obligations during any annual period. The Master Indenture sets forth the following assumptions to be used in calculating Annual Debt Service:

(A) in determining the principal amount paid or payable with respect to Obligations or Reimbursement Obligations in each annual period, payment will be assumed to be made in accordance with any amortization schedule established for such Indebtedness, including amounts paid or payable pursuant to any mandatory redemption schedule for such Indebtedness;

(B) if any of the Indebtedness or proposed Indebtedness constitutes Balloon Indebtedness or Short-Term Indebtedness, then such amounts thereof as constitute Balloon Indebtedness or Short-Term Indebtedness will be treated as if such Indebtedness is 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 as calculated by, and set forth in a certificate of a TTA Representative. Anything to the contrary herein notwithstanding, during the annual period preceding the final maturity date of such Balloon Indebtedness and in every case with respect to Short-Term Indebtedness, all of the principal thereof will be considered to be due on the Maturity or due date of such Balloon Indebtedness or Short-Term Indebtedness through the issuance of Long-Term Indebtedness, unless the Commission provides to the Trustee a certificate of a Financial Consultant certifying that, in its judgment, the Commission will be able to refund such Balloon Indebtedness or Short Term Indebtedness through the issuance of Long-Term Indebtedness, in which event the Balloon Indebtedness or Short-Term Indebtedness will be amortized over the term of such proposed refunding Indebtedness and will bear the interest rate specified in the certificate of the Commission's Financial Consultant;

(C) as to any annual period prior to the date of any calculation, such requirements will be calculated solely on the basis of Obligations that were Outstanding as of the first day of such period; and as to any future annual period such requirements will be calculated solely on the basis of Obligations Outstanding as of the date of calculation plus any Obligations then proposed to be issued;

(D) if any of the Indebtedness or proposed Indebtedness constitutes Variable Rate Indebtedness, then subject to the following proviso, interest in future periods will be based on the Assumed Variable Rate; provided, however, that if the Commission has entered into an Approved Swap Agreement with respect to a Series of Obligations constituting Variable Rate Indebtedness, the fixed interest rate payable by the Commission under the Approved Swap Agreement will be assumed to be the interest rate on such Obligations if (i) the notional amount

under the Approved Swap Agreement is equal to or greater than the Outstanding principal amount of the Obligations and reduces in the amounts and on the dates that the Obligations mature and (ii) the variable interest rate payable by the Commission on the Obligations is determined by the same formula or reference to the same index as the interest rate payable to the Commission under the Approved Swap Agreement, such that the Commission assumes no basis risk under the swap transaction; and

(E) termination or similar payments under an Approved Swap Agreement will not be taken into account in any calculation of Annual Debt Service.

"*Construction and Ramp-Up Period*" refers to the period commencing with the delivery of Obligations to finance the Costs of the 2002 Project or the costs of expanding, enlarging or extending the System and ending forty-eight (48) months after the opening to vehicular or passenger traffic of (i) any part of the 2002 Project or (ii) the improvements financed with the proceeds of the Obligations in the case of Obligations issued subsequent to the issuance of the Series 2002 Obligations and the 2002 TIFIA Bond, provided, however, when such term is used in determining (A) anticipated Revenues for purposes of applying the Rate Covenant to the requirements relating to the 2002 TIFIA Bond or (B) Projected Revenues for purposes of determining the Projected Debt Service Coverage Ratio for the 2002 TIFIA Bond, the end of the period shall be forty-eight (48) months after the commencement of the amortization of the 2002 TIFIA Bond. The Construction and Ramp-Up Period for the 2002 Project ended November, 2010.

Certification by Traffic Consultants. Prior to adopting any change in the schedule of rates or Tolls for the System, the Commission will obtain and file with the Trustee a certificate by the Traffic Consultants stating either (i) in their opinion, if such proposed Toll rate schedule had been in effect during the preceding annual period, and taking into effect the Revenues anticipated to be received in such annual period as estimated by the Commission, it would not have caused a decrease in the Revenues for said preceding annual period; or (ii) in their opinion, the adoption of such proposed Toll rate schedule will not adversely affect the ability of the Commission to comply with the Rate Covenant.

Any such certificate by the Traffic Consultants will be based on the opinion of the Traffic Consultants as to Revenues to be derived by the Commission from the ownership and operation of the System (which Revenues will be deemed to include all investment income previously described herein as constituting Revenues of the System, as estimated by the Commission), and upon certification by the Commission as to the amount of Operating Expenses paid or accrued during any pertinent annual period, assuming that the proposed Toll rate schedule had been in effect during such pertinent annual period.

Stantec Consulting Services Inc. ("*Stantec*") is now acting as the Traffic Consultant under the Master Indenture. See "THE SYSTEM AND THE 2002 PROJECT – Toll Rates" and "APPENDIX D - CENTRAL TEXAS TURNPIKE SYSTEM 2010 TRAFFIC AND REVENUE FORECAST."

No Immediate Event of Default for Failure to Comply with Rate Covenant. The failure of the System in any Fiscal Year to produce Revenues in the amounts contemplated by the Rate Covenant, which failure may continue during the succeeding Fiscal Year, will not constitute an Event of Default under the Master Indenture if (i) certain other Events of Default (including failure to pay debt service and any defaults under a Supplemental Indenture) have not occurred as a result of such failure, (ii) the Commission, promptly after determining that the requirements of the Rate Covenant were not met, requests that the Traffic Consultants make written recommendations as to appropriate revisions to the Toll rate schedule necessary or appropriate to meet the requirements of the Rate Covenant and furnishes the Trustee with a copy of such request and (iii) the Commission complies with the recommendations of the Traffic Consultants with respect to Tolls. In addition to any other remedies the Trustee may have under the Master Indenture, if the Commission does not comply with the recommendations of the Traffic Consultants in respect of Tolls, the Trustee may, and upon the request of the Secured Owners of not less than 25% in principal amount of the First Tier Obligations then Outstanding and upon being indemnified to its satisfaction, will institute and prosecute in a court of competent jurisdiction in Travis County, Texas, any appropriate action to compel the Commission to revise the Toll rate schedule. The Commission covenants in the Master Indenture that it will adopt and charge Tolls in compliance with any final order or decree entered in any such proceeding.

In preparing its recommendations, the Traffic Consultants may rely upon written estimates of Revenues prepared by the other Consultants of the Commission. Copies of such written estimates signed by such Consultants will be attached to such recommendations. The Commission covenants in the Master Indenture that promptly after receipt of such recommendations and the adoption of any revised Toll rate schedule, certified copies thereof will be filed with the Trustee.

Additional Obligations

Additional First Tier Obligations. The Commission is authorized under the Master Indenture to issue Additional First Tier Obligations constituting Short-Term Indebtedness and Long-Term Indebtedness, subject to certain restrictions and conditions as described below.

Short-Term Indebtedness. The Commission has agreed in the Master Indenture that it will not issue any Additional First Tier Obligations constituting Short-Term Indebtedness unless immediately after the incurrence of such Short-Term Indebtedness the outstanding principal amount of (i) all Short-Term Indebtedness issued as First Tier Obligations or Second Tier Obligations, plus (ii) all First Tier Obligations or Second Tier Obligations Outstanding in the form of Variable Rate Indebtedness that do not constitute Short-Term Indebtedness, will not exceed 20% of the aggregate principal amount of all Outstanding Obligations. Short-Term Indebtedness issued pursuant to the provisions described in this paragraph will be on a parity with other First Tier Obligations.

Long-Term Indebtedness. The Commission has agreed in the Master Indenture that it will not issue any Additional First Tier Obligations constituting Long-Term Indebtedness unless it delivers specified documentation, including certain opinions, certificates and the following:

(a) a letter from each Rating Agency then maintaining a rating on the Outstanding First Tier Obligations to the effect that the Additional First Tier Obligations have received an investment-grade rating from such Rating Agency, *and*

(b) either:

(i) a report of the Traffic Consultant to the effect that (A) the Revenues during the preceding annual period ending not more than 90 days prior to the date of delivery of the proposed Additional First Tier Obligations were sufficient to satisfy the requirements of the Rate Covenant (which report may assume that a revision of the Tolls that was approved and implemented by the Commission subsequent to the beginning of such annual period had been in effect for the entire annual period), and (B) the Projected Revenues for each Fiscal Year over the term of the proposed Additional First Tier Obligations are expected to produce a Projected Debt Service Coverage Ratio of at least (1) 1.50 with respect to First Tier Obligations, (2) 1.20 with respect to First Tier Obligations and Second Tier Obligations and (3) 1.10 with respect to all Obligations; *or*

(ii) if the Long-Term Indebtedness is being incurred solely for the purposes of refunding, repurchasing or refinancing (whether in advance or otherwise) any Outstanding Long-Term Indebtedness, a certificate of a TTA Representative certifying that the Average Annual Debt Service on all Obligations prior to the issuance of the proposed Long-Term Indebtedness is greater than the Average Annual Debt Service on all Obligations after the issuance of such proposed Long-Term Indebtedness.

Pursuant to the Master Indenture, the Commission has reserved the right to expand the System in the future as well as issue additional debt to finance improvements and additions to the System; however, the Commission currently has no plans to expand the System or issue any additional debt related to the System.

Completion Obligations. To finance the costs of completion of (i) the portion of the System financed with the proceeds of the Series 2002 Obligations or (ii) any improvements, extensions or enlargements to the System financed with the proceeds of Additional First Tier Obligations, the Commission may, without complying with the provisions described above under "- Additional First Tier Obligations – *Long-Term Indebtedness*," issue Additional First Tier Obligations in a principal amount not in excess 10% of the principal amount of the original First Tier Obligations issued to finance such facilities, if prior to the issuance thereof the Commission certifies: (A) that at the time the original First Tier Obligations for the facilities to be completed were issued, the Commission had reason to

believe that the proceeds of such First Tier Obligations, together with other money then expected to be available, would provide sufficient money for the completion of such facilities, (B) the amount estimated to be needed to so complete the facilities, and (C) that the proceeds of such First Tier Obligations to be applied to the completion of the facilities, together with (1) reasonably estimated investment income to be earned on such proceeds and available to pay such Cost, (2) the amount of money, if any, committed to such completion from available cash or marketable securities and reasonably estimated earnings thereon, (3) enumerated bank loans (including letters or lines of credit), and (4) any other money reasonably expected to be available, will be a total amount equal to at least the amount estimated to be required to complete the facilities. The principal amount of the proposed completion Additional First Tier Obligations to be used in applying the test set forth in this paragraph includes the amount required to (a) provide completed and equipped facilities of substantially the same type and scope contemplated at the time such prior First Tier Obligations were originally issued, (b) provide for capitalized interest during the period of construction, (c) provide the required deposit, if any, to cause the balance in the First Tier Debt Service Reserve Fund to equal the First Tier Debt Service Reserve Requirement and (d) pay the costs and expenses of issuing such First Tier Obligations.

Springing First Tier Obligation. Upon the occurrence of a Bankruptcy-Related Event under the TIFIA Loan Agreement and the Master Indenture while the USDOT owns the 2002 TIFIA Bond, the 2002 TIFIA Bond automatically will become a First Tier Obligation for purposes of the Master Indenture, except that it will not be entitled to be paid from amounts in the First Tier Debt Service Reserve Fund. See "- Default and Remedies - *2002 TIFIA Bond Default Remedy*" and "RISK FACTORS - Dilution of First-Tier Security Upon Bankruptcy-Related Event."

Additional Second Tier Obligations. The Master Indenture permits the Commission to issue Additional Second Tier Obligations constituting both Short-Term Indebtedness and Long-Term Indebtedness, subject to certain restrictions and conditions as follow. With respect to Additional Second Tier Obligations constituting Short-Term Indebtedness, the Master Indenture restricts the amount of such Short-Term Indebtedness that can be issued to an amount that, when combined with other Short-Term Indebtedness and any Variable Rate Indebtedness then Outstanding, does not exceed 20% of the aggregate principal amount of all Outstanding Obligations. In addition, the Commission must deliver a letter from each Rating Agency then maintaining a rating on the Outstanding First Tier Obligations or Second Tier Obligations to the effect that the Additional Second Tier Obligations being issued as Short-Term Indebtedness have received an investment-grade rating. With respect to Additional Second Tier Obligations constituting Long-Term Indebtedness, the Master Indenture conditions issuance on delivery of certain documents, opinions, certificates, including a letter from each Rating Agency then maintaining a rating on the Outstanding First Tier Obligations or Second Tier Obligations to the effect that the Additional Second Tier Obligations have received an investment-grade rating from the Rating Agency, and either (i) a report of the Traffic Consultants certifying as to (A) compliance with the Rate Covenant and (B) Projected Revenues for each Fiscal Year during the term of the Additional Second Tier Obligations that produce a Projected Debt Service Coverage Ratio of at least 1.20 with respect to First Tier Obligations and Second Tier Obligations and of at least 1.10 with respect to all Obligations, *or* (ii) if the Long-Term Indebtedness is being issued to refund, refinance or repurchase any Outstanding Long-Term Indebtedness, a Commission certification that Average Annual Debt Service will be reduced by issuance of such refunding Long-Term Indebtedness. The payment of any Second Tier Obligations will at all times be subordinate and junior to the payment of any First Tier Obligations, including Additional First Tier Obligations, then outstanding and any Additional First Tier Obligations thereafter issued. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE FIFTH SUPPLEMENTAL INDENTURE – Limitations on Other Indebtedness – *Limitations on Issuance of Additional Second Tier Obligations and Execution of Approved Second Tier Swap Agreements* – Second Tier Approved Swap Agreements."

Additional Subordinate Lien Obligations. The Master Indenture also permits the Commission to issue Additional Subordinate Lien Obligations constituting both Short-Term Indebtedness and Long-Term Indebtedness, subject to certain restrictions and the following conditions. With respect to Additional Subordinate Lien Obligations constituting Short-Term Indebtedness, the Master Indenture restricts the amount of such Short-Term Indebtedness that can be issued to an amount that, when combined with other Short-Term Indebtedness and any Variable Rate Indebtedness then Outstanding, does not exceed 20% of the aggregate principal amount of all Outstanding Obligations. In addition, the Commission must deliver a letter from each Rating Agency then maintaining a rating on any Outstanding Obligations to the effect that the Additional Subordinate Lien Obligations being issued as Short-Term Indebtedness have received an investment-grade rating. With respect to Additional Subordinate Lien

Obligations constituting Long-Term Indebtedness, the Master Indenture conditions issuance on delivery of certain documents, opinions and certificates, and either (i) a report of the Traffic Consultants certifying as to (A) compliance with the Rate Covenant and (B) Projected Revenues for each Fiscal Year during the term of the Additional Subordinate Lien Obligations that produce a Projected Debt Service Coverage Ratio of at least 1.10 with respect to all Obligations, or (ii) if the Long-Term Indebtedness is being issued to refund, refinance or repurchase any Outstanding Long-Term Indebtedness, a Commission certification that Average Annual Debt Service will be reduced by issuance of such refunding Long-Term Indebtedness. The payment of any Subordinate Lien Obligations will at all times be subordinate and junior to the payment of any First Tier Obligations and Second Tier Obligations, including Additional First Tier Obligations and Additional Second Tier Obligations, then Outstanding and any Additional First Tier Obligations and Additional Second Tier Obligations thereafter issued. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE FIFTH SUPPLEMENTAL INDENTURE – Limitations on Other Indebtedness – *Limitations on Issuance of Additional Subordinate Lien Obligations and Execution of Approved Subordinate Lien Swaps* – Subordinate Lien Approved Swap Agreements."

Additional Covenants of the Commission

Covenant Not to Build Competing System. The Commission has agreed in the Master Indenture to use its best efforts to further the economic viability of the System and, except as described below, to refrain from initiating, supporting or approving any Capital Project (as defined below) on the State Highway System that would have the purpose or reasonably foreseeable effect of materially adversely affecting the ability of the Commission to comply with its covenants in the Master Indenture, particularly the Rate Covenant and its covenant to pay when due the principal of and interest on all Obligations. Additionally, the Commission has covenanted in the Master Indenture not to construct, operate, assist, provide funding for, or support, directly or indirectly, and to exercise all discretionary authority available to it under applicable law to dissuade other governmental, non-profit or private entities, directly or indirectly, from constructing, operating, permitting, assisting or supporting, any State Highway System Capital Projects or improvements, realignments or enhancements of State Highway System Capital Projects that would have the purpose or reasonably foreseeable effect of materially adversely affecting the ability of the Commission to comply with the covenants in the Master Indenture, particularly those covenants noted in the previous sentence, except for: (i) any State highway improvements necessary for improved safety, maintenance or operational purposes; (ii) any intercity, intra-city, commuter, urban, high speed rail projects or any combination of the foregoing supported by the State and/or others; and (iii) any High-Occupancy-Vehicle exclusive lanes operationally required by environmental regulatory agencies.

"*Capital Projects*" for purposes of this subsection means those projects undertaken to construct a transportation facility for motorized vehicular traffic where no such facility existed previously or to construct a portion of a transportation facility where additional or widened traffic lanes are physically added on to existing traffic lanes on an existing facility, but excluding any projects (i) included in the Capital Area Metropolitan Planning Organization's "CAMPO 2025 Transportation Plan" issued in 2000 (the "*CAMPO 2025 Transportation Plan*"), a planning guide that contains transportation policy and projects to 2025, or (ii) undertaken to increase traffic capacity by modifying existing facilities through the installation of traffic sensors, metering devices, intersection grade separations, and Intelligent Transportation Systems equipment or work involving the re-striping of traffic lanes, medians and shoulders.

Notwithstanding the provisions summarized above under this subcaption (the "*Non-Compete Provisions*") and without causing the occurrence of an Event of Default under the Master Indenture through violation of the Non-Compete Provisions, the Commission may take any action otherwise not permitted by the Non-Compete Provisions or fail to take any action otherwise required by the Non-Compete Provisions (any such action or inaction, a "*Permitted Breach*"), if

(a) it engages the Traffic Consultants to study and report on the anticipated annual effect on Revenues of the Permitted Breach; and

(b) it deposits with the Trustee the amount, if any, shown by the report of the Traffic Consultants to be the amount by which Revenues will be reduced by the Permitted Breach. In computing the amount of the deposit under this clause (b), the Commission may take into account investment earnings anticipated to be earned by the amount deposited if such amount is invested in Defeasance Securities (as defined in the Master Indenture) and an

independent certified public accountant certifies that the amount of the deposit, together with investment earnings on the Defeasance Securities, will produce in each year an amount equal to the amount by which the Traffic Consultants estimates that Revenues will be reduced in each of such years as a result of the Permitted Breach.

Reservation of Right to Transfer System

Under the Master Indenture, the Commission has reserved the right to transfer all or any part of the System to a regional mobility authority, a regional tollway authority or another governmental entity authorized by law to own and operate toll facilities, but only upon satisfaction of the following conditions:

(a) the General Engineering Consultant issues a report in which it estimates the Operating Expenses and Maintenance Expenses for the System following such transfer for each Fiscal Year that any Obligations are scheduled to be Outstanding;

(b) the Traffic Consultants issue a traffic and revenue projection showing the Projected Revenues for the System following such transfer for each Fiscal Year that any Obligations are scheduled to be Outstanding;

(c) based upon the reports of the General Engineering Consultant and the Traffic Consultants described in clauses (a) and (b) above, the Commission certifies that (i) the Projected Debt Service Coverage Ratio would be sufficient to allow each of the then-Outstanding Obligations to be issued in compliance with the terms of the Master Indenture if such Obligations were being issued on the date of such certification and (ii) the Commission is not in default under the Master Indenture;

(d) each Rating Agency then maintaining a rating on the Outstanding Obligations issues a letter to the Commission to the effect that such transfer would not have the effect of causing the Rating Agency to lower such existing rating;

(e) if the 2002 TIFIA Bond is still outstanding, the USDOT consents in writing to such transfer and the additional requirements of the TIFIA Loan Agreement relating to such transfer are satisfied or waived by the USDOT;

(f) any money paid by the Department from the State Highway Fund for the design, construction, operation and maintenance of the transferred property is repaid to the State Highway Fund;

(g) the Commission delivers an opinion of Counsel to the effect that the transfer is authorized by law; and

(h) the Commission delivers an Opinion of Bond Counsel to the Trustee to the effect that the transfer will not adversely affect the treatment for federal income tax purposes of interest on any Outstanding Obligations.

The Commission's rights under the Master Indenture with respect to the transfer of System assets are subject to any additional constraints imposed on such transfers under State law.

Default and Remedies

Events of Default. The occurrence and continuation of any of the following constitutes an "*Event of Default*" under the Master Indenture:

(a) failure by the Commission to pay the principal of and premium, if any, or interest on any of the Obligations or to pay Capital Payments when the same shall become due and payable, either at Stated Maturity, by proceedings for redemption or pursuant to the terms of the Obligation or any failure of the Commission to purchase or cause to be purchased any Tender Indebtedness (the Bonds do not constitute Tender Indebtedness for purposes of the Master Indenture), including any applicable Variable Rate Indebtedness, upon any optional or mandatory tender to the Commission or a tender agent of the Commission; or

(b) an event of default under a Credit Facility, a First Tier DSRF Security, a Second Tier DSRF Security, an Approved Swap Agreement, or a Reimbursement Agreement; or

(c) the Commission unreasonably delays or fails to carry out with reasonable dispatch or discontinue the construction of any portion of the System for which Obligations have been issued and are then Outstanding; or

(d) substantially all or any major portion of the System is destroyed or damaged to the extent of impairing its efficient operation and materially adversely affecting the Revenues and is not promptly repaired, replaced, or reconstructed (whether such failure promptly to repair, replace, or reconstruct the same is due to the impracticability of such repair, replacement, or reconstruction or to lack of funds therefor or for any other reason); or

(e) judgment for the payment of money is rendered against the Commission if such judgment is under any circumstances payable from Revenues and is in an amount such that its payment would, in the opinion of the Trustee, have a materially adverse effect upon the financial condition of the System 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

(f) a bankruptcy or insolvency event with respect to the Commission has occurred and has not been cured, vacated, discharged, or stayed within sixty (60) days after the occurrence thereof; or

(g) the Commission fails to duly and punctually perform any other covenant, condition, agreement, or provision contained in any Obligations or in the Master Indenture, and, (with the exception of covenants relating to the issuance of Additional Obligations, placing encumbrances upon Revenues, disposing of System property, preserving the tax-exempt status of interest on the Series 2002 Obligations and the Bonds and requiring the System to refrain from funding or approving capital projects on the State Highway System that would materially adversely affect the Commission's ability to comply with the Master Indenture), such failure continues for sixty (60) days after written notice specifying such failure and requiring it to be remedied has been given to the Commission by the Trustee, which may give such notice in its discretion and must give such notice at the written request of the Secured Owners of not less than ten percent (10%) in principal amount of the Obligations then Outstanding; and the Trustee will investigate and consider any allegation of such default or Event of Default of which any Bond Insurer of record notifies the Trustee in writing.

Remedies. Upon the happening and continuance of any Event of Default, the Trustee may proceed, and upon the written request of the Secured Owners of not less than twenty percent (20%) in principal amount of the Obligations then Outstanding must proceed, subject to certain provisions of the Master Indenture governing the rights of the Trustee, to protect and enforce its rights and the rights of the Secured Owners under the Acts and under the Indenture 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 Indenture or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In enforcing any remedy under the Indenture, 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 Commission for principal, interest or otherwise under any of the provisions of the Indenture or of the Outstanding Obligations and unpaid, with interest on overdue payments, to the extent permitted by law, at the rate or rates of interest borne by such Obligations, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Obligations, without prejudice, to any other right or remedy of the Trustee or of the Secured Owners, and to recover and enforce judgment or decree against the Commission, but solely as provided in the Indenture and in such Obligations, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from Revenues) in any manner provided by law, the money adjudged or decreed to be payable. See "RISK FACTORS – Limitation and Enforceability of Remedies."

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 Indenture would be successful.

Under current State law, the Commission is prohibited from waiving sovereign immunity from suit or liability with respect to the Bonds, and the owners thereof and the Trustee are prevented from bringing a suit against the Commission to adjudicate a claim to enforce their rights under the Bonds or the Indenture or for damages for breach of the Commission's obligations relating to the Bonds. However, State courts have held that mandamus proceedings against a governmental unit, such as the Commission, as discussed above, are not prohibited by sovereign immunity. Further, the Commission has agreed to adopt and charge Tolls in compliance with any final order or decree entered in a proceeding to compel the Commission to revise the Toll rate schedule if Revenues are insufficient to comply with the Rate Covenant.

Pro Rata Application of Funds. If at any time the money in the First Tier Debt Service Fund, the Second Tier Debt Service Fund or the Subordinate Lien Debt Service Fund, along with money in the respective reserve funds and other funds established by the Master Indenture, is not sufficient to pay the principal of or the interest on the First Tier Obligations or the Second Tier Obligations as the same become due and payable, such money, together with any money then or thereafter available for such purpose, whether through the exercise of the remedies provided for in the Master Indenture or otherwise, will be applied (subject to the certain provisions of the Master Indenture governing rights and compensation of the Trustee) as set forth in (a) through (f) below; provided, however, that amounts on deposit in a fund or account (i) dedicated to the payment or security of the First Tier Obligations, the Second Tier Obligations, or the Subordinate Lien Obligations or (ii) constituting Additional Obligation Security for the benefit of one or more specific Series of Obligations will not be applied as provided in (a) through (f) below but will be used only for the purpose for which such deposits were made:

(a) Unless the principal of all First Tier Obligations is due and payable, all such money will be applied **first**: to the payment of all installments of interest then due on the First Tier Obligations, 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, without any discrimination or preference except as to any difference in the respective rates of interest specified in the First Tier Obligations; and **second**: to the payment of the principal of any First Tier Obligations that have matured, and, if the amount available is not sufficient to pay all of such matured First Tier Obligations, then to the payment thereof ratably, according to the amount due, or if no First Tier Obligations have matured, then to the retirement of First Tier Obligations.

(b) If the principal of all First Tier Obligations is then due and payable, all such money will be applied to the payment of the principal and interest then due and unpaid on the First Tier Obligations, 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 Obligations over any other First Tier Obligations, ratably, according to the amounts due respectively for principal and interest, without any discrimination or preference except as to any difference in the respective rates of interest specified in the First Tier Obligations.

(c) If no default exists in the payment of the principal of, premium, if any, or interest on the First Tier Obligations but the principal of, premium, if any, or interest on Second Tier Obligations has not been paid when due, unless the principal of all Second Tier Obligations is then due and payable, all such money will be applied **first**: to the payment of all installments of interest then due on the Second Tier Obligations, in the order of the Maturity of the installments of such interest, and, if the amounts available are not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Second Tier Obligations; and **second**: to the payment of the principal of any Second Tier Obligations that have matured, and, if the amount available is not sufficient to pay all of such matured Second Tier Obligations, then to the payment thereof ratably, according to the amount due, or if no Second Tier Obligations have matured, to the retirement of Second Tier Obligations.

(d) If no default exists in the payment of the principal of, premium, if any, or interest on the First Tier Obligations but the principal of all the Second Tier Obligations is then due and payable, all such money will be applied to the payment of the principal and interest then due and unpaid upon the Second Tier Obligations, 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 Obligations over any other Second Tier Obligations, ratably,

according to the amounts due respectively for principal and interest, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Second Tier Obligations.

(e) If no default exists in the payment of the principal of, premium, if any, or interest on the First Tier Obligations or the Second Tier Obligations but the principal of, premium, if any, or interest on Subordinate Lien Obligations has not been paid when due, unless the principal of all Subordinate Lien Obligations is then due and payable, all such money will be applied **first**: to the payment of all installments of interest then due on the Subordinate Lien Obligations, in the order of the Maturity of the installments of such interest, and, if the amounts available are not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Lien Obligations; and **second**: to the payment of the principal of any Subordinate Lien Obligations that have matured, and, if the amount available is not sufficient to pay all of such matured Subordinate Lien Obligations, then to the payment thereof ratably, according to the amount due, or if no Subordinate Lien Obligations have matured, to the retirement of Subordinate Lien Obligations.

(f) If no default exists in the payment of the principal of, premium, if any, or interest on the First Tier Obligations or the Second Tier Obligations but the principal of all the Subordinate Lien Obligations is then due and payable, all such money will be applied to the payment of the principal and interest then due and unpaid upon the Subordinate Lien Obligations, 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 Subordinate Lien Obligations over any other Subordinate Lien Obligations, ratably, according to the amounts due respectively for principal and interest, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Subordinate Lien Obligations.

Majority of Secured Owners May Control Proceedings. Any other provisions of the Master Indenture notwithstanding, the Secured Owners of not less than a majority in principal amount of First Tier Obligations then Outstanding (or, if no First Tier Obligation is then Outstanding, then the Secured Owners of not less than a majority in principal amount of the Second Tier Obligations then Outstanding) will have the right, subject to certain provisions of the Master Indenture regarding the Trustee's rights, to direct the method and place of conducting all remedial actions to be taken by the Trustee under the Master Indenture. However, the Trustee will have the right to decline to follow any such direction that in the opinion of the Trustee would be unjustly prejudicial to Secured Owners that are not parties to such direction.

Restrictions Upon Action by Individual Secured Owner. No Secured Owners of any of the Outstanding Obligations will have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the execution of any trust under the Master Indenture or the protection or enforcement of any right under the Master Indenture or any resolution or minute order of the Commission authorizing the issuance of First Tier Obligations or Second Tier Obligations, or any right under applicable laws of the State (except for an action for the recovery of overdue and unpaid principal, interest or redemption premium) unless (i) such Secured Owner gives 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, (ii) the Secured Owners of not less than twenty percent (20%) in principal amount of the First Tier Obligations and Second Tier Obligations then Outstanding have (A) made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, has accrued, (B) afforded the Trustee a reasonable opportunity either to (1) proceed to exercise the powers granted under the Master Indenture or applicable laws of the State or (2) to institute such action, suit or proceeding in its or their name, and (C) offered the Trustee reasonable security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred by it, and (iii) the Trustee has refused or neglected to comply with the request described in clause (ii)(A) within a reasonable time.

2002 TIFIA Bond Default Remedy. Upon the occurrence of a Bankruptcy-Related Event under the TIFIA Loan Agreement and the Master Indenture while the USDOT owns the 2002 TIFIA Bond, the 2002 TIFIA Bond will be deemed to be and will automatically become, as of the date of occurrence of such a Bankruptcy-Related Event, a First Tier Obligation for all purposes of the Master Indenture, and the USDOT, acting through the Federal Highway Administration, will be deemed the Secured Owner of such First Tier Obligation. In the event that occurrence of such a Bankruptcy-Related Event and any then existing defaults under the TIFIA Loan Agreement are cured, the 2002 TIFIA Bond will no longer be treated as a First Tier Obligation and will revert to the status of a Subordinate Lien Obligation. Notwithstanding the other provisions described in this heading, if on the date that

such a Bankruptcy-Related Event occurs there are any amounts on deposit in the First Tier Debt Service Fund or the First Tier Debt Service Reserve Fund, such amounts will be used to pay amounts due or to become due on the First Tier Obligations Outstanding immediately prior to the occurrence of such Bankruptcy-Related Event. In the event the 2002 TIFIA Bond is deemed a First Tier Obligation, the Master Indenture provides that the 2002 TIFIA Bond (i) will not be secured by the First Tier Debt Service Reserve Fund and (ii) will not be taken into account in computing the First Tier Debt Service Reserve Requirement. See "- Funds and Accounts - *First Tier Debt Service Reserve Fund*."

THE COMMISSION AND THE DEPARTMENT

The Commission

The Commission is the Department's policy-making body and is composed of five commissioners appointed by the Governor of the State (the "*Governor*") with the advice and consent of the State Senate. Commissioners serve overlapping six year terms. One member is designated by the Governor as the Chair and serves as the chief executive officer of the Commission. A person is not eligible to be a member of the Commission if the person or the person's spouse is employed by or manages a business that is regulated by or regularly receives funds from the Department; directly or indirectly owns or controls more than ten percent (10%) interest in a business that is regulated by or receives funds from the Department; uses or receives a substantial amount of goods, services, or funds from the Department; or is registered, certified, or licensed by the Department.

The current members of the Commission are listed below.

Deirdre Delisi, Chair

Ms. Delisi is the Chair of the Commission, which oversees the statewide activities of the Department. Governor Rick Perry appointed Ms. Delisi Chair on April 30, 2008. Ms. Delisi has more than 14 years experience in government policy. Ms. Delisi served as chief of staff and deputy chief of staff to Governor Perry, and served as special assistant when he was lieutenant governor. A former policy advisor to the presidential campaigns of Lamar Alexander and George W. Bush, Ms. Delisi served at the Texas Department of Commerce and as legislative aide for Texas Senator Bill Ratliff. Ms. Delisi earned a bachelor's degree in political science from Duke University and master's degree in international policy studies from Stanford University. Ms. Delisi's term expires February 1, 2013.

Ned S. Holmes, Commissioner

Mr. Holmes was appointed to the Commission by Governor Perry in January of 2007. Mr. Holmes is chairman and chief executive officer of Ned S. Holmes Investments, Inc., a company that develops and manages real estate nationwide. He is a member of the Urban Land Institute, and he has previously served on the City of Houston's planning commission. Mr. Holmes served as chairman of the Port of Houston Authority from 1988 to 2000. In April 2003, Mr. Holmes was appointed by Governor Perry to the Texas Parks and Wildlife Commission. He resigned that position to serve on the Commission. He also served as chairman, board member and as an executive committee member of the Greater Houston Partnership, and as chairman of Commercial Bancshares, Inc. from 1986 to 2000, when the company merged with Prosperity Bancshares. He was chairman of Prosperity Bancshares, Inc. from 2001 to 2006. Mr. Holmes received his bachelor's degree and law degree from The University of Texas at Austin. Mr. Holmes's term expires February 1, 2011, however, he will continue serving beyond the expiration of his term until a replacement has been appointed.

Ted Houghton, Commissioner

Mr. Houghton was appointed to the Commission by Governor Perry in December of 2003. A native of El Paso, Mr. Houghton is self-employed in the fields of financial services, executive benefits, and estate planning. He is the first resident of El Paso to serve on the Commission. Mr. Houghton has served on the State of Texas School Land Board. He also served for eight years on the El Paso Water Utilities Public Service Board, on the board of directors of the El Paso Electric Company, as president of the Sun Bowl Association, and as a member of the 1984 Los Angeles Olympic Committee. He also served as vice president, chair of the public relations and communications committee and treasurer of the El Paso Rapid Transit Board. Mr. Houghton received his bachelor's degree in finance from The University of Texas at El Paso. Mr. Houghton's term expires February 1, 2015.

William Meadows, Commissioner

Mr. Meadows was appointed commissioner by Governor Perry in April of 2008. Mr. Meadows is chairman of Hub International Rigg. He also served as vice chairman of the North Texas Tollway Authority. He is a past appointee to the Texas Water Development Board and formerly served as a city council member and mayor pro-tempore for the City of Fort Worth. Mr. Meadows currently serves as a trustee of the Hatton Sumners Foundation and the Southwestern Exposition and Livestock Show. He is a past board member of the Fort Worth Chamber of Commerce, Southwestern University, Fort Worth Country Day School, and Forth Worth Museum of Science & History. Mr. Meadows received a bachelor's degree from Southwestern University and attended the Harlaxton Institute in Grantham, England. Mr. Meadows's term expires February 1, 2013.

Fred Underwood, Commissioner

Mr. Underwood was appointed to the Commission by Governor Perry in January of 2007. Mr. Underwood is president and chief executive officer of the Trinity Company, a cotton bale storage facility. He is both past vice president and past director of the National Cotton Council, and was a member of the advisory committee of Plains Capital Corporation. He also serves as chairman of the Ways and Means Committee of the Cotton Warehouse Association, where he previously served as president. Mr. Underwood also previously served as chairman of Lubbock International Airport Board and as a board member of the Lubbock Chamber of Commerce. Mr. Underwood received a bachelor's degree in management from Texas Tech University. Mr. Underwood's term expires February 1, 2015.

The Department

General. The Department is a public authority and body politic and corporate created in 1917 as the "Texas Highway Department" by an act of the State Legislature.

The Department is charged with (i) developing and maintaining a statewide multimodal transportation network, and (ii) other transportation-related duties. The Department's operations can be divided into five major categories:

(1) ***Plan It:*** Includes all planning, design, right-of-way acquisition for highways and other modes of transportation, and transportation research that saves lives and money.

(2) ***Build It:*** Includes highway and bridge construction and airport improvements.

(3) ***Use It:*** Includes items like public transportation, traffic safety and travel information.

(4) ***Maintain It:*** Includes the maintenance of roadways, bridges, airports, gulf waterways and ferry systems.

(5) ***Manage It:*** Includes central and regional administration, information resources and other support services.

The Department is headquartered in Austin, Texas, with 25 district offices, 4 regional offices and 26 divisions/offices located throughout the State. Each district is responsible for the planning, design, construction, maintenance, and operation of its area's transportation systems.

All of the financial matters related to the System are consolidated under the oversight of the Department's Finance Division.

Department Organizational Review. In 2009, the Commission engaged Grant Thornton LLP ("*Grant Thornton*"), an independent accounting firm, to conduct a top-down management and organizational review of the Department. The Commission directed Grant Thornton to perform this review pursuant to a recommendation from

the State Legislature in 2009. The final report was delivered to the Commission during its workshop meeting on May 26, 2010. Following receipt of the final report, the Commission created the TxDOT Restructure Council, which was comprised of three experts who were charged with reviewing and evaluating recommendations from the Grant Thornton report as well as other audits and reviews, to determine areas of emphasis and implementation priorities to present to the Commission. On January 5, 2011, the TxDOT Restructure Council presented its final report of recommendations and priorities to the Commission and concurred with a number of Grant Thornton's prior recommendations including, among others, changing the Department's senior leadership and increasing financial oversight and controls by consolidating all financial functions under the clearly defined authority of a chief financial officer of the Department. The Commission has taken no action regarding the report of the TxDOT Restructure Council; however, Department staff has been instructed to move expeditiously towards determining outside consultants to assist in the reorganization process. The Commission and the Department's administration are committed to improving the Department and preparing it to meet the needs of Texas in the 21st century. Additional information regarding the TxDOT Restructure Council and its final report can be found at http://www.txdot.gov/about_us/organizational_review.htm. Please note that this website address is included herein as an active textual reference only, and the information contained on (or accessed through) such website is not incorporated herein and should not be construed as part of this Remarketing Memorandum.

Select Personnel. The Department is managed by an Executive Director, subject to and under the direction of the Commission. The Executive Director and certain select Department personnel are listed below and on page iii hereof.

Amadeo Saenz, Jr., P.E., Executive Director

Mr. Saenz, under the Commission's direction, manages, directs, and implements the Department's policies, programs, and operating strategies. He also represents the Department before the State Legislature and other entities. Mr. Saenz was appointed Executive Director on October 1, 2007. After earning a bachelor of science degree in civil engineering with honors from The University of Texas at Austin, Mr. Saenz joined the Department in 1978 in the Pharr District as an engineering laboratory assistant. Mr. Saenz served in various positions of increasing responsibility within the Pharr District, and was named district engineer in 1993. In 2001, Mr. Saenz was appointed as Assistant Executive Director for Engineering Operations in Austin. On January 24, 2011, Mr. Saenz announced that it is his intention to retire from his position of Executive Director of the Department effective August 31, 2011.

John A. Barton, P.E., Assistant Executive Director for Engineering Operations

As the Assistant Executive Director for Engineering Operations, Mr. Barton oversees and coordinates operations for nine divisions and offices, including the Texas Turnpike Authority Division. Mr. Barton assists in directing long and short-range planning for the agency including the establishment of overall operating objectives and the technical merits of programs and policies. Mr. Barton began working for the Department as a summer employee of the Wichita Falls District, while he was still in high school. After graduating from Texas A&M University, Mr. Barton continued his work for the Department. In 2003, Mr. Barton received the President's Award for Planning from the American Association of State Highway and Transportation Officials. Mr. Barton was District Engineer for the Beaumont District before being selected to his current position in February 2008.

James M. Bass, Chief Financial Officer

As the Department's Chief Financial Officer, Mr. Bass has financial oversight responsibility for the Department. Mr. Bass also oversees management of the Department's financial planning operations division (the "*Finance Division*"), which now includes programming and scheduling of all transportation projects and letting management activities associated with project delivery, following the Department's reorganization in November 2007. Under his direction, the Finance Division develops and implements systems and policies related to accounting, forecasting, budgeting, payment for goods and services, and the processing of receipts and revenues. The Finance Division also conducts cost-efficiency studies, manages the State Infrastructure Bank, manages debt programs and investment portfolios, and analyzes and reports the financial effects of proposed legislation. Mr. Bass began his career with the Department in 1985 in the Fort Worth District where he maintained records and audited field measurements. He also worked part-time as an engineering aide for the Austin District while earning his bachelor's degree in accounting. After graduation from The University of Texas at Austin in 1991, Mr. Bass served

as an accounting clerk in the Finance Division. In 1997, Mr. Bass became a manager in the Budget and Forecasting Branch, and in that position was responsible for preparation of the Department's Legislative Appropriations Request and Operating Budget, and working with the Texas Legislative Budget Board, State Auditor's Office, and the Comptroller. He also worked on the Department's Cash Forecasting System for the State Highway Fund. Mr. Bass was named Finance Division Director in 1999 and his title was changed to Chief Financial Officer in 2005.

John Muñoz, C.P.A., Deputy Director, Finance Division

As Deputy Director of the Finance Division, Mr. Muñoz develops and implements systems and policies related to accounting, forecasting, budgeting, payment for goods and services, and the processing of receipts and revenues. He is also a lead participant for the department in the comprehensive development agreement process. During his 22 year tenure with the Department, Mr. Muñoz has worked in the audit, budgeting, payment processing and administrative operations. Prior to his employment with the Department, Mr. Muñoz worked for the predecessor firm to KPMG performing audit and tax work. Mr. Muñoz earned a bachelor degree in accounting from The University of Texas at Austin in 1986 and is also a certified public accountant and a certified internal auditor.

Bob Jackson, General Counsel

Mr. Jackson assumed the position of General Counsel on September 15, 2006. Under his direction, the Office of General Counsel renders legal advice to the Commission and the Department. He also drafts Department rules, reviews legislation, and serves as counsel at Commission meetings. Mr. Jackson, who joined the Department 25 years ago as a planner in the Management Information, Policy and Research Section, has practiced law for 20 years. He earned his bachelor's degree in Government and Geography in 1980 and his master's degree in public affairs in 1985 from the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin. He earned his Doctor of Jurisprudence from the University of Houston Law School in 1990.

Mark Tomlinson, P.E., Director, Texas Turnpike Authority Division

Mr. Tomlinson is the director of the Texas Turnpike Authority, which leads innovative project delivery efforts in Texas and operates various toll roads throughout the state, including the Central Texas Turnpike System. Mr. Tomlinson, a 28-year Department veteran, has extensive knowledge of and experience with planning and project development, coming to his current position from that of Amarillo district engineer. Prior to that, he was director of transportation planning and development in the Department's San Angelo District from 1993 to 1996. Before 1993, he served as the district's traffic engineer, assistant design engineer and design engineer. Mr. Tomlinson graduated from The University of Texas at Austin with a bachelor's degree in civil engineering in 1982 and was licensed as a professional engineer in 1987.

THE SYSTEM AND THE 2002 PROJECT

Description of the System and the 2002 Project

The System initially consists of the 2002 Project. Costs of the 2002 Project have been financed with (i) proceeds of the Series 2002 Obligations, (ii) funds provided by the Commission, (iii) contributions toward right-of-way acquisition from certain local political subdivisions and (iv) interest earnings on amounts in the Construction Fund, all as more fully described below. A portion of the Costs of the 2002 Project have been refinanced by the Bonds and by draws under the TIFIA Loan Agreement evidenced by the 2002 TIFIA Bond. The 2002 Project includes three distinct elements:

(i) the SH 130 Element;

(ii) the SH 45N Element; and

(iii) the Loop 1 Element.

All elements of the 2002 Project are now open for traffic. Each element segment was opened to traffic upon substantial completion, which constitutes completion of all construction with the exception of punch-list items, such as project clean-up and landscape establishment. The 2002 Project reached substantial completion under the terms of

the Master Indenture on September 27, 2007. The 2002 Project was granted final acceptance by the Department as of January 16, 2009.

A map of the 2002 Project, together with certain existing and future connector and complementary facilities which are not part of the 2002 Project or the System, is included on page ii hereof. The System will also include any future Project to expand, enlarge or extend the System, any future Project pooled with the System pursuant to the Turnpike Act, and any other roads, bridges, tunnels or other toll facilities for which the Commission has operational responsibility and is collecting Tolls, unless the Commission declares in writing, delivered to the Trustee, that such roads, bridges, tunnels or other toll facilities are not part of the System for the purposes of the Master Indenture.

The three distinct elements of the 2002 Project are summarized as follows:

***SH 130 Element*:** The SH 130 Element extends from the IH35/SH195 junction at Georgetown in Williamson County (north of Austin) approximately 49 miles southward, on the east side of Austin, to a junction with US183 and SH 45SE in southern Travis County, south of Austin-Bergstrom International Airport.

The SH 130 Element is a four-lane limited-access roadway with toll facilities, overpasses, underpasses, discontinuous frontage roads, and direct-connectors at interchanges where warranted, including the interchanges with IH35 and SH 45 North. The SH 130 Element has been divided into four segments. Segments 1 and 2 were opened to traffic in December 2006 and in October 2006, respectively, and Segments 3 and 4 were opened to traffic in September 2007 and in April 2008, respectively.

All construction activities on the SH 130 Element related to the 2002 Project have been completed.

SH 45N Element: The SH 45N Element is an approximately 13-mile element located in Travis and Williamson Counties, Texas that extends from US183 on the west to SH 130 on the east, and is the east-west route of the 2002 Project. The SH 45N Element serves as a connector between the Cities of Austin, Round Rock, and Pflugerville, Texas, and consists of six-lane divided limited-access roadways except for one section, which is a four-lane divided limited-access roadway. The first four sections of the SH 45N Element opened to traffic in October 2006, and the remaining two sections opened to traffic in February 2007 and in April 2007, respectively.

All construction activities on the SH 45N Element related to the 2002 Project have been completed.

Loop 1 Element: The Loop 1 Element is an approximately three and a half-mile element located in Travis and Williamson Counties, Texas that extends northward from the existing Loop 1 at Parmer Lane to the SH 45N Element and is a major north-south route of the 2002 Project. The SH 45N Element and the Loop 1 Element include discontinuous frontage roads, toll facilities, overpasses, underpasses and direct-connectors at the interchange with the SH 45N Element. The Loop 1 Element opened to traffic in October 2006.

All construction activities on the Loop 1 Element related to the 2002 Project have been completed.

I-35 Advisory Committee Report

In 2008, the Commission appointed an advisory committee comprised of business professionals, environmental planners, rail advocates, professors, local officials and residents that live and do business in the I-35 corridor to develop a grassroots planning process for looking at the short-term and long-term needs in the I-35 corridor. At the January 27, 2011 Commission meeting the advisory committee presented its report which includes recommendations to the Commission and the Department for projects and policies related to the I-35 corridor. The report contains a number of recommendations including: (i) converting one general purpose lane on I-35 in each direction to a minimum of one dynamically priced managed lane and two non-tolled lanes in each direction from SH 195 to SH 45SE and re-designating the facility from an interstate to a non-interstate facility, (ii) widening the SH 130 Element to six lanes, removing the tolls and re-designating a portion of SH 130 from Georgetown to SH 45SE as I-35, and (iii) widening SH 45SE to six lanes, removing tolls and re-designating SH 45SE to I-35. The committee noted that because of the complexity of this recommendation, an estimated cost cannot be determined at this time.

The Commission has taken no action related to the report. No assurances are given whether this recommendation will ever be implemented. The Series 2002 Obligations, the Bonds and the TIFIA Loan must be redeemed and/or defeased prior to removing the tolls on any portion of the 2002 Project including the SH 130 Element.

Additional information regarding the advisory committee and its report can be found at http://www.my35.org. Please note that this website address is included herein as an active textual reference only, and the information contained on (or accessed through) such website is not incorporated herein and should not be construed as part of this Remarketing Memorandum.

Toll Collection Facilities and Technology

Toll collection systems on the 2002 Project include a high level of automation for operational efficiencies and driver convenience. Mainlane plazas consist of express electronic toll collection ("*ETC*") lanes and a cash plaza. Express ETC lanes allow toll collection from vehicles without slowing from normal highway speeds. The express lanes do not have toll islands or other physical barriers. Toll collection equipment is mounted in the pavement, outside the shoulder area or overhead.

A cash plaza physically seperates the express ETC lanes from traditional toll islands. The cash plazas use a mixture of manual collection and automatic coin machines to accommodate vehicles that are not registered or equipped with ETC. Ramp plazas are equipped similarly to the mainlane plazas except that express ETC lanes are replaced by an ETC-only ramp lane which is physically adjacent to the cash lanes. The number of lanes at ramp plazas varies according to traffic requirements. Most ramps have been constructed with one ETC-only lane plus one or two cash lanes which are equipped for manual, automatic coin machine or both. The Commission has equipped most manual and automatic coin machines lanes with ETC equipment to encourage ETC as the preferred method of toll payment. In order to minimize toll evasion, the Commission has equipped all lanes in the 2002 Project with an automated violation enforcement and video billing system. Such system records electronic images of non-paying vehicles' license plates for video billing and possible prosecution under State statutes for non-payment of tolls. The toll collection and enforcement and communication systems in the toll plazas were procured under one contract, which was awarded to United Toll Systems, to help promote their seamless operation and accuracy. The back office systems, including customer service, violations and video billing were procured from VESystems, LLC.

The Commission anticipates combining both toll collections facilities and technology services with back office systems and is currently preparing a request for proposal which the Department expects to submit to market participants in early 2011. The term and other details of such contract have yet to be determined.

Payment Methods for Tolls

The Department allows drivers to pay tolls on the 2002 Project in three ways, by transponder, by cash or, as a pilot program, by mail. In Fiscal Year 2010, 74% of transactions processed were attributable to transponder accounts, 9% to cash and 17% to Pay by Mail (as defined below).

The transponder payment method requires that drivers attach a small sticker containing a thin electronic transponder chip to their windshields which sends a signal to the electronic tolling equipment as the vehicle passes under a toll plaza. Such a transponder sticker is referred to by the Department as a TxTag ("*TxTag*"). Each TxTag transponder is tied to an automatic pre-paid customer toll account and funds are withdrawn by the Department as tolls are incurred. As of August 31, 2010, there were 491,988 active toll accounts with 848,953 active TxTag transponders. A single toll account can have multiple TxTag transponders associated with such account. In Fiscal Year 2010, the number of active TxTags and accounts increased 21% over the prior Fiscal Year. Drivers utilizing a TxTag transponder receive a 10% discount from the cash toll rate.

Additionally, interoperability revenue is generated by vehicles equipped with transponders issued by other Texas tollroad authorities, including "TollTags" issued by the North Texas Tollway Authority and "EZ Tags" issued by the Harris County Toll Road Authority. Interoperability revenue is reconciled and settled monthly between the various toll authorities. Interoperability revenue represented approximately 5.6% of toll revenues for the System in Fiscal Year 2009 and approximately 6.8% of toll revenues for the System in Fiscal Year 2010.

The cash payment method requires drivers to pay tolls with cash by using a lane with an attended tollbooth or if they have exact change, drivers can pay by using the lanes that are equipped with automatic coin machines. Drivers utilizing the cash payment method must pay the full amount of the toll. ETC tag penetration has been higher than originally projected, while the percentage of transactions paid with cash have been lower than predicted.

The pilot program providing for payment of tolls by mail ("*Pay by Mail*") (also referred to as video billing) is utilized when a driver crosses a tolling point without stopping to pay cash or when a valid TxTag transponder is not recognized. Since the toll is not being paid at the time it is charged in such cases, an image of the vehicle's license plate is captured, and the Department either posts the toll to an existing account for that license plate or sends the vehicle owner a bill by mail to pay the toll charges. Under the Pay by Mail method, a violation does not occur upon nonpayment when crossing a tolling point, but rather when a customer fails to pay an invoiced toll. Customers are issued two invoices prior to the violation occurring. Violations are issued approximately 76 to 90 days after the transaction date. The Department is currently offering Pay by Mail as a pilot program. The Commission has not taken formal action regarding Pay by Mail as a payment method and may discontinue its use at any time. Drivers utilizing Pay by Mail are charged a 20% higher toll rate over the cash toll rate in order to cover the additional costs to the Department attributable to video transactions allowed under this program and an additional statement fee of $1.00.

From the beginning of the Pay by Mail program through the end of Fiscal Years 2009 and 2010, the collection rate for all customers utilizing a Pay by Mail tolling point was 46.54% and 48.87%, respectively. Due to unreadable images or other technical issues, certain Pay by Mail transactions cannot be invoiced. The collection rate for the invoiced Pay by Mail transactions was 65.79% and 65.05%, from the beginning of the Pay by Mail program through the end of Fiscal Years 2009 and 2010, respectively. For the fourth quarter of Fiscal Year 2010, the collection rate for all Pay by Mail transactions was 49.00% and 60.05% for invoiced transactions. The Department has experienced a high volume of return mail invoices due to the fact that the official address of record in the vehicle title and registration system (the "*VTR*") is not always the most current address. A vehicle owner may provide an alternate address or a renewal address but not change the official address of record in the VTR. Beginning in November 2008, the Department began mailing any returned invoices to the alternate or renewal address and has seen Pay by Mail collection rates increase. Additionally, the Department expects legislation to be introduced during the current session of the 82nd Texas Legislature to clarify certain aspects of the Pay by Mail program, including that the Department may mail initial invoices to an alternate address provided by the vehicle owner or derived through other reliable means. Assuming compliance with the Master Indenture, the Commission may consider changes to toll collections in the future, including elimination of cash lanes.

The Commission continues refining its process and procedures related to collections of unpaid tolls, including enforcement through court proceedings. During 2009, the Commission began enforcing unpaid tolls through court proceedings, typically resulting in settlement agreements and payment plans. Currently, prior to filing court action, the Commission sends "last chance letters" to toll violators. To date, of these toll violators that were sent last chance letters, approximately 60% have contacted the Commission and entered into payment plans for unpaid tolls and become TxTag account holders. The Commission has either filed, or anticipates filing, court action against unpaid toll accounts. The Commission has been successful, to date, in court proceedings for collecting upaid tolls from toll violators. Although the Commission has been successful, to date, in using the courts to collect unpaid tolls, and anticipates continuing such enforcement actions, it is uncertain whether such enforcement will continue being successful or if alternative methods of collection will be considered in the future.

Toll Rates

The toll rates charged for the 2002 Project remain the same as those originally set forth in the Traffic and Revenue Report originally adopted by the Commission pursuant to Minute Order No. 108948 on June 27, 2002 in connection with the issuance of the Series 2002 Obligations. See "APPENDIX D – CENTRAL TEXAS TURNPIKE SYSTEM 2010 TRAFFIC AND REVENUE FORECAST – Section 6.2 Toll Rates." Pursuant to such toll rate schedule and as previously adopted by such minute order, toll rate increases are scheduled, without further Commission action, in 2015, 2025 and 2035. Currently, base toll rates for each element of the System (calculated assuming complete element traveled) as follows (i) the Loop 1 Element – $0.75 for approximately 3.5 miles, or an average of $0.214 per mile; (ii) the SH 45N Element – $1.50 for approximately 13 miles, or an average of $0.115 per mile; and, (iii) the SH 130 Element – $6.00 for approximately 49 miles, or an average of $0.122 per mile.

The Commission continues to evaluate payment methods for tolls including whether to discontinue or permanently adopt the Pay by Mail pilot program and whether to discontinue cash as a payment method. See "RISK FACTORS – Pay By Mail Pilot Program."

The Commission is also currently considering ways to increase truck traffic on the 2002 Project. The Traffic Consultant has completed a sensitivity trial to evaluate the impact of an alternative tolling scheme for certain truck traffic. The objective of the sensitivity trial was to assess the potential diversion of 5+ axle trucks to the SH 130 Element if toll rates for such vehicles were reduced to the rates charged for 4 axle trucks. At its February 24, 2011 meeting, the Commission is expected to consider adopting adjustments to the Toll rate schedule of the System for vehicles with five axles or more (i.e., trucks). The Traffic Consultant has certified that, if adopted, such adjustments, in their opinion, will not adversely affect the ability of the Commission to comply with the Rate Covenant in the Indenture. Such Toll rate schedule adjustments are not anticipated to negatively affect Revenues by more than 1% in any fiscal year through 2026 or more than 1.5% in any fiscal year from 2027 through the term of the Bonds. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Rate Covenant – *Certification by Traffic Consultants*" and APPENDIX D – CENTRAL TEXAS TURNPIKE SYSTEM 2010 TRAFFIC AND REVENUE FORECAST – Chapter 7 Sensitivity Analysis."

Prior to adopting any change in the schedule of rates or Tolls for the System, the Commission will obtain and file with the Trustee a certificate by the Traffic Consultant stating either (i) in their opinion, if such proposed Toll rate schedule had been in effect during the preceding annual period, and taking into effect the Revenues anticipated to be received in such annual period as estimated by the Commission, it would not have caused a decrease in the Revenues for said preceding annual period; or (ii) in their opinion, the adoption of such proposed Toll rate schedule will not adversely affect the ability of the Commission to comply with the Rate Covenant.

Any such certificate by the Traffic Consultant will be based on the opinion of the Traffic Consultant as to Revenues to be derived by the Commission from the ownership and operation of the System (which Revenues will be deemed to include all investment income previously described herein as constituting Revenues of the System, as estimated by the Commission), and upon certification by the Commission as to the amount of Operating Expenses paid or accrued during any pertinent annual period, assuming that the proposed Toll rate schedule had been in effect during such pertinent annual period. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Rate Covenant – *Certification by Traffic Consultants.*"

Fees and Charges

In addition to the toll rates charged for the 2002 Project, the Commission has adopted fees for various customer services fees related to utilizing the various toll facilities of the Department, including:

Standard TxTag Fee -- $9.65
Specialty TxTag Fee (motorcycles and license plates) -- $20.00 refundable deposit
Mailed or Faxed Account Statement Fee -- $1.00 for each five pages or any number of pages less than five
Returned Check Fee -- $25.00 per check

The Commission has adopted administrative fees related to the collection of unpaid tolls which include the following:

Notice of Non Payment Fee -- $5.00[(1)]
Submission to Collection Agency Fee -- $25.00[(1)]
Submission to Court Fee -- $100.00[(1)]

(1) Administrative fees are not cumulative and the total fee assessed for each violation will not exceed $100.00.

The percentage of such customer service and administrative fees collected that constitutes Revenues is determined based on the percentage of revenue generated by the 2002 Project in relation to the total revenue generated from the various toll roads of the Department. The Commission will continually monitor and evaluate its fee structure and may adopt additional fees in the future or revise the existing fee structure.

Lockbox and Custodial Agreement

The Department, through the System, owns and operates a customer service center that receives information from various toll road operators in the State, including the Department-owned toll roads such as the System, regarding the use of toll roads in the State. The Department also provides clearinghouse services and back office functions relating to the operation of certain toll roads including call center operations, account management and maintenance, transponder issuance and replacement for toll roads, invoicing, toll collection, violation processing and enforcement, revenue handling and accounting and customer service support.

In order to properly account for and disburse revenues received as a result of various interoperability agreements with other toll road operators in the State, the Department executed a Master Lockbox and Custodial Account Agreement (the "*Lockbox and Custodial Agreement*") dated as of November 9, 2007 with The Bank of New York Mellon Trust Company, N.A., as custodian (the "*Custodian*") to hold, administer and disburse funds from certain lockbox and custodial revenue accounts. Funds received from Department TxTag users, Pay by Mail users and transponder users for non-Department owned toll roads are held by the Custodian in segregated lockbox and revenue accounts and are then disbursed on a daily basis to the appropriate beneficiary. The Custodian which also serves as the Trustee for the System will disburse to the Trustee on a daily basis any Revenues received related to the System. The lock box system is operating as expected since its implementation.

Recent Traffic and Revenue Results

The tables below set forth the unaudited average number of weekday transactions ("*AWT*") per month for the 2002 Project. Some fluctuations in the average number of weekday transactions for each month are due to differences in the number of working days per month.

Average Weekday Transactions

Month	Fiscal Year 2010	Fiscal Year 2009	Variance	% Variance
September	233,830	221,039	12,791	5.79%
October	236,805	222,956	13,849	6.21%
November	236,773	218,405	18,368	8.41%
December	226,399	211,132	15,267	7.23%
January	224,123	208,120	16,003	7.69%
February	228,341	217,445	10,896	5.01%
March	243,105	218,052	25,053	11.49%
April	249,806	225,622	24,184	10.72%
May	251,291	237,618	13,673	5.75%
June	247,363	238,631	8,732	3.66%
July	244,918	235,116	9,802	4.17%
August	248,816	237,088	11,728	4.95%

Month	Fiscal Year 2011	Fiscal Year 2010	Variance	% Variance
September	250,157	233,830	16,327	6.98%
October	254,654	236,805	17,849	7.54%
November	247,170	236,773	10,397	4.39%

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The tables below set forth the unaudited monthly gross revenues of the 2002 Project (rounded to the nearest hundred).

Gross Revenues

Month	Fiscal Year 2010[1]	Fiscal Year 2009[1]	Variance	% Variance
September	$5,220,000	$4,671,600	$548,400	11.74%
October	$5,359,900	$4,939,300	$420,600	8.52%
November	$5,492,400	$4,456,700	$1,035,700	23.24%
December	$5,319,200	$4,563,400	$755,800	16.56%
January	$4,994,900	$4,625,600	$369,300	7.98%
February	$4,937,300	$4,545,100	$392,200	8.63%
March	$5,834,900	$4,971,700	$863,200	17.36%
April	$5,929,000	$4,868,700	$1,060,300	21.78%
May	$5,716,500	$5,109,200	$607,300	11.89%
June	$5,723,200	$5,429,600	$293,600	5.41%
July	$5,778,200	$5,403,100	$375,100	6.94%
August	$5,845,600	$5,329,900	$ 515,700	9.68%
Totals:	$66,151,100	$58,913,900	$7,237,200	12.28%

Month	Fiscal Year 2011[1]	Fiscal Year 2010[1]	Variance	% Variance
September	$5,689,500	$5,220,000	$469,500	8.99%
October	$5,786,100	$5,359,900	$426,200	7.95%
November	$5,546,600	$5,492,400	$54,200	0.99%
Totals:	$17,022,200	$16,072,300	$949,900	5.91%

[1] Calculated on a cash basis. Toll revenues only. Does not include customer service and administrative fee revenues described in "THE SYSTEM AND THE 2002 PROJECT – Fees and Charges."

Under the Master Indenture, for the first five full years of operation of the 2002 Project (i.e., through 2013) the Commission is required to provide quarterly reports showing the traffic and revenue for the 2002 Project for such quarter. The Commission began its quarterly filings in December 2007 and such filings are available online in the investors section at http://www.centraltexasturnpike.org. Please note that this website address is included herein as an active textual reference only, and the information contained on (or accessed through) such website is not incorporated herein and should not be construed as part of this Remarketing Memorandum.

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Central Texas Turnpike System - Table of Revenues, Operating and Maintenance Expenses

Historical Cash Flow and Obligation Debt Service Coverage of the System
(For Fiscal Years ending August 31)

	2010	2009	2008
Revenues[1]	$79,563,278	$76,625,262	$73,690,266
Debt Service			
First Tier Obligation Debt Service	44,625,588	45,585,358	43,669,276
2002 TIFIA Bond Debt Service[2]	18,475,012	0	0
Total Debt Service	$63,100,600	$45,585,358	$43,669,276
Revenues after Total Debt Service available for O&M of the System	$16,462,678	$31,039,904	$30,020,990
Operations Expenses paid by the System[3]	$ 15,069,184	$30,579,944	$ 5,820,923
Revenues retained for contingencies, etc.	$ 1,393,494	$ 459,960	$ 0[3]
First Tier Obligation Debt Service Coverage	1.78x	1.68x	1.69x
Operations Expenses paid by the Commission[4]	$27,817,735	$13,666,224	$45,301,777
Major Maintenance Expenses paid by the Commission	0	0	0
Other Maintenance Expenses paid by the Commission	$6,972,433	$6,744,102	$5,915,641
Total O&M paid by the Commission[4]	$34,790,168	$20,410,326	$51,217,418

[1] As used in this table, Revenues include tolls, "service center revenues," "administrative fee revenues" (including video and toll enforcement, collection and administration fees projected by the Department), earnings on the First Tier Debt Service Reserve Fund and earnings on the Rate Stabilization Fund.
[2] 2002 TIFIA Bond debt service did not begin to become due until Fiscal Year 2010.
[3] Pursuant to the Master Indenture, all Revenues, after debt service, through end of Fiscal Year 2008 were used to fund the Rate Stabilization Fund.
[4] In accordance with the Master Indenture, the Commission has covenanted to pay operations expenses, to the extent not covered by available Revenues of the System, and all maintenance expenses of the System.

2002 Project Estimated Cash Flow and Debt Service Coverage

The table on the following page has been compiled to show estimated Revenues of the 2002 Project for the Fiscal Years 2011 through 2042 as estimated by the Traffic Consultant based upon their 2010 Traffic and Revenue Report, including investment and other earnings for the same period as estimated by the Commission. Based on the projections for estimated Revenues and the Debt Service Requirements for the Outstanding Obligations, estimated debt service coverage for each of the following periods is set forth in the table on the following page. See "SCHEDULE I – DEBT SERVICE REQUIREMENTS" for the debt service requirements with respect to the Outstanding Obligations, including the Bonds. See "APPENDIX D – CENTRAL TEXAS TURNPIKE SYSTEM 2010 TRAFFIC AND REVENUE FORECAST."

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2002 Project Estimated Cash Flow and Debt Service Coverage
(Dollar Amounts Shown in Millions)

				Coverage						Commission Support			
Fiscal Year	Revenues[1]	Rate Stabilization Fund	1st Tier Debt Service[2]	All 1st Tier Coverage	1st Tier Coverage Incl. Stabilization Fund Balance[3]	TIFIA Debt Service	Revenues Available for O&M	Total Operations Cost[4]	Operations Paid from Revenues	Operations Paid from Commission	Total Maintenance Cost	Total Reserve Maintenance[5]	Revenues Available for Maintenance
2011	$87.169	$67.860	$42.946	2.03	3.61	$30.082	$14.141	$44.436	$14.141	$30.296	$7.610	$3.968	$-
2012	95.043	67.860	45.772	2.08	3.56	31.690	17.581	43.747	17.581	26.166	7.876	5.515	-
2013	102.042	67.860	50.656	2.01	3.35	33.698	17.688	43.895	17.688	26.207	8.152	1.211	-
2014	108.999	67.860	54.781	1.99	3.23	35.023	19.196	45.431	19.196	26.235	8.437	1.254	-
2015	115.986	67.860	57.231	2.03	3.21	36.443	22.312	47.021	22.312	24.709	8.733	4.873	-
2016	147.856	67.860	70.431	2.10	3.06	43.188	34.237	48.667	34.237	14.430	9.038	1.343	-
2017	157.980	67.860	74.281	2.13	3.04	45.478	38.221	50.370	38.221	12.149	9.354	84.323	-
2018	168.165	67.860	78.126	2.15	3.02	47.969	42.070	52.133	42.070	10.063	9.682	1.439	-
2019	178.415	67.860	81.976	2.18	3.00	50.259	46.180	53.958	46.180	7.778	10.021	1.489	-
2020	188.730	67.860	85.826	2.20	2.99	52.760	50.144	55.846	50.144	5.702	10.371	1.541	-
2021	199.243	67.860	91.891	2.17	2.91	56.463	50.889	57.801	50.889	6.912	10.734	1.595	-
2022	209.696	67.860	97.676	2.15	2.84	59.550	52.471	59.824	52.471	7.353	11.110	3.067	-
2023	217.692	67.860	103.466	2.10	2.76	62.610	51.616	61.918	51.616	10.301	11.499	9.114	-
2024	228.292	67.860	109.251	2.09	2.71	65.622	53.419	64.085	53.419	10.666	11.902	2.377	-
2025	238.969	67.860	115.036	2.08	2.67	68.683	55.251	66.328	55.251	11.077	12.318	1.831	-
2026	293.430	67.860	136.336	2.15	2.65	80.096	76.999	68.649	68.649	-	12.749	1.895	8.350
2027	306.689	67.860	141.486	2.17	2.65	83.663	81.540	71.052	71.052	-	13.195	147.601	10.488
2028	320.081	67.860	146.601	2.18	2.65	87.267	86.213	73.539	73.539	-	13.657	2.030	12.674
2029	333.567	67.860	151.666	2.20	2.65	90.886	91.015	76.113	76.113	-	14.135	2.101	14.902
2030	347.107	67.860	156.651	2.22	2.65	94.511	95.946	78.777	78.777	-	14.630	2.174	17.169
2031	360.650	67.860	161.551	2.23	2.65	98.122	100.978	81.534	81.534	-	15.142	12.001	19.444
2032	374.155	67.860	166.331	2.25	2.66	101.708	106.116	84.388	84.388	-	15.672	4.326	21.728
2033	387.574	67.860	170.976	2.27	2.66	105.252	111.347	87.341	87.341	-	16.221	2.411	24.006
2034	400.860	67.860	175.461	2.28	2.67	108.757	116.643	90.398	90.398	-	16.788	2.495	26.245
2035	414.444	67.860	179.971	2.30	2.68	112.308	122.165	93.562	93.562	-	17.376	2.582	28.603
2036	461.927	67.860	191.366	2.41	2.77	125.256	145.305	96.837	96.837	-	17.984	2.673	48.468
2037	472.582	67.860	206.281	2.29	2.62	128.783	137.519	100.226	100.226	-	18.613	167.784	37.293
2038	483.194	67.860	210.476	2.30	2.62	132.317	140.401	103.734	103.734	-	19.265	2.863	36.667
2039	493.896	67.860	183.411	2.69	3.06	168.226	142.259	107.364	107.364	-	19.939	15.803	34.894
2040	504.681	67.860	187.582	2.69	3.05	171.824	145.275	111.122	111.122	-	20.637	3.067	34.152
2041	513.955	67.860	191.739	2.68	3.03	175.442	146.774	115.012	115.012	-	21.359	4.266	31.762
2042	721.112	-	258.767	2.79	2.79	229.950	232.395	119.037	119.037	-	22.107	6.861	113.358
	$9,634.180		$4,175.989			$2,813.888	$2,644.304	$2,354.142	$2,124.100	$230.043	$436.309	$507.869	$520.204

NOTE: Totals may not add due to rounding

(1) As used in this table, Revenues include tolls, "service center revenues," "administrative fee revenues" (including video and toll enforcement, collection and administration fees projected by the Department), earnings on the First Tier Debt Service Reserve Fund and earnings on the Rate Stabilization Fund. Earnings on money in the Rate Stabilization Fund are assumed to be 3% per annum which produces approximately $2.036 million annually. Earnings on money in the First Tier Debt Service Reserve Fund, which has an approximate balance of $130 million, are assumed to be 4.475% per annum through Fiscal Year 2012 on $15 million invested pursuant to the Wells Fargo Forward Delivery Agreement and 5.52% per annum through Fiscal Year 2022 on $115 million invested pursuant to the Citigroup Master Repurchase Agreement and 3% per annum thereafter. Such interest rate assumptions on the First Tier Debt Service Reserve Fund produce interest earnings of approximately $6.65 million annually through Fiscal Year 2012 and $6.43 million annually from Fiscal Year 2013 through Fiscal Year 2022 and approximately $3.9 million annually from Fiscal Year 2023 through Fiscal Year 2042. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS - Funds and Accounts - *First Tier Debt Service Reserve Fund*." Fiscal Year 2042 Revenues include the balances of the Rate Stabilization Fund and the First Tier Debt Series Reserve Fund. See "RISK FACTORS - Unpredictability of Investment Earnings." Proposed adjustments to the toll rates for 5+ axle trucks were not included in Revenue projections. See "THE SYSTEM AND THE 2002 PROJECT - Toll Rates."

(2) For estimation purposes, debt service associated with the Bonds after the end of the Multiannual Period assumes a constant 5% interest rate, with principal of the Bonds to be paid at maturity.

(3) This coverage calculation includes the Rate Stabilization Fund balance and assumes a balance of $67.86 million. The Department may utilize money in the Rate Stabilization Fund to pay debt service on First Tier Obligations, Second Tier Obligations or Subordinate Lien Obligations to cure a deficiency, which may decrease the Rate Stabilization Fund Requirement to its minimum required balance of $10 Million. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS - Funds and Accounts - *Rate Stabilization Fund*."

(4) Operating expenses are net of indirect costs of the Department to be paid from general Department funds. Operating expenses have been estimated by the Department and the GEC.

(5) Significant increases in reserve maintenance expenditures in fiscal years 2017, 2027 and 2037 reflect major scheduled maintenance such as resurfacing.

TIFIA Funding

Pursuant to the provisions of TIFIA, the USDOT agreed to lend the Commission funds to pay or reimburse a portion of the Costs of the 2002 Project under the TIFIA Loan Agreement between the Commission and the USDOT. To evidence the Commission's obligations under the TIFIA Loan Agreement, the Commission issued the 2002 TIFIA Bond as a Subordinate Lien Obligation. The 2002 TIFIA Bond is in the aggregate principal amount of $900,000,000. Upon the occurrence of a Bankruptcy-Related Event under the TIFIA Loan Agreement and the Indenture while the USDOT owns the 2002 TIFIA Bond, the 2002 TIFIA Bond will become a First Tier Obligation on a parity with the other First Tier Obligations, except that it will not be entitled to be paid from amounts on deposit in the First Tier Debt Service Reserve Fund. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS- Additional Obligations - *Springing First Tier Obligation*" and "- Default and Remedies - *2002 TIFIA Bond Default Remedy*." The 2002 TIFIA Bond was used to reimburse the Commission for qualifying project Costs. The Commission applied such reimbursements to retire the Series 2002 Second Tier BANS by making the June 1, 2007 and June 1, 2008 principal payments due of $124,930,000 and $775,070,000, respectively.

Interest is payable on the 2002 TIFIA Bond on August 15 and February 15 of each year, which commenced February 15, 2010, at the rate of 5.51% per annum. Outstanding principal under the 2002 TIFIA Bond is paid August 15 of each year, commencing August 15, 2025, and on the maturity date. The final maturity date of the 2002 TIFIA Bond is August 15, 2042.

General Engineering Consultant Inspection

Pursuant to the Master Indenture, the Commission is required to cause the General Engineering Consultant to make an inspection of the System at least once in each Fiscal Year. PBS&J, the current General Engineering Consultant, submitted to the Commission its Central Texas Turnpike Project Annual Inspection Report dated May 7, 2010 ("*2010 Inspection Report*") for Fiscal Year 2010, which is the third annual inspection of the System since it opened to traffic. According to the 2010 Inspection Report, the overall condition of the System is very good and the System's primary feature, its 65 miles of roadway, is in like-new condition with only minor deficiencies noted. The roadway achieved an overall score of 95 (with 100 points being the maximum). No single element achieved a score less than 80 (the minimum condition score adopted by the Department), with the exception of cracking which rated a score of 78 overall.

Most of the cracking observed was minor, not in excess of what is expected and allowable in the pavement method utilized on these roadways and such cracking is currently not in need of repair. The 2010 Inspection Report did, however, note concerns regarding concrete pavement cracks where the toll collection system is installed. Currently the pavement score does not show a deficiency, but throughout the System there are small cracks which have the potential to affect the toll system's collection capabilities. According to the 2010 Inspection Report, these locations require continual monitoring in order to determine the appropriate time for pavement rehabilitation or replacement. The 2010 Inspection Report states that this is not expected to occur during Fiscal Year 2011, but is likely to be needed sometime during the next several years. There are a few asphalt frontage roads that will require repair. These frontage roads are actively maintained by the Department and repair costs are included in the Department's budget. Currently, no additional debt is expected to be issued for any maintenance or repair of the System.

The 2010 Inspection Report also revealed that all facilities (buildings) are in very good condition overall. The majority of the deficiencies found are cosmetic in nature. Bridges, which are inspected under the Federal Bridge Inspection Program, are reported in good condition.

Recommendations in the 2010 Inspection Report state that the Department should (1) address those elements identified as sub-standard and return them to the proper level; (2) although none of the overhead and cantilever sign components were in less than fair condition at the time of their completion, initiate an inspection program for these components; (3) although no deficiencies were noted in the high mast light towers, initiate an inspection program for such towers; and (4) use the maintenance reserve funds to repair the Loop 1 Element pavement as noted.

The complete 2010 Inspection Report is available online in the Investors Section at http:/www.centraltexasturnpike.org as Part B of the Fiscal Year 2010 Continuing Disclosure Report. Please note that this website address is included herein as an active textual reference only, and the information contained on (or accessed through) such website is not incorporated herein and should not be construed as part of this Remarketing Memorandum.

Insurance for the 2002 Project

The Department provided information to, and requested recommendations from, Marsh USA Inc. (the "*Insurance Consultant*"), regarding the amount of possible liability associated with the 2002 Project and self-insurance reserves needed to counter such risks. The Insurance Consultant determined initially in June of 2008 and again in June of 2009 and 2010 that sufficient loss history relating to the 2002 Project is not available and therefore, that they were unable to provide an estimated projection of liability losses based on a loss history specific to the 2002 Project. Based on its experience regarding similar projects however, the Insurance Consultant recommended a minimum reserve of $25 - $30 million to fund potential liability losses and for business interruption, a reserve that is the equivalent of six months of anticipated Revenues, for a total reserve in excess of $51 million. Such reserve levels are reviewed annually, including most recently in June 2010, and the Insurance Consultant recommended a reserve of $30 million to be prudent. Reserve levels are to be revisited by the Insurance Consultant once there is sufficient loss history relating to the 2002 Project. As of December 31, 2010, the Rate Stabilization Fund contains approximately $67.86 million, and the Department currently intends to use the balance in the Rate Stabilization Fund as such self-insurance reserve, among other things. Once the 2002 Project has sufficient loss history, and assuming commercial availability, the Department will consider commercial liability and business interruption coverage.

SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION

In connection with the 2002 Project, the Commission has, subject to constitutionally dedicated funds appropriated to the Commission in a manner that would allow their use, covenanted (i) to pay all Maintenance Expenses when due; (ii) to pay Operating Expenses to the extent of any deficiency in the Operating Account; and (iii) to fund the Reserve Maintenance Account. These commitments and covenants of the Commission are multi-year funding obligations that are payable from lawfully available funds of the Commission which historically has been funded from the State Highway Fund to the extent the System has not generated sufficient revenue to make such payments. See "FUNDING OF COMMISSION OBLIGATIONS." The ability of the Commission to satisfy such commitments and covenants is dependent upon the continued availability to the Commission of adequate funds for such purposes.

Covenant to Cover Shortfalls in Operating Account

The Commission has covenanted in the Master Indenture, subject to appropriation of funds by the Legislature, to make monthly deposits to the Operating Account in amounts sufficient to keep a balance in the Operating Account equal to the Operating Account Requirement, to the extent that Revenues are insufficient to make the required deposits into the Operating Account in any month. Further, the Commission has covenanted to include in its annual budget 110% of the amount, if any, by which Revenues are projected to be insufficient to pay Operating Expenses for the upcoming year. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *Operating Account*" and "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Flow of Funds."

Covenant to Fund Maintenance Account

The Commission has covenanted in the Master Indenture, subject to appropriation of funds by the Legislature, to (1) budget for and make monthly deposits to the Maintenance Account sufficient to keep a balance in the Maintenance Account sufficient to pay the following two months of upcoming Maintenance Expenses and (2) pay all Maintenance Expenses when due if the balance in the Maintenance Account is insufficient to do so. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *Maintenance Account*."

Covenant to Fund and Cover Shortfalls in Reserve Maintenance Account

The Commission has covenanted in the Master Indenture, subject to appropriation of funds by the Legislature, to (1) budget for and make monthly deposits to the Reserve Maintenance Account sufficient to keep a

balance in the Reserve Maintenance Account equal to the capital expenses projected in the Annual Capital Budget for the ensuing two months and (2) pay all capital expenses when due if the balance in the Reserve Maintenance Account is insufficient to do so. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *Reserve Maintenance Account*."

System Operations and Maintenance Expenditures

The Fiscal Years 2009 and 2010 actual operations and maintenance expenditures together with the current Fiscal Year 2011 budget for such costs are set forth below. The Commission adopted a Fiscal Year 2011 Operations, Maintenance and Five Year Capital Plan Budget for the System on August 26, 2010 in accordance with the Master Indenture.

	2011 Budget	2010 Actual	2009 Actual
Operations[(1)]	$44,436,136	$42,886,916	$44,246,168
Maintenance[(2)]	7,609,888	6,972,433	6,744,102

(1) Of the total amount of actual operations expenses, the Commission paid $13,666,224 in Fiscal Year 2009 and $27,817,735 in Fiscal Year 2010. See "THE SYSTEM AND THE 2002 PROJECT – Central Texas Turnpike System - Table of Revenues, Operating and Maintenance Expenses."

(2) The Commission currently has covenanted to pay maintenance expenses of the System, to the extent not covered by Revenues of the System. The Commission budgets capital improvements comprised of unusual and extraordinary maintenance items for a rolling five-year period. Currently $16,820,710 is budgeted for Fiscal Years 2011 through 2015. See "THE SYSTEM AND THE 2002 PROJECT - Central Texas Turnpike System - Table of Revenues, Operating and Maintenance Expenses" herein.

The Fiscal Year 2011 budget is subject to amendment and change upon approval by the Commission.

FUNDING OF COMMISSION OBLIGATIONS

State Funds

The System-related funding obligations described above are multi-year obligations of the Commission that are to be paid from lawfully available funds of the Commission. Generally, all money available to the Commission, including the money necessary to pay such System-related funding obligations, is subject to appropriation by the Legislature before it can be drawn out of the State Treasury. The Legislature meets biennially in each odd numbered year for such purpose, but can appropriate in special session if called by the Governor for such purpose. Legislative appropriations are limited to a period of two years. Generally, appropriations are made by the Legislature separately for each Fiscal Year of the State's biennium, but an appropriation can be made for a full biennium or for a part of the biennium other than a Fiscal Year. Legislative appropriations of funds from the State Highway Fund are the primary source of funding for the construction, maintenance and operation of the State Highway System, including the System, and are expected to be the primary source of funds for payment of such System-related funding obligations. Set out below are general descriptions of State highway funding and the Commission's budget process.

State Highway Fund

The State Highway Fund is the general source for a substantial portion of funding for the State Highway System, the Department, and the administration of State laws relating to traffic and safety on public roads. The State Highway Fund receives revenue from a variety of sources, including, without limitation, certain federal transportation program funds received from the United States Department of Transportation ("*USDOT*"), State motor fuels tax funds, State motor vehicle registration funds, and State motor lubricants tax funds.

Pursuant to Article VIII, Section 7-a of the Texas Constitution, (i) 75% of the net revenues generated from the State motor fuels tax (net of enforcement, administrative and refund charges), (ii) the State tax on motor lubricants, and (iii) the net revenues generated from the State motor vehicle registration fees (net of collection charges and the portion of such fees that is reserved for counties within the State) are dedicated for acquiring rights-of-way; constructing, maintaining, and policing public roadways; and for the administration of laws pertaining to the supervision of traffic and safety on such roads. Also, pursuant to Article VIII, Section 7-b, all revenues received from the federal government as reimbursement for State expenditures of funds that are themselves dedicated pursuant to Article VIII, Section 7-a of the Texas Constitution are constitutionally-dedicated and may be used only for those purposes.

The State Highway Fund is the general operating fund of the Department through which, generally, all revenues dedicated or appropriated to the purposes of the Department are deposited and all of the Department's administration, maintenance and operation expenses are paid. In addition, certain expenses of the Texas Mobility Fund are processed through the State Highway Fund, whereby the Texas Mobility Fund transfers amounts for such expenses to the State Highway Fund prior to such expenses being paid (except in situations where the Texas Mobility Fund is reimbursing the State Highway Fund for expenses incurred by the State Highway Fund). The Department's ongoing, "pay as you go" construction program is also paid from the State Highway Fund. Such expenses include payroll, repairs and maintenance, costs of materials and supplies, professional fees or commitments, utilities, rent and lease payments and intergovernmental payments. To accomplish all of these purposes, money in the State Highway Fund is appropriated by the Legislature to the Department, the Texas Department of Public Safety (the "*DPS*") and certain other agencies of the State.

For further information regarding the Department and the State Highway Fund, reference is made to the section "THE STATE HIGHWAY FUND" of the $1,500,000,000 Texas Transportation Commission State Highway Fund First Tier Revenue Bonds, Taxable Series 2010 (Build America Bonds - Direct Payment) (the "*State Highway Fund 2010 Official Statement*") and the State Highway Fund Continuing Disclosure Undertaking filed January 11, 2011 (the "*2010 Continuing Disclosure Update*") which are on file with the Municipal Securities Rulemaking Board ("*MSRB*") through its Electronic Municipal Market Access ("*EMMA*") System. The section "THE STATE HIGHWAY FUND" of the State Highway Fund 2010 Official Statement and the 2010 Continuing Disclosure Update, including unaudited Department Financial Statements for Fiscal Year ended August 31, 2010, are hereby incorporated by reference and made a part hereof for all purposes.

TRAFFIC AND REVENUE REPORT

Previous Traffic and Revenue Reports/Updates

In connection with the original issuance of the Series 2002 Obligations, URS Corporation and Vollmer Associates, L.L.P. prepared the 2002 Traffic and Revenue Report which is available online in the investors section at http://www.centraltexasturnpike.org as Appendix F to the 2002 Official Statement.

In 2005, in connection with the replacement of the standby bond purchase agreement and remarketing of the Series 2002-B Bonds, URS Corporation and Vollmer Associates, L.L.P. issued a 2005 Update to the original 2002 Traffic and Revenue Report, which 2005 Update is available online in the investors section at http://www.centraltexasturnpike.org as Exhibit H to the Fiscal Year 2007 Continuing Disclosure Annual Report. The 2005 Update addressed: (i) proposed changes to the 2002 Project design elements, (ii) changes in demographic patterns and (iii) changes in background highway network plans.

In 2009, in connection with the refunding of the Series 2002-B Bonds, Stantec Consulting Services, Inc. delivered a 2008 Review technical memorandum subsequent to the 2005 Update, based primarily on technical work undertaken in 2007, with a brief review of subsequent conditions in 2008. The 2008 Review is available online in the investors section at http://www.centraltexasturnpike.org as Appendix E to the Official Statement for the Bonds dated February 26, 2009.

Please note that the website address in the preceding three paragraphs is included herein as active textual references only, and the information contained on (or accessed through) this website is not incorporated herein and should not be construed as part of this Remarketing Memorandum.

2010 Traffic and Revenue Report

Stantec Consulting Services, Inc., the current Traffic Consultant for the System, has prepared a Central Texas Turnpike System 2010 Traffic and Revenue Forecast in connection with the remarketing of the Bonds. The 2010 Traffic and Revenue Report provides several new analyses and information compared to work performed in the 2008 Review:

(i) The Traffic Consultant reviewed the traffic statistics during the period since the System elements have been open, and compared the actual traffic to expectations set in the 2008 Review.

(ii) The travel demand model was updated to integrate the model for San Antonio/Bexar County Metropolitan Planning Organization ("*SABC*") with the model for the Capital Area Metropolitan Planning Organization ("*CAMPO*") for the System study area.

(iii) Socioeconomic projections have been updated for the 2010 Traffic and Revenue Report, both by reviewing current conditions on the ground and providing a new projection of future development.

(iv) Several major roadways in the Austin area have been updated based on the most recent information.

The 2010 Traffic and Revenue Report is attached hereto as "APPENDIX D – CENTRAL TEXAS TURNPIKE SYSTEM 2010 TRAFFIC AND REVENUE FORECAST."

The assumptions for Stantec's revenue estimates and revenue forecasts in the 2010 Traffic and Revenue Report are as follows:

(i) The toll collection plans and rates as adopted for the original 2002 Project will be implemented as proposed. This includes a toll discount of 10 percent for TxTag users (electronic toll collection), the *N minus 1* toll structure for multi-axle vehicles, and periodic toll increases through 2035. In addition the pilot program for Pay by Mail users, with its current surcharge percentage and fees, will not be suspended.

(ii) Transponder market shares assumed for the 2010 Traffic and Revenue Report for the 2002 Project will occur as forecast in Chapter 6 of the 2010 Traffic and Revenue Report.

(iii) The traffic mix for trucks will vary for the 2002 Project, such that the toll multiplier (for revenue-estimation purposes) for trucks of 3+ axles will remain steady at 2.9 for the SH 130 Element and at 2.5 for the Northwest Austin Area elements.

(iv) The socioeconomic growth discussed in Chapter 4 of the 2010 Traffic and Revenue Report will occur as forecast.

(v) The highway network improvements discussed in Chapter 5 of the 2010 Traffic and Revenue Report will be constructed as planned. This includes the completion of SH 130 Segments 5 and 6 as a new operational toll road by 2013.

(vi) Inflation will continue at 3.0 percent annually (compounded) during the forecast period through 2042.

(vii) The traffic on the SH 130 Element will complete the assumed early year *ramp-up* period (from an operational standpoint and not for purposes of the Master Indenture) as formulated in Chapter 6 of the 2010 Traffic and Revenue Report.

(viii) The 2002 Project will be efficiently maintained and operated, but even under the most efficient operation, there will be some toll evasion and revenue "leakage" that have been deducted from the model-produced traffic and revenue forecasts (after ramp-up (from an operational standpoint and not for purposes of the Master Indenture)), as discussed in Chapter 6 of the 2010 Traffic and Revenue Report.

(ix) Motor fuel will remain in adequate supply during the forecast period, and motor fuel prices (i.e., the average price for regular gasoline) in the foreseeable future will not increase above the 1980 peak, which, if adjusted for inflation, in current dollars would not be more than $3.50 per gallon on average during the forecast period.

(x) Federal and state fuel tax increases will not increase to the extent that, together with fuel price increases, pump prices exceed an average of $3.50 per gallon during the forecast period.

(xi) No radical change in travel modes, which would drastically curtail motor vehicle use, is expected during the forecast period.

(xii) In the long term, generally normal economic conditions will prevail in the State and the United States, and there will be no occurrence of a major depression, national emergency or prolonged fuel shortage.

(xiii) For the network improvement projects, the project configuration and timing was developed using the CAMPO 2035 Regional Transportation Plan adopted on May 24, 2010, and subsequent conversations with agencies, such as the Central Texas Regional Mobility Authority ("*CTRMA*"), that were responsible for implementation of specific improvements. For the transit projects the regional plan assumes that the Georgetown to San Antonio Intercity rail service will be in operation by 2015 and the remaining three local commuter rail lines (Elgin, Georgetown and Pflugerville) will be completed by 2025. Since the local regional models are used to estimate overall travel demand, any trips that are diverted from the auto modes to transit are automatically estimated during the execution of the regional models for both Austin and San Antonio prior to the integration process.

As for the projections themselves, while they are stated year-by-year, they are intended to show the trends that may reasonably be anticipated on the basis of the above assumptions described herein. **For a discussion of certain factors that may impact the realization of the assumptions described above, see "RISK FACTORS" herein.**

Traffic Consultant

The 2010 Traffic and Revenue Report was performed by Stantec, the acting Traffic Consultant under the Master Indenture.

Stantec, founded in 1954, provides professional consulting services in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics for infrastructure and facilities projects. Stantec supports public and private sector clients in a diverse range of markets, at every stage, from initial concept and financial feasibility to project completion and beyond. Stantec services are offered through approximately 10,000 employees operating out of more than 150 locations in North America. Stantec trades on the New York Stock Exchange and on the Toronto Stock Exchange under the symbol STN.

Stantec has prepared traffic and revenue financing studies that have been the basis for the sale of some $25 billion in revenue bonds. Drawing upon a depth in transportation planning and over 30 years of experience in the toll facility industry, Stantec staff advises clients on establishing screening criteria for potential toll facility corridors, completing traffic and revenue analyses at the investment-grade level, developing financial plans and appropriate toll structures, determining the extent to which a proposed toll facility could provide financing for itself and/or other highway projects, maximizing revenue potential, planning and designing for the future, and solving operational problems.

Peer Review

The Commission engaged Jacobs Engineering Group Inc. ("*Jacobs*") to conduct a peer review in an attempt to provide a final, independent assessment of the work conducted on the 2010 Traffic and Revenue Report by the Traffic Consultant. Jacobs specifically was charged with providing a review of the information and developed an assessment of the reasonableness of the methodology utilized and the results obtained. Based upon its review, Jacobs expressed the following conclusions to the Commission in December, 2010:

The traffic and toll revenue forecasts for the SH 130 Element are considered reasonable and attainable;

The short term traffic and toll revenue forecasts for the Northwest Elements (the SH 45N Element and the Loop 1 Element) appear aggressive, with the longer term growth rates considered more reasonable; and

The sensitivity forecasts regarding the reduction of the 5 axle toll rate to the 4 axle rate appear to be reasonable based upon a cursory review of the results.

The Jacobs report indicated that there is strong growth of traffic and toll revenue forecasted for the SH 130 Element, backed by the expectation of reasonable levels of development in the corridor, improvements to feeding routes and continued congestion on the competing routes. The Jacobs report further noted that the forecasts of traffic and toll revenue for the Northwest Elements are deemed to be rather aggressive in the near term with more reasonable growth rates proposed for the long term and further concluded there is little indication from the assumptions and other supporting data that supports over 6% growth for the next five years and continued growth through 2035. See "APPENDIX E - PEER REVIEW REPORT."

Anticipated Additional Roadway Facilities

The 2010 Traffic and Revenue Report, including Chapter 5 thereof, assumes the construction and completion of a number of facilities that are expected to have a complementary, competitive or mixed effect upon the 2002 Project. If any such additional facilities are completed, they may compete with, complement, or due to their configuration, in some aspects both compete with and complement, the various elements of the 2002 Project. Segments 5 and 6 of SH 130, 183A Northern Extension (Phase II), State Highway 290 (Manor Expressway), Cameron Road (Bird's Nest), Airport Access Ramp, and O'Connor Access Ramps, which are scheduled for construction beginning June, 2011, are five of such facilities that are specifically discussed below due to their expected impact on the 2002 Project. Segments 5 and 6 of SH 130 are expected to extend SH 130 down to I-10, creating a corridor that will parallel that of I-35, potentially attracting more users to the 2002 Project that are interested in longer north-south trips outside of the I-35 corridor. As discussed above, some of the additional facilities discussed in "APPENDIX D – CENTRAL TEXAS TURNPIKE SYSTEM 2010 TRAFFIC AND REVENUE FORECAST" are currently under construction; however, it is possible that some amount of the enumerated facilities are not constructed or are significantly modified (including changes to completion dates) as well as other projects being undertaken that are not currently contemplated. There can be no assurances given on whether and when such additional facilities are completed. For information on all facilities that are expected to impact the 2002 Project, see Chapter 5 of the 2010 Traffic and Revenue Report.

Segments 5 and 6 of SH 130

On March 22, 2007, the Commission entered into a comprehensive development agreement with the SH 130 Concession Company, LLC ("*SH 130 Concession*"), a company formed by Cintra and Zachry American Infrastructure, giving SH 130 Concession the exclusive right to finance, develop, design and construct Segments 5 and 6 of SH 130, which total approximately 40 miles. The Commission has also entered into a lease agreement with SH 130 Concession which gives the company the right to operate, manage, maintain, repair and toll Segments 5 and 6 of SH 130 for a period of 50 years.

Although, Segments 5 and 6 of SH 130 are not part of the 2002 Project or the System, upon completion it is anticipated that such Segments will feed additional traffic to the 2002 Project by connecting SH 130 to Interstate Highway 10 northeast of Seguin.

Segment 5 of SH 130 will run approximately 11 miles from the southern end of Segment 4 of the SH 130 Element, north of Mustang Ridge, to FM 1185, north of Lockhart, following the current US 183 alignment. Segment 6 of SH 130 will run approximately 29 miles from FM 1185 to Interstate Highway 10, northeast of Seguin.

Planning and design for Segments 5 and 6 of SH 130 is 99% complete. Right-of-way acquisition activities for Segments 5 and 6 of SH 130 are ongoing, however all of the required parcels have been released to the contractor for construction. Construction of Segments 5 and 6 of SH 130 began on April 29, 2009 and is currently 50.3% complete. The development agreement requires that Segments 5 and 6 of SH 130 be open for traffic in 2012.

The Department currently anticipates that Segments 5 and 6 of SH 130 will be opened and collecting revenue by 2013.

The revenue projections for the 2010 Traffic and Revenue Report assume that Segments 5 and 6 of SH 130 will be open for toll collection by 2013. See "- 2010 Traffic and Revenue Report."

183A Northern Extension (Phase II)

The 183A Northern Extension (Phase II) is currently under construction by the CTRMA and will be an approximately five mile limited-access toll road with three lanes in each direction. Such project extends from FM 1431 in Cedar Park, Texas to north of RM 2243 in Leander, Texas.

The 183A Northern Extension (Phase II) project is being built seven years earlier than originally planned, due to traffic volumes. The CTRMA held a groundbreaking ceremony in March 2010 to signify the start of construction of the 183A Northern Extension (Phase II). The approximately $105 million extension project will be constructed in the median of the existing frontage roads, which will remain non-tolled. The 183A Northern Extension (Phase II) is currently anticipated to be open to traffic in 2012. The CTRMA sold bonds in 2010 to fund construction of the 183A Northern Extension (Phase II).

State Highway 290 (Manor Expressway)

The CTRMA intends to develop and construct the 290 East Project (also referred to as the Manor Expressway) in multiple phases. The 290 East Project has been defined to include an approximately 6.2 mile tolled main lanes from east of US 183 to east of FM 734 (Parmer Lane) with three main tolled lanes in each direction; two to three non-tolled frontage roads in each direction and two proposed interchanges at SH 130 and US 183, with the US 183 interchange including four new direct connectors. The CTRMA held a groundbreaking ceremony in March 2010 to signify the start of construction of the first phase of the 290 East Project which includes acquisition of right-of-way, utility relocation, planning, design and construction of a 1.4 mile section comprised of direct connectors to US 183 and tolled main lanes and frontage roads and is being financed using a combination of federal stimulus funding, a State infrastructure bank loan and a Transportation Infrastructure Finance and Innovation Act loan. This first phase of the project is currently anticipated to be open to traffic in late 2012. The timing of financing and constructing the remaining phases of the 290 East Project is not currently available however, CTRMA has indicated the full project could be open to traffic by 2014.

Cameron Road Bird's Nest Airport Access Ramps

The Department took action in September, 2009 towards the construction of new access ramps to the SH 130 Element located approximately two miles north of US 290 that will serve the regional airport known as Bird's Nest Airport as well as local traffic on Cameron Road. These access ramps will be an all-electronic, open-road facility that will collect tolls through the TxTag transponder system or Pay by Mail.

Work began on the access ramps in September, 2010 and is expected to be complete during the second quarter of Fiscal Year 2011 and is projected to cost approximately $1.8 million being paid by the Department from the State Highway Fund.

O'Connor Access Ramps

The Department took action in September, 2009 towards the construction of a new interchange to the SH 45N Element located extending approximately 600 feet north of the SH 45N Element right-of-way and tying into Williamson County's planned O'Connor Drive extension project. Entrance and exit ramps will be provided on either side of the planned O'Connor Drive along the SH 45N Element frontage roads. This ramp pair will be an all-electronic, open-road facility that will collect tolls through the TxTag transponder system or Pay by Mail.

Work is scheduled to begin on the ramps in August, 2011 and is expected to be complete during the third quarter of Fiscal Year 2013 and is projected to cost approximately $52 million with $7.5 million being paid by Williamson County and $44.5 million being paid by the Department from the State Highway Fund.

RISK FACTORS

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

Traffic and Revenue Report Assumptions

The revenue forecasts in the Traffic and Revenue Reports were based upon certain assumptions. See "TRAFFIC AND REVENUE REPORT – 2010 Traffic and Revenue Report" herein; Appendix F to the 2002 Official Statement, "THE TRAFFIC AND REVENUE REPORT;" and "APPENDIX E" to the Official Statement dated February 26, 2009, "CENTRAL TEXAS TURNPIKE SYSTEM 2002 PROJECT TRAFFIC AND REVENUE FORECAST 2008 REVIEW" and "APPENDIX D – CENTRAL TEXAS TURNPIKE SYSTEM 2010 TRAFFIC AND REVENUE FORECAST." Based upon such assumptions, the Traffic Consultants have expressed their opinion that such revenue forecasts are reasonable and have been prepared in accordance with accepted practice for such studies. However, as provided in the Traffic and Revenue Reports, such reports, as updated, are 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 Reports are inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of the Commission or the Department. Failure to achieve or realize any of the assumptions listed in the Traffic and Revenue Reports may have a materially adverse effect upon the Revenues actually realized.

Ability of the Commission to Meet System-Related Funding Obligations

As described in "FUNDING OF COMMISSION OBLIGATIONS" herein, the Commission's primary source of funds is the State Highway Fund. The State Highway Fund receives constitutionally dedicated funds from a variety of sources including, without limitation, federal transportation funds from the Federal Highway Trust Fund ("*HTF*") (funded through federal excise taxes), State motor fuels taxes, state motor vehicle registration fees and State motor lubricants taxes. The level of such taxes and fees, and therefore the level of funds available to the Commission, is subject to fluctuations based on a variety of factors, including general economic conditions, specific economic, competitive, or regulatory conditions affecting commercial enterprises that rely on motor vehicle transportation, and potential redirection of such taxes and fees to other purposes pursuant to changes in State or federal law or regulation.

Further, though constitutionally dedicated to the construction, maintenance and operation of the State Highway System, all money available to the Commission to satisfy the commitments and covenants described under the caption "SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION" remains subject to appropriation and could be appropriated by the Legislature in a manner that would make them unavailable for support of the System. Any failure of the Legislature to timely appropriate sufficient funds for such purposes, or the imposition by the Legislature of any significant restrictions on the Department's ability to transfer other Department appropriations to such purposes, could result in insufficient funds being available to the Commission for it to satisfy such commitments and covenants.

Federal transportation funds are currently made available to the State by the federal government. Briefly, the Federal-Aid Highway Program ("*FAHP*") is an "umbrella" term that encompasses most of the federal programs providing highway funds to the states. The Federal Highway Administration ("*FHWA*") is the federal agency within the USDOT responsible for administering the FAHP. The FAHP is financed from the transportation user-related revenues deposited in the HTF. Federal government funding for infrastructure projects is usually accomplished through highway authorization bills, which establish funding over a multi-year period. The most recent highway

authorization legislation, SAFETEA-LU, was extended from December 31, 2010 to March 4, 2011 by the Continuing Appropriation and Surface Transportation Act, 2011. The primary source of revenues in the HTF is derived from the federal excise taxes on motor fuels, including certain alternative fuels. The HTF is a dedicated federal fund with revenues dedicated for reimbursement of expenditures by the states, including Texas, for costs of eligible transportation projects, including highway projects and was created as a user-supported fund intended to finance highways with taxes paid by users of highways. State law currently provides that federal funds appropriated for public road construction in the State may only be spent by and under the supervision of the Department. Such funds are deposited to the credit of the State Highway Fund. Federal transportation program funds received and deposited to the State Highway Fund in Fiscal Year 2010 represented approximately $1.87 billion or 33% of State Highway Fund revenue which was a decrease from Fiscal Year 2009 when $2.67 billion or 41% of State Highway Fund revenue was from federal transportation program funds..

Deposits of such taxes into the HTF must periodically be reauthorized by Congress. Historically, the HTF and its constituent taxes have been authorized to operate for limited periods of time. Though recent federal surface transportation legislation has extended this authorization through March 4, 2011, there occasionally have been revenue shortfalls and periods in which the previous authorizing legislation had expired and the future legislation had yet to be enacted. In such circumstances, the federal government, including Congress, have found ways to avoid disruptions to state highway programs and have been able to maintain the flow of federal revenues to states in each instance, however no representation can be made regarding the likelihood of extension of such federal funding after March 4, 2011. Failure to replenish the HTF expeditiously may have an adverse impact on the Department and Commission. Various proposals are being considered to address the HTF's current anticipated shortfall, including an increase in fuel taxes, a variety of new taxes and other funding sources for the HTF. There can be no assurance that any of these proposals will be enacted by Congress. If federal legislation is enacted to extend such federal funding beyond March 4, 2011, it is possible that funding appropriations may be revised, and federal funding for infrastructure projects may be reduced which may impact the funding available to assist in construction of the roadway network change as shown in Chapter 5 of the 2010 Traffic and Revenue Report.

If federal highway authorization legislation is enacted to extend federal funding beyond March 4, 2011, such funding legislation will be subject to possible federal rescission of funds. Federal rescission reduces the amount of federal funds provided by an appropriations or authorization act that has already become law. Similar to an appropriation or authorization act, a rescission must be passed by both chambers of the U.S. Congress and signed into law by the President. In most instances, a rescission is used to provide funding for a new or emergency legislative priority without increasing federal spending government-wide or by a particular agency. Another common scenario is to accommodate for budget shortfalls caused by federal revenue predictions that are discovered to be too high after a spending bill is passed into law. Rescissions are generally targeted at unobligated apportionments. Prior federal highway authorization legislation has been periodically subject to rescission, including reductions to funding under SAFETEA-LU in each of the years 2005 through 2009. Any rescission of any future federal highway authorization legislation could reduce federal funds ultimately deposited into the State Highway Fund.

Operating and Maintenance Expenses

The Operating Expenses and Maintenance Expenses are payable from Revenues and to the extent Revenues are not available to pay the costs of operating and maintaining the 2002 Project, the Commission has pledged to use its available funds, to the extent appropriated, to operate and maintain the 2002 Project. Absent future toll rate increases, the Commission does not anticipate that Revenues will be available to fully support the operation and maintenance of the 2002 Project for the foreseeable future. Bondholders should, accordingly, not expect the 2002 Project to be self-supporting during the foreseeable future.

Successful operation of the 2002 Project requires timely and complete maintenance and replacement of components of the 2002 Project. Although the Master Indenture requires the deposit of budgeted amounts to the Reserve Maintenance Fund, no assurance can be given that sufficient funds will continue to be available to operate and maintain the 2002 Project adequately over the long term. See "SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION." Any significant deterioration in the 2002 Project may result in increased operating and maintenance costs and in reduced usage (or even in temporary lane closures) and may adversely affect the amount of funds available to pay debt service on the Obligations, including the Bonds.

Additional Roadway Facilities

As described in Chapter 5 of the 2010 Traffic and Revenue Report, the projected revenues for the System have been determined assuming the construction and continued operation of certain complementary and competing roadway facilities. No assurances can be provided that such facilities will actually be constructed and/or remain operational at the assumed traffic levels in accordance with the assumptions made in the 2010 Traffic and Revenue Report. Any such failure to construct or to continue to operate such a facility could have an adverse effect on the Revenues produced by the System. Due to budget shortfalls on the state or federal level, no assurance can be given that additional roadway facilities will be constructed. See "- Ability of the Commission to Meet System-Related Funding Obligations."

In addition, there may be competing additional roadway facilities constructed in the future that are not currently contemplated. No assurance can be given regarding any such additional roadway facilities or their impact on the Revenues of the System.

Clean Air Act Non-Attainment Risk

The Federal Clean Air Act requires the United States Environmental Protection Agency (the "*EPA*") to adopt and periodically revise national ambient air quality standards ("*NAAQS*") for each air pollutant that may reasonably be anticipated to endanger public health or welfare. Areas that exceed the NAAQS for a given pollutant can be designated as nonattainment by the EPA. A nonattainment designation then triggers a process by which the affected state must develop and implement a plan to improve air quality and "attain" compliance with the appropriate standard. This so called State Implementation Plan ("*SIP*") entails enforceable control measures and time frames.

Of these pollutants, large urban areas in Texas have had the greatest difficulty achieving the ozone standard. This challenge was compounded in July of 1997, when the EPA adopted a revised and more stringent ozone standard along with a revised standard for fine particulates, often referred to as the 8-hour standard because it is based on an 8-hour average and is intended to protect public health against longer exposure.

Under the 1997 8-hour ozone standard of 0.08 parts per million (ppm), there were three areas in the State classified as nonattainment: Houston/Galveston, Beaumont/Port Arthur, and Dallas/Fort Worth. San Antonio had exceeded the 8-hour standard, but it had received a nonattainment deferred designation because it has voluntarily entered into an Early Action Compact ("*EAC*") with the State's air quality agency, the Texas Commission on Environmental Quality (the "*TCEQ*"). Under an EAC, air quality improvements were accelerated and the nonattainment designation was deferred as long as the voluntary actions were successfully implemented. The Austin area also entered into an EAC, even though the area was in compliance with the standard.

On March 12, 2008, the EPA once again tightened the 8-hour ozone standard from 0.08 ppm to 0.075 ppm. Under the revised standard, there was an expectation that San Antonio and Austin area would become noncompliant or nonattainment. The nonattainment determinations was made by the EPA in March of 2010, based on air quality data averaged over the 2007, 2008 and 2009 ozone seasons, and the air quality experience in both Austin and San Antonio during the summer of 2009 was of good enough quality for both of these areas to avoid a nonattainment designation in March 2010.

However, in September 2009, the EPA announced that it would once again reconsider the ozone standard. In January 2010, the EPA proposed a tighter standard in the range of 0.06 ppm to 0.07 ppm. The EPA is currently awaiting further interpretation from the Clean Air Scientific Advisory Committee ("*CASAC*") of the epidemiological and clinical studies used to make such recommendation and has indicated that it intends to review such interpretations before issuing a final rule on the revised standard. The EPA has indicated that it intends to set a final standard in the range recommended by the CASAC by the end of July, 2011. Nonattainment designations based on the new standard would then be made in March 2012, based on air quality data averaged over 2011, 2010, and 2009. For those areas designated as nonattainment, the State will then have three years to develop a State Implementation Plan, which will set forth those actions that will be taken to bring the areas back into compliance.

The Travis, Williamson, Bastrop, Hays and Caldwell County areas (the "*Austin Area*") are not currently designated "nonattainment" for any NAAQS; however, the Austin Area has been informally considered a "near

nonattainment" area by the TCEQ based on air quality monitored data for the 1997 eight-hour ozone standard. Although the Austin Area was in compliance with the 2008 8-hour standard, it was close to exceeding such standard and remains vulnerable to exceeding the standard and being designated as nonattainment.

Should the Austin Area fail to achieve attainment under the new "to be adopted" standard, which is considered likely, or should the Austin Area fail to satisfy a then effective SIP (for non-attainment or otherwise), or for any other reason should a lapse in conformity with the CAA occur, the Austin Area may be subjected to sanctions pursuant to the CAA. Under such circumstances, the TCEQ would be required under the CAA to submit to EPA a new SIP under the CAA for the Austin 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 that may be applicable to the Austin Area is uncertain. 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, or fail to revise or implement a SIP, or fail to comply with an existing SIP. Subject to certain exceptions, if the Austin Area falls out of conformity and the mandatory highway funding suspension sanction is implemented, the United States Secretary of Transportation may be prohibited from approving or awarding transportation projects or grants within the area failing to conform to the CAA.

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, as applicable, of road facilities in the State, including additional roadway facilities described in Chapter 5 of the 2010 Traffic and Revenue Report anticipated to favorably impact the 2002 Project. 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 delays in the construction or operation, as applicable, of such complementary facilities.

Motor Fuel Prices and Taxes

Among other assumptions, the revenue forecast in the 2010 Traffic and Revenue Report is based on (i) the assumption that motor fuel will remain in adequate supply and motor fuel prices (in current dollars) will average $3.50 per gallon during the forecast period and (ii) the assumption that federal and State motor fuel taxes will not increase to the extent that, together with price increases, motor fuel pump prices will average $3.50 per gallon during the forecast period. 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 to the extent that motor fuel pump prices exceed $3.50 per gallon during the forecast period covered by the revenue forecasts. Motor fuel pump prices, for an extended period of time, in excess of $3.50 per gallon could negatively impact the revenue forecasts in the 2010 Traffic and Revenue Report. See "TRAFFIC AND REVENUE REPORT – 2010 Traffic and Revenue Report" and "APPENDIX D – CENTRAL TEXAS TURNPIKE SYSTEM 2010 TRAFFIC AND REVENUE FORECAST."

Current State of the Economy

Demographics Underlying Traffic and Revenue Report Revenue Forecast. The revenue forecast in the 2010 Traffic and Revenue Report is based in part on socioeconomic forecasts that the Traffic Consultant believes are achievable, even under economic conditions as discussed in Chapter 4 of the 2010 Traffic and Revenue Report. However, it is unclear at this time whether the length or breadth of the current recession will affect the economy in Texas in a manner contemplated by the 2010 Traffic and Revenue Report and, therefore, it is unknown if the socioeconomic forecasts will be achievable given the current state of the economy.

Availability of Appropriated Funds to Meet Commission Funding Obligations. The Commission is ultimately responsible for paying the costs of operating and maintaining the System, all of which must be paid from funds appropriated to the Commission by the Legislature which are largely comprised of constitutionally dedicated revenues deposited into the State Highway Fund. See "FUNDING OF COMMISSION OBLIGATIONS." In its current legislative appropriations request, the Commission has requested appropriation of the funds needed for such costs for the 2012 - 2013 biennium, and the Legislative session began on January 11, 2011 during which the Legislature will consider the Commission's legislative appropriations request and those of all State agencies. Due to the ongoing national economic recession, the State's leadership has previously requested that each state agency, including the Department, make a five percent reduction in its general revenue appropriations for the current 2010-

2011 biennium and that each agency's legislative appropriations request for the 2012-2013 biennium use such reduced amount as a baseline with additional five and ten percent reduction scenarios to be included in such request. Additionally, the State's leadership has also subsequently required each state agency, including the Department, to further reduce its general revenue appropriations for the remainder of Fiscal Year 2011 by 2.5 percent from its original general revenue appropriations. On January 10, 2011, in anticipation of the start of the current Legislative session as required by the Texas Constitution, the Texas Comptroller of Public Accounts released her State revenue estimates for the 2012 - 2013 biennium which provides for an approximately $27 billion shortfall between estimated available general revenue funds and projected State expenditures necessary to maintain current levels of service. The Texas Constitution requires that the State Legislature pass a balanced budget for each biennium. Accordingly, no assurances can be provided as to how the Legislature will balance the State's budget for the 2012 - 2013 biennium.

Potential Legislative Changes

The Legislature convened in a regular session which began on January 11, 2011 and will end on May 30, 2011, and during such session will consider, among other things, the recommendations of the Texas Sunset Advisory Commission regarding the continuation and reorganization of the Department and the Commission, and the amount of funds to be appropriated to the Department. It is possible that there may be changes in the governance and operations of the Department and the Commission. However, it is unknown at this time what changes, if any, will be made or the impact any such changes may have on the ability of the Department or Commission to meet its obligations with respect to the System. Should the Commission or the Department cease to exist, State law requires another agency of the state to succeed as obligor on the Bonds.

Toll Collection and Enforcement Systems

The 2002 Project is currently utilizing cash and electronic toll collection systems as well as, on a pilot program basis, the Pay by Mail method. As the tolling industry continues to evolve, new tolling collection and enforcement processes may develop and be implemented by the Commission in an effort to produce operational and maintenance efficiencies, such as discontinuance or permanent implementation of the Pay by Mail method of payment of tolls and elimination of the cash method of payment but such implementation may result in higher evasion rates. No new toll collection system can be implemented by the Commission unless prior to the adoption thereof, the Traffic and Revenue Consultant can certify to the Commission that such system will not adversely affect the ability of the Commission to comply with its rate covenant in the Master Indenture. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS - Rate Covenants - *Certification by Traffic Consultants*." However, no assurances can be given regarding the reliability of collection and enforcement of any toll collection and enforcement systems that may be implemented by the Commission in the future.

Pay By Mail Pilot Program

The 2010 Traffic and Revenue Report has assumed that the Commission will not suspend the use of the Pay by Mail pilot program or modify its current surcharge percentage and fees. The Pay by Mail program is still a "pilot" program and the Commission has not adopted a toll rate schedule pursuant to the provisions of the Master Indenture to permanently implement the Pay by Mail program. In Fiscal Year 2010, Pay by Mail transactions represented approximately 17% of transactions processed and approximately 14% of the Revenues assumed in "THE SYSTEM AND THE 2002 PROJECT - 2002 Project Estimated Cash Flow and Debt Service Coverage." The Commission may at any time determine to discontinue utilizing such pilot program and/or may determine to change the current surcharge percentage and fees. In the event the Pay by Mail program is discontinued, it is expected that a large percentage of Pay by Mail users would either utilize cash lanes or become new TxTag account holders provided, however no estimate can be made as to what impact a discontinuation of the Pay by Mail program would have on revenues of the System. If the Pay by Mail program is discontinued, the Commission will determine enforcement procedures to collect tolls from motorists that continue to utilize electronic tolling lanes without having a TxTag on their vehicles.

Dilution of First-Tier Security Upon Bankruptcy-Related Event

As detailed under "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS - Default and Remedies - *2002 TIFIA Bond Default Remedy*," upon the occurrence of a Bankruptcy-Related Event under the TIFIA Loan Agreement and the Indenture while TIFIA owns the 2002 TIFIA Bond, the 2002 TIFIA Bond will be

deemed to be a First Tier Obligation, and the USDOT will deemed to be the Secured Owner of such First Tier Obligation. In such event, the 2002 TIFIA Bond would be secured by and payable from the Trust Estate (except for the First Tier Debt Service Reserve Fund) on a basis equal to that of other Outstanding First Tier Obligations, including the Bonds.

Unpredictability of Investment Earnings

In recent years, deteriorating economic conditions and other factors have created volatility in the banking community, in general, as well as with rating agencies. No assurance can be given whether such volatility will increase or decrease or that market conditions will improve. Each Investment Providers' financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Investment Providers will not be subject to downgrade and such event could adversely affect the Commission.

Additionally, the 2002 Project Estimated Cash Flow and Debt Service Coverage table herein assumes certain investment earnings on the balance of the Rate Stabilization Fund. There is no guarantee that actual investment earnings on the balance of the Rate Stabilization Fund will not be lower than such assumed earnings. Any such reduction of actual investment earnings below the assumed levels could negatively impact the amount of Revenues of the 2002 Project.

Generally, a reduction in investment yields could negatively impact the aggregate investment earnings realized. In addition, expenditure of amounts in the First Tier Debt Service Reserve Fund could reduce both the amount of invested funds available for investment and the length of time that such invested funds could be invested. Any such reduction in amounts available for investment could negatively impact the aggregate investment earnings realized. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *First Tier Debt Service Reserve Fund*."

Limitation and Enforceability of Remedies

Limitation of Remedies Under the Indenture. The remedies available to Owners of the Bonds upon an Event of Default under the Indenture are limited to the seeking of specific performance or a writ of mandamus or other suit, action or proceeding compelling and requiring the Commission and its officers to observe and perform any covenant, condition or obligation prescribed in the Indenture. ***NO ACCELERATION REMEDY IS AVAILABLE TO OWNERS OF THE BONDS***. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Default and Remedies."

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

Further, under current State law, the Department is prohibited from waiving sovereign immunity from suit or liability with respect to its obligations relating to the Bonds and therefore, Bondholders are prevented from bringing a suit against the Department to adjudicate a claim to enforce the Department's obligations under the Indenture or for damages for breach of the Department's obligations under the Indenture. However, State courts have held that mandamus proceedings against a governmental unit, such as the Department, are not prohibited by sovereign immunity. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Default and Remedies."

Exceptions to Non-Compete Covenant in the Master Indenture

In the Master Indenture, the Commission agrees not to construct, operate, assist, provide funding for or support, and to use all its discretionary authority available to it under applicable law to dissuade other public and private entities from, constructing, permitting, assisting or supporting, certain highway projects that would have the purpose or reasonably foreseeable effect of materially adversely affecting the ability of the Commission to comply with its covenants in the Master Indenture. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Additional Covenants of the Commission – *Covenant Not to Build Competing System*." However, the Master Indenture excepts the following types of projects and facilities from this covenant: (i) any State highway improvements necessary for improved safety, maintenance or operational purposes; (ii) any intercity, intracity, commuter, urban, high speed rail projects or any combination of the foregoing supported by the State and/or others; (iii) any High-Occupancy-Vehicle-exclusive lanes operationally required by environmental regulatory agencies, (iv) any projects included in the CAMPO Transportation Plan to the Year 2025 (which includes proposed light rail and commuter rail facilities) and (v) any project undertaken to increase traffic capacity by modifying already-constituted facilities through the installation of traffic sensors, metering devices, intersection grade separations, and Intelligent Vehicle Highway System equipment or work involving the restriping of traffic lanes, medians and shoulders. The excepted projects may compete, either directly or indirectly, with the 2002 Project. No assurances can be given that such competing projects will not adversely affect traffic volumes, and therefore Revenues, generated by the 2002 Project in a manner not contemplated by the 2010 Traffic and Revenue Report.

Rating Changes of Ambac Assurance Corporation and Possible Impact of Bankruptcy of Ambac Financial

Ambac Assurance Corporation ("*Ambac*") issued a financial guaranty insurance policy (the "*2002-A Insurance Policy*") in connection with the Series 2002-A Bonds, which are secured on a parity basis with the Bonds. At the time of issuance, the Series 2002-A Bonds received ratings of "AAA", "Aaa" and "AAA" from Fitch, Moody's and S&P, respectively, based upon the 2002-A Insurance Policy issued by Ambac. As of October 25, 2010, ratings assigned to Ambac were "Caa2/Under Review for Possible Downgrade" and "R - (Under Regulatory Supervision)" by Moody's and S&P, respectively, and Fitch had withdrawn its rating.

On November 8, 2010, Ambac Financial Group Inc. ("*Ambac Financial*"), the holding company of Ambac, filed for protection under Chapter 11 of Title 11 of the United States Code, and its rehabilitation plan was accepted by the court on January 25, 2011. Pending litigation challenges and other actions could prevent Ambac Financial's bankruptcy reorganization and could potentially adversely affect the solvency of Ambac, which could in turn diminish or eliminate the security provided by the 2002-A Insurance Policy to the holders of the Series 2002-A Bonds.

Forward-Looking Statements

The statements contained in this Remarketing Memorandum, and in other information provided by the Commission and the Department, that are not purely historical, are forward-looking statements, including statements regarding the Commission and the Department's expectations, hopes, intentions or strategies regarding the future and the projections in the 2010 Traffic and Revenue Report. All forward-looking statements included in this Remarketing Memorandum are based on information available to the Commission and the Department on the date hereof, and the Commission and the Department assume no obligation to update any such forward-looking statements.

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

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE COMMISSION

The Commission invests its investable funds (e.g. funds held by the Trustee related to the System) in investments authorized by State law in accordance with investment policies approved by the Commission. Both State law and the Commission's investment policies are subject to change.

Under State law and in accordance with its investment policy, the Commission is authorized to invest funds held by the Trustee in (i) obligations of the United States or its agencies and instrumentalities, including letters of credit; (ii) direct obligations of the State or its agencies and instrumentalities; (iii) 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; (iv) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities; (v) 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; (vi) bonds issued, assumed or guaranteed by the State of Israel; (vii) certificates of deposit meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code) that are issued through an institution that either has its main offices or a branch in Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (i) through (vi) or in any other manner and amount provided by law for Commission deposits; (viii) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (i), and are placed through a primary government securities dealer or a financial institution doing business in the State; (ix) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally-recognized credit rating agency; (x) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally-recognized credit rating agencies or (b) one nationally-recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (x) no-load money market mutual funds registered with and regulated by the SEC that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of $1 for each share; (xii) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, invest exclusively in obligations described in the this paragraph, and are continuously rated as to investment quality by at least one nationally-recognized investment rating firm of not less than "AAA" or its equivalent, and (xiii) certain securities lending programs. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph. Additionally, the Commission may invest in forward purchase agreements that provide the purchase of short-term securities at specified intervals at a predetermined price on a delivery versus payment basis.

The Commission may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally-recognized rating service. The Commission may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Sections 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the Commission retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the Commission must do so by order, ordinance, or resolution. The Commission is specifically prohibited from investing in: (i) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (ii) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (iii) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (iv) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

The Commission is legally required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for Commission funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted

maturity allowed for pooled fund groups. All Commission funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (i) suitability of investment type, (ii) preservation and safety of principal, (iii) liquidity, (iv) marketability of each investment, (v) diversification of the portfolio, and (vi) yield.

Under State law, the Commission's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the Commission's investment officers must submit an investment report to the Commission detailing: (i) the investment position of the Commission, (ii) that all investment officers jointly prepared and signed the report, (iii) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group, (iv) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (v) the maturity date of each separately invested asset, (vi) the account or fund or pooled fund group for which each individual investment was acquired, and (vii) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest Commission funds without express written authority from the Commission.

The Commission is additionally legally required to: (i) annually review its adopted policies and strategies; (ii) require any investment officers with personal business relationships or family relationships with firms seeking to sell securities to the Commission to disclose the relationship and file a statement with the Texas Ethics Commission and the Commission; (iii) require the registered principal of firms seeking to sell securities to the Commission to: (a) receive and review the Commission's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (iv) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the Commission's investment policy; (v) 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 repurchase agreement; (vi) restrict the investment in non-money market mutual funds in the aggregate to no more than 15% of the Commission's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (vii) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (viii) provide specific investment training for the investment officer.

The Commission has entered into investment agreements for the investment of amounts in the First Tier Debt Service Reserve Fund to establish fixed rates of return for such amounts. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *First Tier Debt Service Reserve Fund*" and "RISK FACTORS - Unpredictability of Investment Earnings."

LITIGATION

Except as discussed below, there is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Commission, threatened) that affects the obligation of the Commission to deliver the Bonds or the validity of the Bonds. There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Department threatened) against or affecting the State or any of its agencies or instrumentalities (nor to the best of the knowledge of the Department is there is any basis therefor) that (i) affects the existence of the Commission or the right of the present commissioners and officers of the Department to hold their offices, (ii) affects the validity or enforceability of the provisions pursuant to which the Bonds are being issued, (iii) would have a material adverse effect upon the power of the Commission to issue the Bonds or (iv) if decided adversely to the Commission, could have a material adverse effect on the financial condition of the System.

On October 26, 2009, Mary Kemp, (the "*Plaintiff*"), filed a class action lawsuit in Federal District Court in the Northern District of Texas Dallas Division (Civil Action No. 3:09-CV-2020) against a number of parties including the members of the Texas Transportation Commission, the Texas Department of Transportation, the Texas Turnpike Authority and the State of Texas (the "*Defendants*") alleging that the Defendants by charging a one dollar ($1.00) invoice fee for drivers on Texas tollways, including the CTTS, using the Pay by Mail option have not

properly informed drivers in advance of the fee and that the Defendants lack any statutory authority to charge the fee. The Plaintiff claims the invoice fee charged by Defendants constitutes an unconstitutional taking under Federal and State law as well as a violation of the Deceptive Trade Practices and Consumer Protection Act and fraud. The Plaintiff seeks unspecified damages to compensate her and all likely situated class members for injuries and alternatively seeks declaratory and injunctive relief.

On November 23, 2009, the Attorney General of Texas, as attorneys for the Defendants filed an answer to the Plaintiff's complaint denying certain allegations and asserting 11 different affirmative defenses to the complaint including: (i) failure to state a claim upon which relief may be granted; (ii) the Court lacks subject-matter jurisdiction over each and every purported claim, including monetary relief, against the Defendants because the Defendants are immune from suit pursuant to the Eleventh Amendment o the United States Constitution; (iii) the Plaintiff cannot satisfy the requirements for a class action and Plaintiff is not an appropriate class or group representative; (iv) the complaint is barred to the extent that the Plaintiff lacks standing to raise some or all of the claims and the proposed class consented to the toll system; and (v) the individual Defendants are barred by the doctrine of official immunity. The Attorney General's answer requested the complaint be dismissed with prejudice, the purported class not be certified, the judgment be entered in favor of Defendants on all claims and the Defendants be awarded attorneys' fees and costs and such other relief as deemed appropriate by the court.

On February 16, 2010, the Attorney General filed a "Motion to Dismiss pursuant to Fed. R. Civ. P. 12(B)(1) and 12(C) and, in the Alternative, Motion for Rule 7(A) Reply" containing several legal arguments regarding (1) the court's lack of subject matter jurisdiction over the federal and state takings claims against the Defendants due to Eleventh Amendment immunity, and (2) plaintiff's failure to state a Section 1983 claim against the individual defendants in their individual capacities based upon the qualified immunity of the individual defendants. In the alternative the motion requests that plaintiff be ordered to replead under Rule 7(A) to provide factual details in support the Section 1983 claim against the individual defendants in their individual capacities.

On November 3, 2010, the Judge dismissed the case with prejudice and on December 2, 2010 the plaintiff filed a motion to appeal. The $1.00 invoice fee which is the subject matter of the lawsuit raised $941,545 and $1,027,211 in Revenue for the System in Fiscal Years 2009 and 2010, respectively.

LEGAL MATTERS

Though it represents the 2011 Remarketing Agents from time to time in matters unrelated to the remarketing of the Bonds, Bond Counsel has been engaged by and represents only the Commission in connection with the remarketing of the Bonds. Attached hereto as "APPENDIX F – ORIGINAL OPINION OF BOND COUNSEL" is the form of opinion that Bond Counsel rendered in connection with the initial delivery of the Bonds. The payment of a portion of legal fees to Bond Counsel in connection with the remarketing of the Bonds is contingent on the sale and delivery of the Bonds. Certain legal matters will be passed upon for the 2011 Remarketing Agents by Winstead PC, counsel to the 2011 Remarketing Agents. The payment of legal fees to the 2011 Remarketing Agents' Counsel in connection with the remarketing of the Bonds is contingent on the sale and delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

Original Opinion

On the date of initial issuance of the Bonds, Bond Counsel stated in an opinion (the "*Original Opinion*") dated March 5, 2009 that, as of such date, in accordance with statutes, regulations, published rulings, and court decisions existing on the date thereof, (i) interest on the Bonds for federal income tax purposes was excludable from the "gross income" of the holders thereof and (ii) the Bonds would 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 Code. Except as stated above, Bond Counsel expressed no opinion as to any other federal, State, or

local tax consequences of the purchase, ownership or disposition of the Bonds. See "APPENDIX F – ORIGINAL OPINION OF BOND COUNSEL." The Original Opinion expressed on the date of initial delivery has not been and will not be updated in connection with the remarketing of the Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings, and court decisions, all of which are subject to change or modification, retroactively.

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

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

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

State, Local, and Foreign Taxes

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

CONTINUING DISCLOSURE OF INFORMATION

In the Indenture the Commission has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Commission is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under such agreement, the Commission will be obligated to provide certain updated financial information and operating data to certain information vendors annually, and timely notice of specified material events, to certain information vendors. This information will be available to securities brokers and others who subscribe to receive the information from the vendors.

Annual Reports

The Commission will provide certain updated financial information and operating data to certain information vendors annually. The information to be updated includes all quantitative financial information and operating data with respect to the Commission and the System of the general type included in this Remarketing Memorandum, under the headings "THE SYSTEM AND THE 2002 PROJECT," "SYSTEM-RELATED FUNDING OBLIGATIONS OF COMMISSION" and "FUNDING OF COMMISSION OBLIGATIONS," and in "SCHEDULE I – DEBT SERVICE REQUIREMENTS" and "APPENDIX A – AUDITED FINANCIAL STATEMENTS OF THE SYSTEM FOR THE FISCAL YEARS ENDED AUGUST 31, 2010 AND 2009". Included in the annual filing relating to the first full Fiscal Year of operation of the 2002 Project and for each Fiscal Year thereafter, the Commission will furnish (i) a table, based on the actual results for such Fiscal Year, setting forth for such Fiscal Year, but not including any projection for any future period, the information shown in the table titled "2002 Project Estimated Cash Flow and Debt Service Coverage Table" herein, (ii) a copy of the General Engineering Consultant's annual report relating to its inspection of the System and (iii) a copy of the Toll rate schedule then in effect.

The Commission will update and provide this information within six months after the end of each Fiscal Year. The Commission will provide the updated information to the Municipal Securities Rulemaking Board ("*MSRB*") in an electronic format as prescribed by the MSRB.

The Commission 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 Commission commissions an audit and it is complete by the required time. If audited financial statements are not available by the required time, the Commission 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 Commission may be required to employ from time to time pursuant to state law or regulation.

The Commission's current Fiscal Year end is August 31. Accordingly, it must provide updated information by February 28 in each year, unless the Commission changes its Fiscal Year. If the Commission changes its Fiscal Year, it will notify the MSRB of the change.

Material Event Notices

The Commission will provide notice to the MSRB of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of bondholders; (3) Bond calls; (4) release, substitution, or sale of property securing repayment of the Bonds; (5) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and (6) appointment of a successor or additional trustee or the change of name of a trustee.

The Commission will also provide notice to the MSRB of any of the following events with respect to the Bonds without regard to whether such event is considered material within the meaning of the federal securities laws: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) 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–TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (6) tender offers; (7) defeasances; (8) rating changes; and (9) bankruptcy, insolvency, receivership or similar event of the Commission (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Commission in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Commission, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Commission).

The Commission will provide notice of the aforementioned events to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event). The Commission will also provide timely notice of any failure by the Commission to provide annual financial information in accordance with their agreement described above under "-- Annual Reports."

Availability of Information from the MSRB

The Commission has agreed to provide the foregoing information only to the MSRB. All documents provided by the Commission to the MSRB described above under "Annual Reports" and "Material Event Notices" will be in an electronic format and accompanied by identifying information as prescribed by the MSRB.

The address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314, and its telephone number is (703) 797-6600. To make such information available to the public free of charge, the MSRB has established the Electronic Municipal Market Access ("*EMMA*") system, which may be accessed over the internet at www.emma.msrb.org.

Should the Rule be amended to obligate the Commission to make filing with or provide notices to entities other than the MSRB, the Commission agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

Limitations and Amendments

The Commission has agreed to update information and to provide notices of material events only as described above. The Commission 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 Commission makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Commission disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the Commission to comply with its agreement.

The Commission 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 Commission, but only if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the agreement or (b) any person unaffiliated with the Commission (such as nationally-recognized bond counsel) determines that the amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. The Commission may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the application provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds.

Compliance with Prior Undertakings

During the last five years, the Commission has not failed to comply in any material respect with any continuing disclosure agreement in accordance with the Rule.

LEGAL INVESTMENTS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments 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. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, the Bonds may have to be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. Currently, the Bonds do not currently meet the Public Funds Investment Act rating requirement. See "RATINGS." In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of $1,000,000 or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the Commission has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

The Commission makes no representation that the Bonds will be acceptable to banks, savings and loan associations or public entities for investment purposes or to secure deposits of public funds. The Commission has made no investigation of other laws, regulations or investment criteria that might apply to or otherwise limit the

availability of the Bonds for investment or collateral purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds and as to the acceptability of the Bonds for investment or collateral purposes.

RATINGS

The Bonds have received ratings of "BBB+" with a stable outlook from Fitch, "Baa1" with a stable outlook from Moody's, and "BBB+" with a stable outlook from S&P. An explanation of the significance of each such 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 Commission makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such companies, if in the judgment of such companies circumstances so warrant. Any such downward revision or withdrawal of any rating may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

Public Financial Management, Inc. is serving as the Financial Advisor to the Commission (the "*Financial Advisor*") in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is not contingent upon the issuance and delivery of the Bonds. The Financial Advisor has not verified and does 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 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

REMARKETING

The 2011 Remarketing Agents of the Bonds have agreed, subject to certain customary conditions to remarket the Bonds for the Commission at a fee of $557,752.88 (includes expenses and Remarketing Agents' Counsel fee), which will be paid from funds of the System. The 2011 Remarketing Agents will be obligated to remarket all of the Bonds. The Bonds will be purchased from remarketing proceeds on deposit in the Bond Purchase Fund. Pursuant to the provisions of the Indenture, the 2011 Remarketing Agents will certify the interest rates on the Bonds to be the lowest rate which, in their judgment, on the basis of prevailing financial market conditions, would permit the sale of the Bonds with the same Interest Rate Period in a secondary market transaction on and as of the date of the remarketing, at par.

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, Wells Fargo Bank, National Association.

Wells Fargo Bank, National Association ("*Wells Fargo*"), the senior remarketing agent of the Bonds, has entered into an agreement (the "*Wells Fargo Distribution Agreement*") with Wells Fargo Advisors, LLC ("*WFA*") for the retail distribution of certain municipal securities offerings, including the Bonds. Pursuant to the Wells Fargo Distribution Agreement, Wells Fargo will share a portion of its underwriting compensation with respect to the Bonds with WFA. Wells Fargo and WFA are both subsidiaries of Wells Fargo & Company.

Piper Jaffray & Co. ("*Piper*"), one of the co-manager remarketing agents of the Bonds, has entered into an agreement (the "*Piper Distribution Agreement*") with Advisors Asset Management, Inc. ("*AAM*") for the distribution of certain municipal securities offerings, including the Bonds, allocated to Piper at the original offering prices. Under the Piper Distribution Agreement, Piper will share with AAM a portion of the fee or commissions, exclusive of management fees, paid to Piper.

The 2011 Remarketing Agents and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the 2011 Remarketing Agents and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Commission, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the 2011 Remarketing Agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Commission. Wells Fargo currently serves as an Investment Provider. The 2011 Remarketing Agents and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

OTHER MATTERS

The financial data and other information contained herein have been obtained from the Commission'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 summaries of documents do not purport to be complete statements of such documents 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 Commission.

TEXAS TRANSPORTATION COMMISSION

By: /s/ James M. Bass
Chief Financial Officer
Texas Department of Transportation

SCHEDULE I
DEBT SERVICE REQUIREMENTS
(Dollar Amounts Shown in Thousands)

	First Tier Obligations					
Fiscal Year	**Series 2002-A Bonds**	**The Bonds[1]**	**Total First Tier Obligations**	**Second Tier Obligations[2]**	**TIFIA Bond[3]**	**Total Debt Service Requirements**
2011	$ 37,162	$ 5,784	$ 42,946	-	$ 30,082	$ 73,028
2012	41,667	4,105	45,772	-	31,690	77,462
2013	44,872	5,784	50,656	-	33,698	84,354
2014	47,317	7,464	54,781	-	35,023	89,803
2015	49,767	7,464	57,231	-	36,443	93,674
2016	62,967	7,464	70,431	-	43,188	113,619
2017	66,817	7,464	74,281	-	45,478	119,759
2018	70,662	7,464	78,126	-	47,969	126,095
2019	74,512	7,464	81,976	-	50,259	132,235
2020	78,362	7,464	85,826	-	52,760	138,585
2021	84,427	7,464	91,891	-	56,463	148,354
2022	90,212	7,464	97,676	-	59,550	157,225
2023	96,002	7,464	103,466	-	62,610	166,075
2024	101,787	7,464	109,251	-	65,622	174,873
2025	107,572	7,464	115,036	-	68,683	183,719
2026	128,872	7,464	136,336	-	80,096	216,431
2027	134,022	7,464	141,486	-	83,663	225,148
2028	139,137	7,464	146,601	-	87,267	233,868
2029	144,202	7,464	151,666	-	90,886	242,552
2030	149,187	7,464	156,651	-	94,511	251,161
2031	154,087	7,464	161,551	-	98,122	259,673
2032	158,867	7,464	166,331	-	101,708	268,039
2033	163,512	7,464	170,976	-	105,252	276,228
2034	167,997	7,464	175,461	-	108,757	284,217
2035	172,507	7,464	179,971	-	112,308	292,279
2036	183,902	7,464	191,366	-	125,256	316,622
2037	198,817	7,464	206,281	-	128,783	335,064
2038	203,012	7,464	210,476	-	132,317	342,793
2039	175,947	7,464	183,411	-	168,226	351,637
2040	180,118	7,464	187,582	-	171,824	359,406
2041	184,276	7,464	191,739	-	175,442	367,181
2042	102,028	156,739	258,767	-	229,950	488,717
	$3,794,591	$381,398	$4,175,989	-	$2,813,888	$6,989,876

NOTE: Totals may not add up due to rounding.

(1) For estimation purposes, debt service associated with the Bonds after the end of the Multiannual Period assumes a constant 5% interest rate, with principal of the Bonds to be paid at maturity.
(2) No Second Tier Obligations are currently outstanding under the Master Indenture.
(3) The TIFIA Bond is in the aggregate principal amount of $900,000,000 and is a Subordinate Lien Obligation.

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APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE SYSTEM FOR THE FISCAL YEAR ENDED AUGUST 31, 2010

TEXAS DEPARTMENT OF TRANSPORTATION

Central Texas Turnpike System of the Texas Turnpike Authority

(An Enterprise Fund of the Texas Department of Transportation)

Financial Statements - For Fiscal Year Ended August 31, 2010

CENTRAL TEXAS TURNPIKE SYSTEM

of the

TEXAS TURNPIKE AUTHORITY

FINANCIAL STATEMENTS

August 31, 2010

Prepared by:
Finance Division of the Texas Department of Transportation

CENTRAL TEXAS TURNPIKE SYSTEM
of the
TEXAS TURNPIKE AUTHORITY

Financial Statements
August 31, 2010

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INTRODUCTORY SECTION

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Texas Department of Transportation
DEWITT C. GREER STATE HIGHWAY BLDG. • 125 E. 11TH STREET • AUSTIN, TEXAS 78701-2483 • (512) 463-8585

December 15, 2010

TO: The Citizens of the State of Texas and the Creditors of the Central Texas Turnpike Project

The Indenture of Trust, dated as of July 15, 2002, as supplemented by the First through Fifth Supplemental Indentures (collectively, the "Indenture") between the Texas Transportation Commission (the *"Commission")* and Bank One, National Association (the *"Trustee"),* requires the Commission to provide audited annual financial statements of the Texas Turnpike Authority - Central Texas Turnpike Project (the *"System").* Pursuant to this requirement, we hereby present to you the Financial Statements for the System for the year ended August 31, 2010 and for comparative purposes the year ended August 31, 2009. This report has been prepared by the Accounting Management staff in the Finance Division of the Texas Department of Transportation.

Management is responsible for the accuracy of the data in this report as well as for the completeness and fairness of the presentation. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this financial report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements of the System in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the Texas Department of Transportation's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. To the best of our knowledge and belief, the financial report is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the System and provides disclosures that enable the reader to understand the System's financial condition.

The Texas State Auditor's Office performed an independent audit of the System's basic financial statements for the year ended August 31, 2010. The auditors issued an unqualified opinion on the financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The summarized comparative information for the prior period has been derived from the System's financial statements for the year ending August 31, 2009, and, in their report dated December 18, 2009 the Texas State Auditor expressed an unqualified opinion on those financial statements.

THE TEXAS PLAN
REDUCE CONGESTION • ENHANCE SAFETY • EXPAND ECONOMIC OPPORTUNITY • IMPROVE AIR QUALITY
INCREASE THE VALUE OF OUR TRANSPORTATION ASSETS

An Equal Opportunity Employer

The Management's Discussion and Analysis ("MD&A") provides a narrative introduction, overview and analysis of the financial activities of the System. We encourage readers to consider the information in this letter of transmittal in conjunction with the MD&A, which can be found on page 13.

Profile of the Government

The Texas Department of Transportation (the *"Department")* is an agency of the State of Texas (the "*State*") created to provide safe and efficient movement of people and goods, enhance economic viability and improve the quality of life for the people that travel in the state of Texas by maintaining existing roadways and collaborating with private and local entities to plan, design, build and maintain expanded transportation infrastructure. The Department's goals are to develop an organizational structure and strategies designed to address the future multimodal transportation needs of all Texans; enhance safety for all Texas transportation system users; maintain the existing Texas transportation system; promote congestion relief strategies; enhance system connectivity, and facilitate the development and exchange of comprehensive multimodal funding strategies with transportation program and project partners. The Department is managed by the Executive Director and is governed by a five-member Commission. The Department is organized into 25 districts, 20 divisions, 6 offices and 4 regional support centers and currently has an annual budget of approximately $9.7 billion and a staff of approximately 12,000 which manage approximately $3.2 billion in annual highway contract lettings.

The Texas Turnpike Authority Division of the Department *("TTA")* is controlled and governed by the Commission. TTA was created in 1997 under Chapter 361 of the Texas Transportation Code, as amended (the *"Turnpike Act")*. As originally created in 1997, TTA had a separate board of directors. The independent board of directors was abolished by the State Legislature in 2001 and all of its duties were given to the Commission. To allow the Commission to make the most efficient use of its resources, the State Legislature granted authority to the Commission, acting for and through TTA, to study, plan, design, construct, finance, operate and maintain turnpikes in all 254 counties of the State as a part of the State's highway system. The Commission has the authority to issue turnpike revenue bonds to pay all or a part of the cost of a turnpike project, to enter into comprehensive development agreements to execute projects, and to acquire right-of-way through quick-take procedures.

Information Useful in Assessing the Government's Financial Condition

Cash Management policies and practices: The Commission's Investment Strategy for the System identified four fund types in association with the Indenture. These funds are 1) Type I Funds: Funds in the Revenue Fund, General Reserve Fund and Debt Service Funds, other than Capitalized Interest Funds; 2) Type II Funds: Funds in the Rate Stabilization Fund; 3) Type III Funds: Funds in the Construction Fund and Capitalized Interest Funds; and, 4) Type IV Funds: Funds in the Debt Service Reserve Fund. Bond proceeds were deposited to Type III and IV Funds. Type I and Type II Funds are funded with toll revenues. Toll revenues and fees of $73.3 million were deposited into the Revenue Fund during fiscal year 2010. Type I Funds provide for semi-annual debt service payments to bondholders, fund the Rate Stabilization Fund, and can pay operating and maintenance expenses of the System. The System funded $15 million in operating expenses during fiscal year 2010. The Rate Stabilization Fund's required balance per the Bond Indenture is $67.8 million. The Rate Stabilization Fund may be used to

cure deficiencies for debt service payments or to supplement payments for operating and maintenance costs. As of August 31, 2010, Type III Funds included capital contributions from local governments, Department equity contributions and related earnings. These funds may be used for System expenses.

The Department and the Trustee are responsible for ensuring that funds maintain the proper minimum balances as set forth in the Indenture and for investing in securities required to meet liquidity requirements. The investments suitable for each fund type have been determined using the following criteria that are detailed in the Commission's Investment Strategy: 1) suitability of the investment to the financial requirements of the entity; 2) preservation and safety of principal; 3) liquidity; 4) marketability of the investment if the need arises to liquidate the investment before maturity; 5) diversification of the investment portfolio; and, 6) yield. All Type I, II and III funds are invested in money market funds that are in compliance with the Commission's investment policy. The Debt Service Reserve Fund, a Type IV Fund, is invested in a Forward Purchase Agreement consisting of U.S. Treasury and Agency securities and a repurchase agreement collateralized by U.S. Treasury and Agency Securities. For more detailed information on Investments, please see the latest Texas Transportation Commission Quarterly Investment Report. Requests for a copy of the Investment Policy should be addressed to the Finance Division, Debt & Portfolio Management Section, 125 E. 11th Street, Austin, Texas, 78701-2483.

The System does not have any employees. Department employees and contractors perform the work of the System. The Department provides all accounting, debt financing and administrative services.

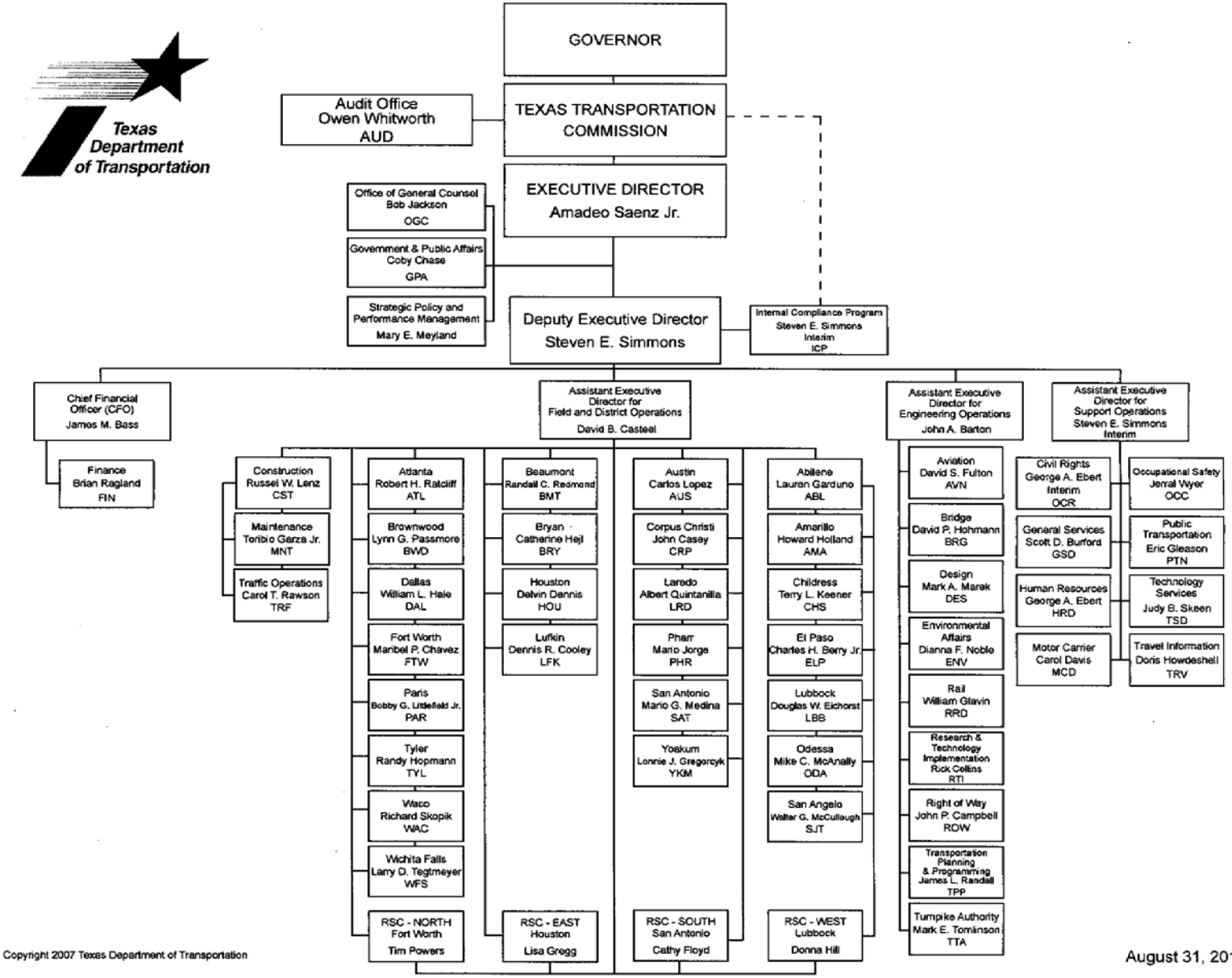
Risk Financing & Management

The Department is exposed to a wide range of risks due to the size, scope, and nature of its activities. Some of these risks include, but are not limited to, property and casualty losses, workers' compensation and health benefit claims, theft, damage of assets, etc. The Department retains these risks, and manages them through claims review and safety programs, which are primarily the responsibility of the Department's Occupational Safety Division. TTA, as a division of the Department, participates in these programs.

Acknowledgements

Production of this report would not have been possible without the support of Austin District staff that supplied generally accepted accounting principles *("GAAP")* closing data on a timely basis. We extend special appreciation to the Accounting Management, Debt & Portfolio Management and the rest of the Finance Division for their professionalism and devotion in preparing this complex financial document.

Amadeo Saenz, Jr., P.E.
Executive Director



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August 31, 2010

Commission and Key Personnel
As of August 31, 2010

TEXAS TRANSPORTATION COMMISSION

DEIRDRE DELISI.....Chair
Austin

NED S. HOLMES.....Commissioner
Houston

TED HOUGHTON .....Commissioner
El Paso

WILLIAM MEADOWS .....Commissioner
Fort Worth

FRED UNDERWOOD .....Commissioner
Lubbock

TEXAS DEPARTMENT OF TRANSPORTATION

AMADEO SAENZ, Jr., P.E. ……..Executive Director
JAMES M. BASS ……Chief Financial Officer

Texas Turnpike Authority Division

MARK E. TOMLINSON, P.E. ……Director

Austin District

CARLOS A. LOPEZ, P.E. ……District Engineer
ROBERT STUARD, P.E. …….Deputy District Engineer
TIMOTHY J. WEIGHT, P.E. ……Director of Construction

Finance Division

BRIAN RAGLAND, CPA ……...Director

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FINANCIAL SECTION

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State Auditor's Office
John Keel, CPA
State Auditor

INDEPENDENT AUDITOR'S REPORT

Members of the Texas Transportation Commission:
Ms. Deirdre Delisi, Chair
Mr. Ned S. Holmes
Mr. Ted Houghton
Mr. Fred Underwood
Mr. William Meadows
Mr. Amadeo Saenz, Jr., P.E., Executive Director, Department of Transportation

We have audited the accompanying financial statements of the Central Texas Turnpike System (System) as of and for the year ended August 31, 2010, which collectively comprise the System's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Department of Transportation's (Department) management. Our responsibility is to express an opinion on these financial statements based on our audit. Comparative information is presented from the financial statements for the year ended August 31, 2009. These statements were audited by us, and we expressed an unqualified opinion on them in our report dated December 18, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Notes 1(A) and 1(B), the financial statements present only the financial position of the System, which is an enterprise fund of the Department and the State of Texas. They do not purport to, and do not, present fairly the financial position of the Department nor the State of Texas as of August 31, 2010, and the changes in the Department's or the State's financial position for the reporting period then ended in conformity with principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of August 31, 2010, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Management's Discussion and Analysis and Required Supplementary Information, as listed in the Table of Contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 Introductory Section, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the Department's internal control over System financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

John Keel, CPA
State Auditor

December 14, 2010

Management's Discussion and Analysis

As management of the Texas Department of Transportation (the "Department"), we offer readers of the Central Texas Turnpike System's (the "System") financial statements this narrative overview and analysis of its financial activities for the year ended August 31, 2010 and for comparative purposes the year ended August 31, 2009. These financial statements reflect the financial position of the System. The System is an enterprise fund of the Department of Transportation of the State of Texas. Also, the Texas Transportation Commission, the governing body of the Department, has the authority to commit the System to various legal agreements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 3 of this report.

Financial Highlights

- The 2002 Project of the System includes three elements: State Highway 45 North, Loop 1, and State Highway 130 (Segments 1 – 4). As of August 31, 2010, $2,708,564,656 has been spent on the Project of which approximately $983,389,240 was from contributions, transfers, or federal revenue.
- The System earned over $73 million and $66 million in toll revenue and fees for the fiscal years 2010 and 2009, respectively.
- With the submission of Change Order No. 26, in the amount of $15,421,491, the contract with Lone Star Infrastructure ("LSI") reached the final executed contract value of $1,121,120,205 in fiscal year 2010.
- The assets of the System exceeded its liabilities at the close of fiscal year 2010 and 2009 by $577,220,176 and $641,069,624 respectively.
- The System's net assets decreased by $63,849,448 and $116,365,274 at the close of fiscal years 2010 and 2009, respectively. The majority of this decrease is attributable to the recording of interest accretion on the Series 2002-A Bonds and the Transportation Innovation Financing Infrastructure Act ("TIFIA") note payable.
- The System's total liabilities increased by $33,175,439 and $90,093,393 at the close of fiscal years 2010 and 2009, respectively. This is mainly a result of interest accretion on the Series 2002-A Bonds and the TIFIA note payable. Deferred revenues decreased by $57,488,879 in fiscal year 2010. The decrease is mainly attributable to the System refunding $21,709,737 to local entities and the revenue recognition of $16,795,305 and $8,300,147 in Travis County and City of Austin contributions, respectively. Total payables and debt increased by $90,664,318 in fiscal year 2010. Total payables and debt increased by $88,658,342 in fiscal year 2009.
- The System's land values, including permanent easements, increased by $9,537,671 and $9,240,332 during fiscal years 2010 and 2009, respectively. Depreciation on the System's Customer Service Center and bridges was $361,000 and $17,389,167, respectively in fiscal year 2010. There were no additions to bridges in fiscal year 2010. Reclassifications between roadways and bridges were recorded in fiscal year 2010 resulting in a net increase to roadways and a corresponding decrease to bridges in the amount of $883,815. The increase in land for fiscal year 2010 is mainly attributable to a reclassification from roadways to land for prior year costs. Additions to roadways for fiscal year 2010 were $8,130,554 including the aforementioned adjustment. Additions to roadways for fiscal year 2009 were $15,704,283.
- During fiscal year 2010 the Department implemented a Master Lockbox and Custodial Account Agreement (the "Agreement") between the Department, the SH 130 Concession Company, and the Bank of New York Mellon Trust Company. This change affected the accounting treatment of the

custodial cash deposited from TxTag customers and other transactions relating to toll activity. As a result, cash deposits from TxTag customers are no longer recognized as assets of the System and all previously held TxTag deposits for prepaid tolls were removed from System bank accounts and transferred to the Master Custodial Accounts. This resulted in a decrease of $16,146,489 in Cash and Cash Equivalents and a decrease of $10,627,036 in Deferred Revenue for fiscal year 2010.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the System's basic financial statements. The basic financial statements are comprised of fund financial statements and notes to the financial statements.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The activities related to the System are being accounted for in an enterprise fund. The accounts of the System are maintained in accordance with practices set forth in the provisions of the Indenture. These practices are modeled after generally accepted accounting principles for an enterprise fund on an accrual basis.

Proprietary Funds. Proprietary funds are used to account for a government's business-type activities. Proprietary funds use the economic resources measurement focus and accrual basis of accounting. Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The Department has established an enterprise fund to track the activities of the System. *Enterprise funds* are used to report an activity for which a fee is charged to external users for goods or services. The basic enterprise fund financial statements can be found on pages 20 - 23 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 24 – 38 of this report.

Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the System, assets exceeded liabilities by $577,220,176 and $641,069,624 at August 31, 2010 and August 31, 2009, respectively.

The largest portion of the System's total assets (84%) consists of Capital Assets which include Land, Infrastructure - Roadways, Land Use Rights, Buildings, and Infrastructure – Bridges. Money Market and Similar Funds, Short-Term Investments, and Restricted Investments make up 16% of the System's total assets.

	Condensed Net Assets Enterprise Fund Total		
	2010	**2009**	**2008**
Restricted, Current Assets, and Deferred Charges	$496,487,555	$527,963,437	$572,144,455
Capital Assets	2,649,686,423	2,648,884,550	2,630,975,413
Total Assets	3,146,173,978	3,176,847,987	3,203,119,868
Current Liabilities	(24,016,797)	(64,065,688)	(76,950,007)
Non-Current Long-Term Liabilities	(2,544,937,005)	(2,471,712,675)	(2,368,734,963)
Total Liabilities	(2,568,953,802)	(2,535,778,363)	(2,445,684,970)
Net Assets:			
Invested in Capital Assets, Net of Related Debt	104,749,419	177,171,875	262,240,450
Restricted for Debt Service	164,286,453	160,537,959	173,244,455
Unrestricted	308,184,304	303,359,790	321,949,993
Total Net Assets	$577,220,176	$641,069,624	$757,434,898

Changes in Net Assets

Operating revenues – The System recognized $73,298,997 and $66,362,310 in toll and fee revenue for the fiscal years 2010 and 2009, respectively.

Operating expenses – The System incurred $67,610,051 and $68,028,784 in operating expenses during the years ended August 31, 2010 and 2009, respectively. Operating expenses include expenses for operating the toll roads and the Customer Service Center, toll tags, advertising, and depreciation on capital assets.

Lease revenues – The System received $12,864 in lease revenue from Sage-Socrates, Ltd. in 2010 and 2009 for customer parking to facilitate the shopping center located on the property adjacent to the right-of-way. The lease is for 0.247 acres. The term has been extended to 2014, and the consideration is $1,072 per month.

Capital Contributions and Transfers – Texas Turnpike Authority ("TTA"), through its toll road operations, has entered into agreements with local governments whereby the local governments transfer funds to the Department to fund purchases of right-of-way land and related costs. The System recognized $27,762,446 and $760,866 in capital contributions from local governments for the years ended August 31, 2010 and 2009, respectively. An additional $35,527,692 and $26,989,281 in project expenditures was funded from the State Highway Fund, the Department's special revenue fund, for the years ended August 31, 2010 and 2009, respectively. The State Highway Fund's contribution of $35,527,692 consisted of $737,523 in capital contributions and $34,790,169 in operating transfers for fiscal year 2010.

Condensed Changes in Net Assets
Enterprise Fund Total

	2010	2009	2008
Total Operating Revenues	$73,298,997	$66,362,310	$48,945,195
Total Operating Expenses	(67,610,051)	(68,028,784)	(67,016,504)
Total Operating Income/(Loss)	5,688,946	(1,666,474)	(18,071,309)
Total Nonoperating Revenues (Expenses)	(132,828,532)	(142,448,947)	(72,670,310)
Loss before Other Revenues, (Expenses), Contributions, Gains/(Losses), and Transfers	(127,139,586)	(144,115,421)	(90,741,619)
Capital Contributions and Transfers	63,290,138	27,750,147	42,724,927
Change in Net Assets	(63,849,448)	(116,365,274)	(48,016,692)
Total Net Assets – Beginning	641,069,624	757,434,898	805,451,590
Total Net Assets – Ending	$577,220,176	$641,069,624	$757,434,898

Investment income for the years ended August 31, 2010 and 2009 was $6,251,339 and $10,233,006, respectively. As the toll roads opened, interest income, interest expense, amortization, and accretion were capitalized in direct proportion to the capitalization of construction in progress. For fiscal years 2010 and 2009 all construction in progress was capitalized to roadways, land, bridges or buildings. Prior to the opening of the toll roads, investment income was recorded as a reduction of capitalized interest costs in accordance with generally accepted accounting principles.

Capital Assets and Debt Administration

Capital Assets. The System's investment in capital assets as of August 31, 2010, amounted to $2,649,686,423 and as of August 31, 2009, amounted to $2,648,884,550. Non-depreciable capital assets amounted to $2,277,394,438 and $2,259,726,213 as of August 31, 2010 and 2009, respectively. Net depreciable capital assets as of August 31, 2010 and 2009, amounted to $372,291,985 and $389,158,337, respectively. The investment in capital assets includes non-depreciable land, non-depreciable roadways, depreciable Customer Service Center, and depreciable bridges. See Note 2 on page 30. As of August 31, 2010, all sections of the System have been granted substantial completion and final acceptance and are open to traffic.

As permitted by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the Department has adopted the modified approach for reporting the roadways associated with the System. As required by this Statement, the Department conducts condition assessments on the System under its Texas Maintenance Assessment Program ("TxMAP"). TxMAP is conducted on a yearly basis (GASB requirement is every three years) and results in an overall condition level for the System. In conjunction with TxMAP, the Texas Transportation Commission has adopted a minimum acceptable condition level of 80% for the System. The condition assessment results for fiscal year 2010 reflect a condition level of 87.9%.

The modified approach also requires that the Department estimate the expenditures that will be required to maintain the System at or above the adopted condition level. For fiscal year 2010 the Department computed an estimate of $11.4 million for the System with actual expenditures of $7.0 million. See Modified Approach to Reporting Infrastructure Assets on page 39 for additional information.

Outstanding Debt. As of August 31, 2010, the System had total long-term debt outstanding of $2,544,937,005. Of this amount, $1,537,924,340 was comprised of revenue bonds payable and $1,007,012,665 was the TIFIA note payable. As of August 31, 2009, the System had total long-term debt outstanding of $2,471,712,675. Of this amount, $1,499,620,484 was comprised of revenue bonds payable and $972,092,191 was the TIFIA note payable. See Note 4 on page 33.

2010 Balances	First Tier Revenue Bonds	TIFIA Note
Non-Callable (Series 2002-A)	$287,459,891	
Callable Capital Appreciation Bonds (2002-A)	154,658,891	
Current Interest Bonds (2002-A)	707,875,000	
Refunding Put Bonds (2009)	149,275,000	
TIFIA Note		$900,000,000
Total Par Value	1,299,268,782	900,000,000
Add: Premium	11,220,782	
Subtract: Discount	(21,429,442)	
Total Debt Issuance	1,289,060,122	900,000,000
Amortization and Interest for the period from Inception through August 31, 2010	253,209,397	107,012,665
Deferred Amount on Refunding	(4,345,179)	
Total Debt Outstanding	$1,537,924,340	$1,007,012,665

2009 Balances	First Tier Revenue Bonds	TIFIA Note
Non-Callable (Series 2002-A)	$287,459,891	
Callable Capital Appreciation Bonds (2002-A)	154,658,891	
Current Interest Bonds (2002-A)	707,875,000	
Refunding Put Bonds (2009)	149,275,000	
TIFIA Note		$900,000,000
Total Par Value	1,299,268,782	900,000,000
Add: Premium	11,220,782	
Subtract: Discount	(21,429,442)	
Total Debt Issuance	1,289,060,122	900,000,000
Amortization and Interest for the period from Inception through August 31, 2009	215,041,328	72,092,191
Deferred Amount on Refunding	(4,480,966)	
Total Debt Outstanding	$1,499,620,484	$972,092,191

2008 Balances	First Tier Revenue Bonds	TIFIA Note
Non-Callable (Series 2002-A)	$287,459,891	
Callable Capital Appreciation Bonds (2002-A)	154,658,891	
Current Interest Bonds (2002-A)	707,875,000	
Weekly Demand Bonds (2002-B)	150,000,000	
TIFIA Note		$900,000,000
Total Par Value	1,299,993,782	900,000,000
Add: Premium	11,220,782	
Subtract: Discount	(21,429,442)	
Total Debt Issuance	1,289,785,122	900,000,000
Amortization and Interest for the period from Inception through August 31, 2008	178,949,841	
Total Debt Outstanding	$1,468,734,963	$900,000,000

Bond Credit Ratings

At the time of initial issuance in 2002, the principal and interest payments of the First Tier Series 2002-A and Series 2002-B Revenue Bonds, but not the Bond Anticipation Notes ("BANs"), were insured through a policy issued by Ambac Assurance and additionally carried the credit ratings of the insurer. Ratings on Ambac were first downgraded in 2008 and ultimately were either at below investment grade levels or withdrawn. The insured rating for the First Tier Bonds was similarly downgraded. Once the insured ratings fell below the First Tier underlying ratings and below investment grade levels, only the First Tier underlying ratings are utilized. With the refunding of the Series 2002-B First Tier Bonds, the insurance policy on those bonds is no longer in effect.

Under the terms of the Standby Purchase Agreement, a special mandatory redemption of $2,525,000 of Series 2002-B Bonds occurred on February 19, 2009, using funds from the Revenue Fund. The remaining $147,475,000 of the Series 2002-B Bonds were refunded with proceeds from the issuance of the First Tier Revenue Refunding Put Bonds, Series 2009, issued March 5, 2009.

The Series 2002-A and Series 2009 bonds are rated BBB+, Baa1, and BBB+ by Fitch Ratings, Moody's, and Standard and Poor's ("S & P"), 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 Commission 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.

Requests for Information

This financial report is designed to provide a general overview of the System's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Division, Accounting Management Section, 125 E. 11th Street, Austin, Texas, 78701-2483.

BASIC FINANCIAL STATEMENTS

EXHIBIT I

CENTRAL TEXAS TURNPIKE SYSTEM

STATEMENT OF NET ASSETS

August 31, 2010 (With Comparative Totals for August 31, 2009)

	8/31/2010	8/31/2009
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 3)		
Cash on Hand	$	$ 76,099
Cash in Bank		25,488,890
Money Market and Similar Funds	318,382,715	325,836,567
Short-Term Investments (Note 3)	15,029,000	15,315,669
Interest and Dividends Receivable	300,323	412,043
Accounts Receivable	4,386,215	638,431
Due from State Highway Fund (Note 10)	1,842	1,792,819
Receivables from:		
Local Governments (Note 11)	3,673,594	1,584,144
Central Texas Regional Mobility Authority (CTRMA) (Note 10)		191,735
Harris County Toll Road Authority (HCTRA) (Note 10)		274,221
North Texas Tollway Authority (NTTA) (Note 10)		226,429
Total Current Assets	341,773,689	371,837,047
Non-Current Assets:		
Restricted Cash and Cash Equivalents in State Treasury (Note 3)	32,762	21,116
Restricted Investments (Note 3)	114,999,378	114,999,378
Deferred Charges	39,681,726	41,105,896
Non-Depreciable Capital Assets (Note 2):		
Land	631,440,065	638,428,380
Infrastructure – Roadways	1,629,428,387	1,621,297,833
Land Use Rights	16,525,986	
Depreciable Capital Assets (Note 2):		
Buildings	8,360,006	8,360,006
Less Accumulated Depreciation	(1,629,335)	(1,268,335)
Infrastructure - Bridges	422,810,212	421,926,397
Less Accumulated Depreciation	(57,248,898)	(39,859,731)
Total Non-Current Assets	2,804,400,289	2,805,010,940
TOTAL ASSETS	3,146,173,978	3,176,847,987
LIABILITIES		
Current Liabilities:		
Accounts Payable (Note 11)	20,098,229	707,030
Due to State Highway Fund (Note 10)		1,879,387
Payables to:		
Central Texas Regional Mobility Authority (CTRMA) (Note 10)		569,534
Harris County Toll Road Authority (HCTRA) (Note 10)		678,294
North Texas Tollway Authority (NTTA) (Note 10)		622,586
Interest Payable	3,658,083	1,859,493
Deferred Revenues	260,485	57,749,364
Total Current Liabilities	24,016,797	64,065,688
Non-Current Liabilities:		
Revenue Bonds Payable (Note 4)	1,537,924,340	1,499,620,484
Notes/Loans Payable (Note 4)	1,007,012,665	972,092,191
Total Non-Current Liabilities	2,544,937,005	2,471,712,675
TOTAL LIABILITIES	2,568,953,802	2,535,778,363
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	104,749,419	177,171,875
Restricted for Debt Service	164,286,453	160,537,959
Unrestricted	308,184,304	303,359,790
TOTAL NET ASSETS	$ 577,220,176	$ 641,069,624

The accompanying notes to the financial statements are an integral part of this financial statement.

EXHIBIT II

CENTRAL TEXAS TURNPIKE SYSTEM

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the year ended August 31, 2010 (With Comparative Totals for August 31, 2009)

	For the year ended August 31, 2010	For the year ended August 31, 2009
OPERATING REVENUES		
Toll Revenue	$ 73,298,997	$ 66,362,310
Total Operating Revenues	73,298,997	66,362,310
OPERATING EXPENSES		
Professional Fees and Services	(9,173,343)	(11,273,671)
Materials and Supplies	(3,782,132)	(2,484,254)
Communication and Utilities	(1,255,124)	(1,563,081)
Repairs and Maintenance	(12,779,272)	(12,102,265)
Printing and Reproduction	(16,064)	
Contracted Services	(20,489,879)	(20,781,985)
Advertising	(183,042)	(934,508)
Depreciation Expense	(17,750,167)	(17,038,006)
Prompt Payment Interest	(533)	(508)
Other Operating Expenses	(2,180,495)	(1,850,506)
Total Operating Expenses	(67,610,051)	(68,028,784)
Operating Income/(Loss)	5,688,946	(1,666,474)
NON-OPERATING REVENUES (EXPENSES)		
Lease Revenue	12,864	12,864
Interest and Investment Income	6,251,339	10,233,006
Net Increase in Fair Value of Investments	380,789	140,977
Interest and Amortization	(66,745,615)	(44,601,115)
Accretion on Capital Appreciation Bonds and TIFIA Note	(72,802,167)	(107,897,303)
Other Financing Fees	74,180	(354,458)
Other Non-Operating Revenues	78	17,082
Total Non-Operating Revenues (Expenses)	(132,828,532)	(142,448,947)
Loss before Other Revenues, (Expenses), Contributions, Gains/(Losses), and Transfers	(127,139,586)	(144,115,421)
OTHER REVENUES, (EXPENSES), CONTRIBUTIONS, GAINS/(LOSSES), AND TRANSFERS		
Capital Contributions (Note 7)	28,499,969	8,433,132
Transfers (Note 7)	34,790,169	19,317,015
Total Other Revenues, (Expenses), Contributions, Gains/(Losses), and Transfers	63,290,138	27,750,147
Change in Net Assets	(63,849,448)	(116,365,274)
Total Net Assets – Beginning	641,069,624	757,434,898
Total Net Assets – Ending	$ 577,220,176	$ 641,069,624

The accompanying notes to the financial statements are an integral part of this financial statement.

EXHIBIT III

CENTRAL TEXAS TURNPIKE SYSTEM

STATEMENT OF CASH FLOWS

For the year ended August 31, 2010 (With Comparative Totals for August 31, 2009)

	For the year ended August 31, 2010	For the year ended August 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	$ 75,331,264	$ 94,626,484
Payments to Vendors	(45,091,187)	(45,733,193)
Payments to Toll Partners (Note 10)		(27,941,444)
NET CASH PROVIDED BY OPERATING ACTIVITIES	30,240,077	20,951,847
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Series 2009 Bond Issue		143,041,160
Proceeds from Lease Revenue	12,864	12,864
Proceeds from Capital Contributions	27,762,446	760,866
Payments for Interest on Debt	(62,678,437)	(43,155,893)
Payments for Additions to Land and Roadways	(19,222,932)	(23,835,693)
Payments for Principal on Debt		(150,000,000)
Payments of Remarketing Fees and Other Costs	(5,320)	(354,458)
NET CASH (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	(54,131,379)	(73,531,154)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	59,997,479	111,320,870
Proceeds from Interest and Investment Income, Net of Fees	7,030,659	10,908,758
Payments to Acquire Investments	(59,997,542)	(105,373,984)
NET CASH PROVIDED BY INVESTING ACTIVITIES	7,030,596	16,855,644
NET DECREASE IN CASH AND CASH EQUIVALENTS	(16,860,706)	(35,723,663)
CASH AND CASH EQUIVALENTS - BEGINNING	351,422,672	387,146,335
Restatement to Beginning Cash and Cash Equivalents (Note 10)	(16,146,489)	
RESTATED CASH AND CASH EQUIVALENTS - BEGINNING	335,276,183	387,146,335
CASH AND CASH EQUIVALENTS – ENDING	$ 318,415,477	$ 351,422,672

The accompanying notes to the financial statements are an integral part of this financial statement.

EXHIBIT III

CENTRAL TEXAS TURNPIKE SYSTEM

STATEMENT OF CASH FLOWS (Concluded)

For the year ended August 31, 2010 (With Comparative Totals for August 31, 2009)

	For the year ended August 31, 2010	For the year ended August 31, 2009
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:		
Operating Income/(Loss)	$ 5,688,946	$ (1,666,474)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	17,750,167	17,038,006
Increase in Accounts Payable	4,768,699	5,380,687
(Increase) Decrease in Accounts Receivable	2,032,265	(308,765)
Increase in Deferred Revenue		1,994,035
(Increase) in Due To Other Funds		(1,485,642)
Total Adjustments	24,551,131	22,618,321
Net Cash Provided by Operating Activities	$ 30,240,077	$ 20,951,847

NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

The System received $35,527,692 of non-cash transfers from the State Highway Fund for the year ended August 31, 2010. Of this amount, $737,523 was capitalized and $34,790,169 was expensed for the year. The System received $26,989,281 of non-cash transfers from the State Highway Fund for the year ended August 31, 2009. Of this amount, $7,672,266 was capitalized and $19,317,015 was expensed for the year.

Reconciliation of Cash and Cash Equivalents		
Cash on Hand	$	$ 76,099
Cash in Bank		25,488,890
Money Market and Similar Funds	318,382,715	325,836,567
Restricted Cash and Cash Equivalents in State Treasury	32,762	21,116
Cash and Cash Equivalents	$ 318,415,477	$ 351,422,672

The accompanying notes to the financial statements are an integral part of this financial statement.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

These financial statements reflect the financial position of the Central Texas Turnpike System (the "System"). The System is an enterprise fund of the Texas Department of Transportation, an agency of the State of Texas. Also, the Texas Transportation Commission, the governing body of the Department, has the authority to commit the System to various legal agreements.

The Commission

The State of Texas (the "State") created the State Highway Commission (the "Commission") on April 4, 1917, for the purpose of adopting and implementing a comprehensive system of state highways and promoting the construction of a state highway system by cooperation with counties or independently by the State Highway Commission. In 1975, the State Legislature changed the name of the State Highway Commission to the State Highway and Public Transportation Commission. In 1991, the State Legislature changed the name to the current name, the Texas Transportation Commission. The State Legislature directed the Commission to plan and make policies for the location, construction, and maintenance of a comprehensive system of state highways and public roads.

The Commission governs the Texas Department of Transportation (the "Department") and is charged by statute with policy-making responsibilities. The Department is charged with the management responsibilities for implementing the policies of the Commission. The Department is managed by the Executive Director and supported by the staff. The State Legislature provided that the Commission must divide the State into no more than 25 regional districts for the purpose of the performance of the Department's duties. There are currently 25 districts.

The Commission consists of five members appointed by the Governor with the advice and consent of the State Senate. One member is designated by the Governor as the Chairman and serves as the chief executive officer of the Commission. A person is not eligible to be a member of the Commission if the person or the person's spouse is employed by or manages a business that is regulated by or regularly receives funds from the Department, directly or indirectly owns or controls more than 10% interest in a business that is regulated by or receives funds from the Department, uses or receives a substantial amount of goods, services or funds from the Department, or is registered, certified, or licensed by the Department. Members of the Commission serve six-year terms, with one to two members' terms expiring February 1 of each odd-numbered year.

The Department

The Texas Department of Transportation was created to provide a safe, effective, and efficient transportation system throughout the State. The Department is governed by the five-member Texas Transportation Commission and an executive director selected by the Commission and is an agency of the State of Texas. The Department's operations are conducted by a central office with 20 functional divisions, 6 offices, 4 regional offices, and 25 geographic districts in the State.

Texas Turnpike Authority

The Texas Turnpike Authority ("TTA") is controlled and governed by the Commission. TTA was created in 1997 by an act of the State Legislature as a division of the Department. As originally created in 1997, TTA

had a separate board of directors. The independent board of directors was abolished by the State Legislature in 2001 and all of its duties were given to the Commission. The Commission, using the resources of TTA and the other resources of the Department, has the statutory authority to study, plan, design, construct, finance, operate, and maintain turnpikes in all 254 counties of the State. The projects of TTA are part of the State Highway System. The Commission has the authority to issue turnpike revenue bonds to pay all or a part of the cost of a turnpike project, to enter into exclusive development agreements to execute projects, and to acquire right-of-way through quick-take procedures.

The System and the 2002 Project

The Commission issued $2,199,993,782 par value of revenue bonds and Bond Anticipation Notes ("BANs") on August 29, 2002. These proceeds were used, among other purposes, to finance a portion of the costs of planning, designing, engineering, developing, and constructing the initial phase (referred to as the "2002 Project") of the System. The System currently consists of the 2002 Project. The 2002 Project includes three distinct elements: State Highway 130, State Highway 45 North, and Loop 1. The System will also include any future project to expand, enlarge or extend the System, any future project pooled with the System pursuant to the Turnpike Act and any other roads, bridges, tunnels or other toll facilities for which the Commission has operational responsibility and is collecting tolls, unless the Commission declares in writing, delivered to the Trustee, that such roads, bridges, tunnels or other toll facilities are not part of the System for the purposes of the Indenture.

The construction of the System was the responsibility of the Department; however, the Department retained the engineering firm of HDR, Inc. to provide certain program management services, which included design and construction oversight on the State Highway 130 element. The engineering firm of Post, Buckley, Schuh & Jernigan, Inc. ("PBS&J") provided construction oversight on the Loop 1 and State Highway 45 North elements. The State Highway 130 element was constructed pursuant to an exclusive development agreement with Lone Star Infrastructure ("LSI"), while the Loop 1 and State Highway 45 North elements were constructed pursuant to a traditional design-bid-build process.

The System does not have any employees, although labor costs are included in the cost of constructing, operating and maintaining the System. When Department staff performs work on behalf of the System, the proportionate cost of that labor is reported as an expense of the System. The Department's risk financing and insurance programs apply to the System.

B. Basis of Presentation

The records of the System are maintained in accordance with the practices set forth in the provisions of the Indenture for the 2002 Project Revenue Bonds and BANs. These practices are modeled after generally accepted accounting principles for an enterprise fund on an accrual basis. An enterprise fund is a type of proprietary fund used to account for a government's continuing organizations and activities that are similar to private business enterprises.

The accompanying financial statements present only the financial position, changes in financial position and cash flows of the System. They are not intended to, and do not, present fairly the financial position, changes in financial position or cash flows of the Department in conformity with accounting principles generally accepted in the United States of America.

The reporting period is for the year ended August 31, 2010. In Minute Order 108949, dated June 27, 2002, the Commission defines the System as a turnpike project. This minute order also authorized reimbursement of certain 2002 project costs incurred by the Department prior to the issuance of bonds and obligations.

In fiscal year 2010 the Department implemented a Master Lockbox and Custodial Account Agreement (the "Agreement") between the Department, the SH 130 Concession Company, and the Bank of New York Mellon Trust Company. Note 10 provides additional information regarding this agreement.

The fiscal year 2009 columns on the basic financial statements do not represent complete financial statements. These prior year totals are not necessary for a fair presentation of the financial statements but are presented to facilitate financial analysis. Specifically, only partial presentation of fiscal year 2009 notes has been included in these statements.

C. Measurement Focus and Basis of Accounting

A proprietary fund uses the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. A proprietary fund distinguishes operating from non-operating revenues and expenses. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for an enterprise fund, a type of proprietary fund, include the cost of sales and services, administrative expenses, and depreciation on capital assets. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the System applies all Financial Accounting Standards Board ("FASB") guidance issued on or before November 30, 1989, unless it conflicts with or contradicts GASB guidance, and has chosen not to follow FASB guidance issued subsequent to that date.

D. Assets and Liabilities

1. Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents. On the Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, cash in bank, cash in State Treasury, and money market funds with original maturities of three months or less from the date of acquisition. As of August 31, 2010, transactions relating to the depository bank are no longer reflected in Cash on Hand and Cash in Bank. See Note 10 for additional information.

2. Accounts Receivable

Accounts Receivable reflects toll revenue earned but not yet received as of August 31, 2010. Toll revenue earned by and due to the System from CTRMA, HCTRA, and NTTA customers is due from the custodian of the Master Lockbox and Custodial Accounts. See Note 10 for additional information.

3. Receivables

Receivables from Local Governments reflect the asset for amounts due from local entities for System expenses not yet received as of August 31, 2010. The disaggregation of these receivables as reported in the financial statements is shown in Note 11, "Disaggregation of Receivables and Payables Balances".

As of August 31, 2009, receivables from the Central Texas Regional Mobility Authority ("CTRMA"), Harris County Toll Road Authority ("HCTRA"), and North Texas Tollway Authority ("NTTA") reflected toll revenue earned by and due to the System from the use of System toll roads by CTRMA, HCTRA, and NTTA customers. See Note 10 for additional information.

4. Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund notes/loans, revenue bonds, and revenues set aside for statutory or contractual requirements.

The System may receive funding whose related expenditure is restricted to certain activities. In situations where both restricted and unrestricted net assets are expended to cover expenses, the System will first expend the restricted net assets and cover additional costs with unrestricted net assets. The System reserves the right to selectively defer the use of restricted assets.

5. Capital Assets

All capital assets acquired by proprietary funds are reported at cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at fair value on the date of acquisition. Interest and amortization expenses, net of interest income, incurred during construction were capitalized. The System follows the Department's policy and uses the modified approach for reporting the highway system excluding bridges. Straight-line depreciation will be calculated on bridges and infrastructure assets not included as part of the highway system as they are completed. The Department's policy is to capitalize bridges and buildings when the cost is $500,000 and $100,000 or greater, respectively. The useful life for the bridges capitalized is 25 years and the useful life of the Customer Service Center is 22 years.

Since the highway system is being reported using the modified approach, depreciation is not reported on the highway system, and only additions and improvements to the highway system are capitalized. Expenses other than additions and improvements are expensed.

The modified approach requires that the Department:

a. Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets,
b. Perform condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale in order to document that the eligible infrastructure assets are being preserved approximately at (or above) the condition level established and disclosed by the government, and
c. Estimate each year the annual amount needed to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the government.

The Department's policy is to capitalize a furniture purchase where the cost of the purchase is $5,000 or greater and the item purchased is expected to have a useful life exceeding one year. Capitalized furniture

purchases are depreciated using straight-line depreciation and useful lives ranging from 10 to 12 years. Fixtures are capitalized and depreciated as part of the building to which they are attached and are not tracked separately.

6. Deferred Charges

For the proprietary fund, the bond issue costs are not reported as an expense of the period in which they were incurred, but instead are amortized using the straight-line basis and reported as an adjustment to interest expense throughout the period during which the related debt is outstanding.

7. Accounts Payable

Accounts Payable represents the liability for the value of assets or services received during the reporting period for which payment is pending. Accounts Payable also represents the liability for local entity contribution refunds due to Travis County and the City of Austin. The disaggregation of these payables as reported in the financial statements is shown in Note 11, "Disaggregation of Receivables and Payables Balances".

8. Due to State Highway Fund

For fiscal year 2009, Due to State Highway Fund included amounts the System collected on the State Highway Fund's behalf for toll revenue earned by and due to the State Highway Fund from CTRMA, HCTRA, and NTTA for CTRMA, HCTRA, and NTTA customers that drove on State Highway Fund toll roads. See Note 10 for additional information.

9. Payables to CTRMA, HCTRA, and NTTA

As of August 31, 2009, Payables to CTRMA, HCTRA, and NTTA reflected toll revenue earned by and due to CTRMA, HCTRA, and NTTA for the use of CTRMA, HCTRA, and NTTA toll roads by TxTag customers. See Note 10 for additional information.

10. Deferred Revenues

TTA, through its toll road operations, has entered into agreements with local governments whereby the local governments transfer funds to the System to fund purchases of right-of-way land and related costs. In some instances, the funds are paid for in advance by the local governments. The System's policy is to defer recognition of this revenue until the right-of-way parcels are purchased. Recognition of these monies paid in advance by local governments is contingent upon the Department purchasing the parcels for the stated purpose in the agreement. Right-of-way audits were performed in fiscal year 2010 and refunds due to the respective local governments were calculated. Refunds not processed during fiscal year 2010 are reflected in Accounts Payable.

As of August 31, 2009, cash deposits from TxTag customers were deposited in System bank accounts and recognized as deferred revenue until earned. See Note 10 for additional information.

11. Revenue Bonds Payable

Revenue Bonds Payable is reported at par less unamortized discount or plus unamortized premium. Payables are reported separately as either current or non-current in the Statement of Net Assets.

E. Net Assets – Net Assets is the difference between fund assets and liabilities.

1. Invested In Capital Assets, Net of Related Debt

Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction or improvement of those assets.

2. Restricted for Debt Service

Restricted net assets result when constraints placed on net assets' use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted

Unrestricted net assets consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources, which are imposed by management, but which can be removed or modified.

F. Revenues, Expenses, Contributions, and Transfers

1. Operating Revenues

Operating Revenues consists of toll and fee revenue collected by the System.

2. Operating Expenses

Operating Expenses include expenses incurred in operating the toll roads and the Customer Service Center and depreciation on capital assets. The System has contracted with the Washington Division of the URS Corporation to manage the daily toll collection operations.

3. Non-Operating Revenues (Expenses)

Non-Operating Revenues include all other revenues that are not toll revenues. Interest and investment income and lease revenue make up Non-Operating Revenues. Non-Operating Expenses include those expenses not classified as operating. These expenses include bond interest expense (net of amortization of bond issue costs), accretion on capital appreciation bonds and Transportation Innovation Financing Infrastructure Act ("TIFIA") note payable, and the net increase (decrease) in fair value of investments.

4. Capital Contributions and Transfers

The System has capital contributions from local governments and the State Highway Fund. System operating and maintenance expenses paid by the State Highway Fund on behalf of the System are recorded as transfers. See Note 7 for additional information.

NOTE 2 – CAPITAL ASSETS

	Balance 8/31/09	Reclassification*	2010 Increases	2010 Decreases	Balance 8/31/10
Non-Depreciable Capital Assets					
Land	$ 638,428,380	$ (16,525,986)	$ 9,537,671	$	$ 631,440,065
Infrastructure - Roadways	1,621,297,833	(883,815)	9,014,369		1,629,428,387
Land Use Rights		16,525,986			16,525,986
Depreciable Capital Assets					
Buildings	8,360,006				8,360,006
Infrastructure - Bridges	421,926,397	883,815			422,810,212
Less Accumulated Depreciation for:					
Buildings	(1,268,335)		(361,000)		(1,629,335)
Infrastructure - Bridges	(39,859,731)	(340,982)	(17,048,185)		(57,248,898)
Total Capital Assets	$ 2,648,884,550	$ (340,982)	$ 1,142,855	$ 0	$ 2,649,686,423

* Reclassification of permanent easements from Land to Land Use Rights in FY 2010 to comply with the implementation of GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, in the amount of $16,525,986. Additionally, reclassifications from Roadways to Bridges for FY 2009 for a net amount of $883,815, and the related accumulated depreciation in the amount of $(340,982), were recorded in FY 2010.

NOTE 3 - DEPOSITS, INVESTMENTS, AND REPURCHASE AGREEMENTS

Government Code, Chapter 2256 (Public Funds Investment Act) authorizes the Commission to purchase, sell, and invest its funds, and funds under its control, in accordance with investment policies approved by the Commission. Government Code, 2256.005 requires the Commission to adopt a written investment policy regarding the investment of its funds, and funds under its control, including a separate written investment strategy for each of the funds or group of funds. The Department is authorized by statute to make investments following the "prudent person rule." Authorized investments include obligations of or guaranteed by governmental entities, certificates of deposit, and share certificates, repurchase agreements, banker's acceptance, commercial paper, mutual funds, investment pools, guaranteed investment contracts, forward purchase contracts, and securities lending program.

Deposits

As of August 31, 2010, the carrying amount of deposits was $318,415,477, as presented below:

Deposits	
Cash in State Treasury	$ 32,762
Money Market and Similar Funds	318,382,715
Total	**$ 318,415,477**

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. All of the System's deposits are held in the State Treasury, the Trustee bank or a depository bank. Deposits of the State of Texas are normally managed by the State Comptroller of Public Accounts (the "Comptroller") and are protected by $250,000 of insurance by the Federal Deposit Insurance Corporation ("FDIC"). On October 3, 2008, the Emergency Economic Stabilization Act of 2008 temporarily raised the basic limit on federal deposit insurance coverage from $100,000 to $250,000 per depositor. On August 10, 2010, the FDIC Board of Directors adopted a final rule amending its insurance regulations to permanently increase the

standard maximum deposit insurance amount from $100,000 to $250,000. This permanent increase became effective July 22, 2010.

Collateral pledged must be equal to at least 105% of the principal amount deposited by the Department. The Comptroller has full responsibility for insuring adequate collateralization of all state deposits, including those held in local banks. On August 31, 2010, the State Treasury deposits were fully collateralized with securities held by an agent of the Comptroller, in the Department's name, in accordance with the Comptroller's requirements.

Investments

As of August 31, 2010, the fair value of investments and maturities are as presented below:

Investment Type	Maturities (in Years)		Fair Value
	Less than 1	More than 5	Total
U.S. Government Agency Obligations	$15,029,000		$15,029,000
Repurchase Agreement (Salomon Smith Barney Master GIC, now owned by Citigroup, Inc.)		$114,999,378	114,999,378
Total	$15,029,000	$114,999,378	$130,028,378

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission's investment policy states that all securities purchased by the Commission shall be designated as assets of the Commission and shall be protected through the use of a third-party custody/safekeeping agent, which may be a Trustee. As of August 31, 2010, the Commission's investments in U.S. Government Agency obligations were held in the Commission's name. The repurchase agreement is collateralized with U.S. Government and Agency securities. Collateral for the repurchase agreement is held by the Bank of New York Mellon with the underlying securities being the property of Citigroup, Inc., (the direct counterparty), held in trust for the Commission. Bank of New York Mellon Trust Company is rated Aaa, AA, and AA- by Moody's, Standard and Poor's ("S&P"), and Fitch Ratings, respectively.

Credit Risk - Investments

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission may not enter into long-term investment agreements or other ongoing investment transactions with a final maturity or termination date of longer than six months with any financial institution that initially has a long-term rating category of less than "A" and that does not have at least one long-term rating of at least "AA" by a nationally recognized investment rating firm according to the Investment Policy. All investments made by the Commission have been through the list of Qualified Financial Institutions approved by the Commission. The Commission's policy does not limit the amount of investment in obligations of the United States or its agencies. These securities are rated Aaa and AAA by Moody's and S&P rating agencies; therefore, the risk of default is considered remote. The repurchase agreement is a guaranteed investment contract ("GIC") with Citigroup, Inc. as the counterparty. In addition, Citigroup, Inc. has collateralized the GIC with U.S. Government and Agency securities.

Credit Risk – Investments (continued)

As of August 31, 2010, the System's investments had the following ratings.

Investment Type	Fair Value	Moody's Rating	S&P Rating	Fitch Rating
U.S. Government Agency Obligations	$15,029,000	N/A*	N/A*	N/A*
Repurchase Agreement	114,999,378	A3	A	A+
Total	$130,028,378			

*N/A - Note matured on 9/02/2010 and is no longer an asset of the System, ratings as of 8/31/2010 can no longer be obtained.

Concentration of Credit Risk - Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The only investment that the System holds that exceeds 5% of the total investments is the repurchase agreement. This investment is held primarily for the debt service reserve fund, which has a long-term duration and a specific purpose. The Commission addresses diversification in the Department's Investment Policy. Assets held in particular funds shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically by the Investment Officer for all funds.

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Commission has addressed interest rate risk in its various accounts by matching as closely as possible anticipated cash flows with income and return of principal on investments. In general, all securities held by the Commission are anticipated to be held to maturity, thereby avoiding interest rate risk due to an early redemption. For investment maturities, see the tables on page 31.

Foreign Currency Risk - Investments

The System's investments are not exposed to foreign currency risk.

Derivatives

As of August 31, 2010, no investment derivative transactions have been entered into on behalf of the System.

NOTE 4 - SUMMARY OF LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

As detailed below, the following changes occurred in long-term liabilities during the year ended August 31, 2010:

Debt	Balance 09-01-09	Reductions	Accretion	Balance 08-31-10	Amounts Due Within One Year (Principal)
Revenue Bonds Payable	$1,512,305,484		$37,881,693	$1,550,187,177	$0
Plus Unamortized Revenue Bond Premium	9,017,410	$(314,767)		8,702,643	
Less Unamortized Revenue Bond Discount	(17,221,444)	601,143		(16,620,301)	
Less Deferred Amount on Refunding	(4,480,966)	135,787	0	(4,345,179)	0
Total Revenue Bonds Payable	**1,499,620,484**	**422,163**	**37,881,693**	**1,537,924,340**	**0**
Notes/Loans Payable	972,092,191		34,920,474	1,007,012,665	
Total Debt	**$2,471,712,675**	**$422,163**	**$72,802,167**	**$2,544,937,005**	**$0**

Debt Service Requirements

Yearly Service Requirements	Revenue Bonds			TIFIA			Total
	Interest	Accreted Interest	Principal	Interest	Accreted Interest	Principal	
2011	$44,625,587			$30,081,956			$74,707,543
2012	44,625,587	$1,604,681	$2,900,319	31,690,132			80,820,719
2013	44,625,587	3,021,626	4,688,374	33,697,991			86,033,578
2014	44,625,587	4,336,083	5,818,916	35,022,322			89,802,908
2015	44,625,587	5,840,401	6,764,599	36,442,987			93,673,574
2016-2020	223,127,938	94,156,744	73,353,256	239,653,470			630,291,408
2021-2025	223,127,938	203,157,188	91,032,813	312,549,638	$103,271	$273,627	830,244,475
2026-2030	223,127,938	393,402,186	116,207,814	332,521,052	8,720,597	23,106,121	1,097,085,708
2031-2035	223,127,938	532,318,533	98,841,466	290,078,696	12,246,932	32,449,508	1,189,063,073
2036-2040	199,590,063	297,133,776	482,391,225	199,908,632	73,273,636	194,146,047	1,446,443,379
2041-2042	33,236,425		417,270,000	32,551,880	245,329,088	650,024,697	1,378,412,090
Total Requirements	**$1,348,466,175**	**$1,534,971,218**	**$1,299,268,782**	**$1,574,198,756**	**$339,673,524**	**$900,000,000**	**$6,996,578,455**

For the Series 2002-A Bonds, interest rates range from 4.47% to 6.10%. The Series 2009 Bonds bear interest at 5%. The interest on the TIFIA loan is 5.510%.

Notes and Loans Payable

The United States Department of Transportation ("USDOT") has agreed to lend the Commission up to $916,760,000 to pay or reimburse a portion of the costs of the System under the Secured Loan Agreement. The Secured Loan Agreement was entered into pursuant to the provisions of the Transportation Infrastructure Finance and Innovation Act of 1998, 23 United States Code, Section 181, et. Seq. During the availability period for

drawdown of the loan, the Commission has drawn $900,000,000 under the Secured Loan Agreement evidenced by the 2002 TIFIA Bond. The first interest payments on the TIFIA loan were made on February 15, 2010 and August 15, 2010. The loan will be paid from revenues from the System as they are sufficient to pay (a) all interest which will become due and payable on the TIFIA loan on each such date, and (b) the principal, if any, of the secured loan which will become due and payable on each such date; therefore this schedule is subject to change each year as actual revenues are received. Per the agreement, principal and interest can be deferred (negatively amortized) due to availability of revenues; therefore, the principal amount may increase over time.

Lone Star Infrastructure ("LSI"), a Texas joint venture comprised of the following partners (with the ownership percentage of each set forth in parenthesis following its name): Fluor Daniel, a division of Fluor Enterprises, Inc. (45%); Balfour Beatty Construction, Inc. (35%); and T. J. Lambrecht Construction, Inc. (20%), agreed to accept deferred payment in an amount of up to $10,000,000 for progress payments otherwise owing upon completion of the State Highway 130 (Segments 1 – 4) element. It was at the Commission's discretion as to when and if the note would be executed. As of August 31, 2010, final payment has been made to LSI, including all retainage. The note was never executed.

Revenue Bonds Payable

The Commission issued $1,149,993,782 of First Tier Revenue Bonds, Series 2002-A and $150,000,000 of First Tier Revenue Bonds, Series 2002-B on August 29, 2002 for the purpose of paying a portion of the costs of planning, designing, engineering, developing, and constructing the initial phase of the System. The proceeds of the Series 2002-A and 2002-B Bonds were used, together with certain other funds to (i) finance a portion of the costs of planning, designing, engineering, developing, and constructing the 2002 Project, (ii) pay a portion of capitalized interest during construction and for the first 11 months following the anticipated completion date of the 2002 Project, (iii) fund a portion of the First Tier Debt Service Reserve Fund Requirement, and (iv) pay certain issuance costs of the Series 2002-A Bonds and 2002-B Bonds.

First Tier Revenue Bonds, Series 2002-A, Fixed Rate

- To study, design, construct, operate, expand, enlarge, and extend the 2002 Project
- Issued 08-29-02
- $1,149,993,782; all authorized bonds have been issued

Source of Revenue for Debt Service

The First Tier Obligations are special, limited obligations of the Commission and are payable from, and secured solely by a first lien on and pledge of the Trust Estate, as described in the Indenture, consisting of (i) all Project Revenues, and to the extent set forth in a supplemental indenture, any Additional Obligation Security, (ii) all Project monies, including investment earnings, deposited into the Revenue Sub-Fund, the Construction Sub-Fund (except for any amounts held in a sub account containing monies derived from the State Highway Fund or any monies received by the Commission that are restricted to another use, such as right-of-way contributions that may be used only for that purpose), the First Tier Debt Service Sub-Fund, the First Tier Debt Service Reserve Sub-Fund, the Rate Stabilization Sub-Fund, and the General Reserve Sub-Fund, (iii) any Project insurance proceeds and other monies required to be deposited in the pledged funds listed in (ii) above, and (iv) all payments received by the Commission pursuant to Approved Swap Agreements with respect to First Tier Obligations.

Optional Redemption

Series A Current Interest Bonds ("CIBs"). The Series A CIBs are subject to redemption prior to maturity at the option of the Commission, with funds derived from any available source, on August 15, 2012, or on any date thereafter, in whole or in part, at a redemption price of par plus accrued interest to the redemption date.

Callable Capital Appreciation Bonds ("CABs"). The Callable CABs are subject to redemption prior to maturity at the option of the Commission, with funds derived from any available source, on August 15, 2012, or on any date thereafter, in whole or in part, at the redemption price (expressed as a percentage of the accreted value of such Callable CABs on the redemption date) applicable to the date of redemption falling within the applicable redemption period.

Redemption Period	Redemption Prices
August 15, 2012 through February 14, 2013	102.00%
February 15, 2013 through August 14, 2013	101.50%
August 15, 2013 through February 14, 2014	101.00%
February 15, 2014 through August 14, 2014	100.50%
August 15, 2014 and thereafter	100.00%

Non-Callable CABs. The Non-Callable CABs are not subject to optional redemption prior to maturity.

First Tier Revenue Refunding Put Bonds, Series 2009, Variable Rate

- Issued 03-05-2009
- $149,275,000; all authorized bonds have been issued

Source of Revenue for Debt Service

The First Tier Obligations are special, limited obligations of the Commission and are payable from, and secured solely by a first lien on and pledge of the Trust Estate, consisting of (i) all Project Revenues, and to the extent set forth in a supplemental indenture, any Additional Obligation Security, (ii) all Project monies, including investment earnings, deposited into the Revenue Sub-Fund, the Construction Sub-Fund (except for any amounts held in a sub account containing monies derived from the State Highway Fund or any monies received by the Commission that are restricted to another use, such as right-of-way contributions that may be used only for that purpose), the First Tier Debt Service Sub-Fund, the First Tier Debt Service Reserve Sub-Fund, (iii) any Project insurance proceeds and other monies required to be deposited in the pledged funds listed in (ii) above, and (iv) all payments received by the Commission pursuant to the approved Swap Agreements with respect to First Tier Obligations.

Interest on the Series 2009 Bonds is fixed at 5% during the Initial Multiannual Period (March 5, 2009 – February 15, 2011). The bonds are subject to mandatory tender on February 15, 2011, subject to the successful remarketing of the bonds at that time. If the Series 2009 Bonds are not remarketed as of the mandatory tender date, the interest rate on the bonds will increase to 15% per annum. The Commission has not provided any credit or liquidity facility for the Series 2009 Bonds.

Neither the State, Commission, Department nor any other agency or political subdivision of the State is obligated to pay the principal of, premium, if any, or interest on the Central Texas Turnpike System Obligations except from the Trust Estate. None of the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Central Texas Turnpike System Obligations. Neither the Commission, Department nor the System has any taxing power. The bond indenture does not create a mortgage on the System.

The System is subject to various covenants imposed by the various bond indentures. Management believes the System is in compliance with all significant covenants as of August 31, 2010.

NOTE 5 - EMPLOYEES' RETIREMENT PLANS

The State has joint contributory retirement plans for virtually all its employees. The Department participates in the plans administered by the Employees Retirement System of Texas ("ERS") by making monthly payments based on actuarial calculations. Future pension costs are the liabilities of the ERS. ERS does not account for each state agency separately. Annual financial reports prepared by the ERS include audited financial statements and actuarial assumptions and conclusions.

NOTE 6 – COMMITMENTS & CONTINGENCIES

Contract Commitments

All sections of SH 45 North, Loop 1, and SH 130 of the System have been granted substantial completion and final acceptance and are open to traffic.

Federal Reimbursements and Grants

The federal eligibility for funds received by the Department is subject to review by federal agencies. While the reviews may result in refunds or adjustments, management of the Department does not believe the impact of these minor adjustments would be material.

Arbitrage

Arbitrage earnings, defined as earnings on tax exempt bond proceeds in excess of the yield on the bonds, must be repaid to the federal government per Internal Revenue Code Section 148(f) ("IRC §148"). Pursuant to the Indenture of Trust, a Rebate Fund will be established under the Indenture to which deposits will be made upon the determination by a verification agent that a rebate payment may be due pursuant to IRC §148.

Per IRC §148, the amount of rebate due the federal government is determined and payable at the end of each five-year computation period and upon final payment of the tax exempt bonds. For Series 2002-A and Series 2002 BANs, an interim determination was made in 2007 that no arbitrage rebate was then due to the federal government. Further analysis and determination of rebate payments due, if any, will be made on the next scheduled computation date for each series of bonds under the Indenture.

Lawsuits and Claims

The System is contingently liable in respect to lawsuits and claims in the ordinary course of business which, in the opinion of the Department's management, will not have a material adverse effect on the financial statements.

NOTE 7 – CAPITAL CONTRIBUTIONS AND TRANSFERS

TTA has entered into agreements with local governments whereby the local governments transfer funds to the System to fund purchases of right-of-way land and related costs. Contributions from the State Highway Fund for operations and maintenance expenses are recorded as Transfers. Individual balances and activity at August 31, 2010, as follows:

Capital Contributions		
City of Austin	$	8,300,146
Travis County		16,794,531
Williamson County		973,324
State Highway Fund		737,523
City of Hutto		44,062
City of Pflugerville		1,650,383
Total Capital Contributions	$	28,499,969

Transfers		
State Highway Fund	$	34,790,169
Total Transfers	$	34,790,169

NOTE 8 – CONTINUANCE SUBJECT TO REVIEW

The Department is currently subject to a continuance review. Under the Texas Sunset Act, the Department will be abolished effective September 1, 2011 unless continued in existence by the 82nd Legislature as provided by the Act. If abolished, the Department may continue until September 1, 2012 to close out its operations. In the event that the Department is abolished pursuant to the Texas Sunset Act or other law, Section 325.017(f), Texas Government Code, acknowledges that such action will not alter the obligation of the State to pay bonded indebtedness and all other obligations of the abolished agency.

NOTE 9 - RISK FINANCING & RELATED INSURANCE

The System does not have any employees. The Department provides all accounting, debt financing, and administrative services. In addition, the Department's risk financing and insurance programs apply to the System.

The Department is exposed to a wide range of risks due to the size, scope, and nature of its activities. Some of these risks include, but are not limited to, property and casualty losses, workers' compensation and health benefit claims, theft, damage of assets, etc.

The Department's special revenue fund retains these risks and manages them through self-insurance and safety programs, which are the responsibility of the Department's Occupational Safety Division. TTA, as a division of the Department, participates in these programs.

NOTE 10 – RESTATEMENTS AND ADJUSTMENTS

During fiscal year 2010 the Department implemented a Master Lockbox and Custodial Account Agreement (the "Agreement") between the Department, the SH 130 Concession Company, and the Bank of New York Mellon Trust Company. The covenants of the Agreement required the Department to establish Master Custodial Accounts with an independent custodian and for all deposits related to prepaid toll accounts to be held and secured by the custodian under Master Custodial Accounts. To comply with the provisions of the Agreement, beginning in fiscal year 2010, the System no longer recognizes cash deposits from TxTag customers as assets of, and deposits to, the System and its bank accounts. All previously held TxTag deposits for prepaid tolls were removed from System bank accounts and transferred to the Master Custodial Accounts. As a result, cash deposits from TxTag customers are no longer recognized as assets of the System including any matching deferred revenue. The result was a reduction of $16,146,489 in the balance of Cash and Cash Equivalents and a reduction of $10,627,036 in the balance of Deferred Revenues. The implementation of the Agreement also resulted in the restatement to beginning cash and cash equivalents of $16,146,489 in the Statement of Cash Flows (Exhibit III).

Master Custodial Accounts will also serve as a clearinghouse for payments to the System, the Department and other toll operators including CTRMA, HCTRA, and NTTA for tolls earned. All toll revenues earned will be due from and remitted by the custodian of the Master Custodial Accounts. As a result amounts due from and to CTRMA, HCTRA, and NTTA and will no longer be reflected in Receivables from CTRMA, HCTRA, and NTTA and Payables to CTRMA, HCTRA, and NTTA.

All transactions related to the Master Custodial Accounts are accounted for by the Department in an Agency Fund.

NOTE 11 –DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables from Local Governments at August 31, 2010, as reported in the Statement of Net Assets (Exhibit I), are detailed as follows:

Receivables from Local Governments	Amount
City of Pflugerville	1,050,383
Travis County	2,623,211
Total Receivables from Local Governments	$3,673,594

Accounts Payable at August 31, 2010, as reported in the Statement of Net Assets (Exhibit I), are detailed as follows:

Accounts Payable	Amount
City of Austin	$14,838,308
Travis County	5,207,432
Payables related to additions to Land	22,500
Payables related to additions to Infrastructure - Roadways	29,989
Total Accounts Payable	$20,098,229

Required Supplementary Information
Modified Approach to Reporting Infrastructure Assets

As permitted by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the Department has adopted the modified approach for reporting the System. Under the modified approach, depreciation is not reported and certain preservation and maintenance costs are expensed.

The modified approach requires that the Department:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets,
- Perform condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale in order to document that the eligible infrastructure assets are being preserved approximately at (or above) the condition level established and disclosed by the government, and
- Estimate each fiscal year the annual amount needed to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the government.

Although bridges are an integral part of the System, the Department has elected to depreciate bridges. Therefore, they are not reported using the modified approach.

Condition Assessments

The Department performs yearly condition assessments through its Texas Maintenance Assessment Program ("TxMAP"). Under this program, visual inspections are conducted on approximately 10% of the System. For each section of highway observed, twenty-one elements separated into three highway components are assessed scores from 0 to 5 (0 = N/A, 1 = Failed, 2 = Poor, 3 = Fair, 4 = Good, 5 = Excellent) in order to determine the condition of the highways. Each element within a component is weighted according to importance and each component is weighted according to importance to determine the overall condition of the System. The overall score is converted to a percentage measurement for reporting (1 = 20%, 2 = 40%, 3 = 60%, 4 = 80%, 5 = 100%).

Assessed Conditions

The Department has adopted a minimum condition level of 80% for the System based on TxMAP assessments. Fiscal year 2008 was the first year that a condition assessment was conducted on the System.

Central Texas Turnpike System

Fiscal Year	Condition Assessment (Minimum 80%)
2010	87.9%
2009	90.5%
2008	91.7%

Estimated and Actual Costs for Maintenance

The table below provides a comparison between the Department's estimate of maintenance expenditures required to maintain the System at or above the adopted condition level and the actual expenditures.

Central Texas Turnpike System

	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008
Estimate	$11,371,334	$9,178,651	$6,909,785
Actual	$6,972,452	$7,261,987	$5,411,318

Factors Affecting Condition Assessments

The Department continues to develop its methods for determining such estimates. As additional experience is acquired in the estimation and reporting processes, the Department hopes to achieve a greater correlation between the estimated maintenance expenditures needed to maintain the System at or above the adopted condition levels and the condition level of the System. In comparing actual expenditures to estimated expenditures, factors such as increases in traffic, legislative mandates, budgetary constraints, and environmental effects (rainfall, drought, hurricane, freeze, thaw, etc.) should be considered as they may have a major impact on needed funds and the condition of System roads.

The End

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Produced by the Finance Division
Texas Department of Transportation
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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE FIFTH SUPPLEMENTAL INDENTURE

The following statements summarize certain provisions of the Master Indenture and the Fifth Supplemental Indenture. These statements do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the Master Indenture and the Fifth Supplemental Indenture, respectively. Copies of the Master Indenture and the Fifth Supplemental Indenture are available for examination at the offices of the Commission.

Definitions

"*Accounting Principles*" – "Generally Accepted Accounting Principles" for governmental entities in the United States, which are promulgated by the Governmental Accounting Standards Board ("*GASB*"), the Financial Accounting Standards Board ("*FASB*") and, when applicable, such other accounting principles as the Commission or the State, as applicable, may be required to employ from time to time, in order to comply with the terms of the Indenture, or pursuant to State law or regulation or as the Commission or the State, as applicable, may otherwise elect, provided such election does not cause a violation of the Rule.

"*Acts*" – Chapters 1207 and 1371, Texas Government Code, as amended and Subchapter C of Chapter 228, Texas Transportation Code, as amended.

"*Additional First Tier Obligations*" – First Tier Obligations, in addition to the Series 2002 First Tier Obligations, authorized to be issued or incurred under the Master Indenture and secured by a first lien on, pledge of and security interest in the Trust Estate.

"*Additional Obligation Security*" – any credit enhancement for specified Obligations and any funds received or obligations payable to the Commission, other than Revenues, which the Commission chooses to include as security for specified First Tier Obligations, Second Tier Obligations and/or Subordinate Lien Obligations pursuant to a Supplemental Indenture.

"*Additional Second Tier Obligations*" – Second Tier Obligations authorized to be issued or incurred under the Master Indenture and secured by a lien on, pledge of and security interest in the Trust Estate, subject to the lien on, pledge of and security interest in the Trust Estate established for the benefit and security of the First Tier Obligations.

"*Additional Subordinate Lien Obligations*" – Subordinate Lien Obligations, in addition to the 2002 TIFIA Bond, authorized to be issued or incurred under the Master Indenture and secured by a lien on, pledge of and security interest in the Trust Estate, subject and subordinate to the lien on, pledge of and security interest in the Trust Estate established for the benefit and security of the First Tier Obligations and the Second Tier Obligations, respectively.

"*Alternate Liquidity Agreement*" – any substitute or replacement liquidity agreement securing the payment of the Purchase Price of Variable Rate Demand Bonds, delivered in accordance with the provisions of the Fifth Supplemental Indenture in substitution and replacement for the existing Liquidity Agreement for such Bonds, if any.

"*Annual Capital Budget*" – the capital budget adopted by the Commission for the System as described under the caption "Particular Covenants – Annual Operating Budget; Annual Maintenance Budget; Annual Capital Budget" of this Appendix B.

"*Annual Debt Service*" – for any annual period with respect to all Outstanding Obligations or to all First Tier Obligations, Second Tier Obligations or Subordinate Lien Obligations, (a) the amount of principal and interest paid or payable with respect to such Obligations in the annual period, plus (b) Reimbursement Obligations paid or payable by the Commission in such annual period (but only to the extent not duplicative of such principal and interest), plus (c) the amounts, if any, paid or payable by the Commission in such annual period with respect to Approved Swap Agreements, minus (d) the amounts, if any, paid or payable to the Commission in such annual period with respect to Approved Swap Agreements, provided that the difference between the amounts described in clauses (c) and (d) shall be included only to the extent that such difference would not be recognized as a result of the

application of the assumptions set forth in clauses (1) through (5) below, and minus (e) all amounts that are deposited to the credit of a debt service fund or the Construction Fund for the payment of interest on First Tier Obligations, Second Tier Obligations or Subordinate Lien Obligations, as the case may be, from original proceeds from the sale of such Obligations or from any other lawfully available source (other than the Revenue Fund or any money that would constitute Revenues in the subject annual period), and that are used or scheduled to be used to pay interest on such Obligations during any annual period. The following assumptions shall be used to determine the Annual Debt Service becoming due in any annual period:

(1) in determining the principal amount paid or payable with respect to Obligations or Reimbursement Obligations in each annual period, payment shall be assumed to be made in accordance with any amortization schedule established for such Indebtedness, including amounts paid or payable pursuant to any mandatory redemption schedule for such Indebtedness;

(2) if any of the Indebtedness or proposed Indebtedness constitutes Balloon Indebtedness or Short-Term Indebtedness, then such amounts thereof as constitute Balloon Indebtedness or Short-Term Indebtedness shall be treated as if such Indebtedness is 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 as calculated by, and set forth in a certificate of the TTA Representative. Anything to the contrary in the Master Indenture notwithstanding, during the annual period preceding the final maturity date of such Balloon Indebtedness and, in the case of Short-Term Indebtedness in each annual period, all of the principal thereof shall be considered to be due on Maturity or due date of such Balloon Indebtedness or Short-Term Indebtedness unless the Commission provides to the Trustee, prior to the beginning of such annual period, a certificate of a Financial Consultant certifying that, in its judgment, the Commission will be able to refund such Balloon Indebtedness or Short-Term Indebtedness through the issuance of Long Term Indebtedness, in which event the Balloon Indebtedness or Short-Term Indebtedness shall be amortized over the term of such proposed refunding Indebtedness and shall be deemed to bear the interest rate specified in the certificate of the Financial Consultant;

(3) as to any annual period prior to the date of any calculation, such requirements shall be calculated solely on the basis of Obligations which were Outstanding as of the first day of such period; and as to any future annual period such requirements shall be calculated solely on the basis of Obligations Outstanding as of the date of calculation plus any Obligations then proposed to be issued;

(4) if any of the Indebtedness or proposed Indebtedness constitutes Variable Rate Indebtedness, then, subject to the following proviso, interest in future periods shall be based on the Assumed Variable Rate; provided, however, if the Commission has entered into an Approved Swap Agreement with respect to a Series of Obligations constituting Variable Rate Indebtedness, the fixed interest rate payable by the Commission under the Approved Swap Agreement shall be assumed to be the interest rate on such Obligations if (i) the notional amount under the Approved Swap Agreement is equal to or greater than the Outstanding principal amount of the Obligations and reduces in the amounts and on the dates that the Obligations mature and (ii) the variable interest rate payable by the Commission on the Obligations is determined by the same formula or reference to the same index and computed on the same date as the interest rate payable to the Commission under the Approved Swap Agreement, such that the Commission assumes no basis risk under the swap transaction; and

(5) termination or similar payments under an Approved Swap Agreement shall not be taken into account in any calculation of Annual Debt Service.

"*Annual Maintenance Budget*" – the budget of maintenance expenditures adopted by the Commission for the System described under the caption "Particular Covenants – Annual Operating Budget; Annual Maintenance Budget; Annual Capital Budget" in this Appendix B.

"*Annual Operating Budget*" – the operating budget adopted by the Commission for the System described under the caption "Particular Covenants – Annual Operating Budget; Annual Maintenance Budget; Annual Capital Budget" in this Appendix B.

"*Annual Period*" – the Fiscal Year or any consecutive twelve-month period.

"*Approved Swap Agreement*" – a Swap Agreement secured by or payable from Revenues for which the Commission has filed the with the Trustee the items described in subsection (e) under the caption "Limitations on

Other Indebtedness – *Limitations on Issuance of Additional First Tier Obligations and Execution of First Tier Approved Swap Agreements*" in this Appendix B.

"*Assumed Variable Rate*" – in the case of:

(a) Outstanding Obligations in the form of Variable Rate Indebtedness, the greater of (1) the average interest rate on such Indebtedness for the most recently completed sixty (60) month period or the period such Variable Rate Indebtedness has 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 Variable Rate Indebtedness were being issued on the date of calculation; and

(b) proposed Obligations in the form of Variable Rate Indebtedness either

(1) to be issued on the basis that, in the opinion of Bond Counsel to be delivered at the time of the issuance thereof, interest on such Variable Rate Indebtedness would be excluded from gross income for federal income tax purposes, the greater of the (i) the average of the Bond Market Association Swap Index ("*BMA 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 BMA Index for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or

(2) to be issued as Variable Rate Indebtedness not described in clause (1), the greater of the (i) average of the London Interbank Offered Rate ("*LIBOR*") for the time period most closely resembling the reset period for the Variable Rate Indebtedness for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (ii) average of LIBOR for the time period most closely resembling the reset period for the Variable Rate Indebtedness for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; and provided that if the BMA Index or LIBOR shall cease to be published, the index to be used in its place shall be that index which the Commission in consultation with the Financial Consultant determines most closely replicates such index, as set forth in a certificate of a TTA Representative filed with the Trustee. Notwithstanding the foregoing, in no event shall the Assumed Variable Rate be in excess of the maximum interest rate allowed by law on obligations of the Commission.

"*Auction Rate*" – the interest rate set on any Bonds in the Auction Rate Mode in accordance with the Fifth Supplemental Indenture.

"*Auction Rate Mode*" – the Mode in which the interest rate on any Bonds is set at the Auction Rate in accordance with the Fifth Supplemental Indenture.

"*Authority*" – the Texas Turnpike Authority.

"*Authorized Denominations*" – with respect to any Obligations, those denominations specified in the Master Indenture or a Supplemental Indenture. With respect to Bonds in the Multiannual Period, $5,000 in principal amount, or any integral multiple thereof.

"*Authorized Representative*" – the Executive Director of the Department, each Deputy Executive Director of the Department, the Chief Financial Officer and each Assistant Executive Director of the Department, or such other individuals so designated by the Commission to perform the duties of an Authorized Representative under the Fifth Supplemental Indenture.

"*Average Annual Debt Service*" – with respect to First Tier Obligations, Second Tier Obligations, Subordinate Lien Obligations or all Obligations, at any point in time the average amount of Annual Debt Service paid or payable in each annual period to the Stated Maturity of the respective Outstanding Obligations.

"*Award Certificate*" – the certificate executed by the TTA Representative in connection with (i) the Bonds that establishes the terms of the Bonds pursuant to the Indenture or (ii) any other Series of Obligations authorized by the Commission in a manner that delegates the establishment of the terms of such Obligations and the acquisition of a DSRF Security in connection with the issuance of such Obligations to a TTA Representative.

"*Balloon Indebtedness*" – Long-Term Indebtedness of a particular issue or Series of Obligations of which 25% or more of the principal matures in the same annual period and is not required by the documents pursuant to which such Indebtedness was issued to be amortized by payment or redemption prior to that annual period, provided that such Indebtedness 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 a TTA Representative certifying that such Indebtedness is not to be treated as Balloon Indebtedness.

"*Bank*" or "*Banks*" – as to any particular Series of Obligations, each Person (other than a Bond Insurer) providing a Credit Facility as designated in the Supplemental Indenture providing for the issuance of such Obligations.

"*Bank Fee*" – any commission, fee or expense payable to a Bank pursuant to a Reimbursement Agreement (but not amounts payable as reimbursement for amounts drawn under a Credit Facility or interest on such amounts).

"*Bankruptcy Law*" – Title 9 of the United States Code, as amended from time to time, and any successor to or replacement of such Title and any other applicable federal or state bankruptcy, insolvency or similar law.

"*Bankruptcy-Related Event*" – the occurrence of any of the following: (a) the application by or consent of the Commission to the appointment of a receiver, trustee, liquidator or custodian or the like is appointed for the Commission; or (b) the Commission becomes unable to pay its debts generally as they become due; or (c) the Commission is adjudicated a bankrupt or insolvent; or (d) the Commission commences a voluntary proceeding under the Bankruptcy Law, or files a voluntary petition or answer seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or admits the material allegations of a petition filed against the Commission in any state or federal bankruptcy, reorganization or insolvency proceeding or takes corporate action for the purpose of effecting any of the foregoing.

"*Beneficial Owner*," "*Beneficial owner*" or "*beneficial owner*" – any person who acquires a beneficial ownership interest in a Bond held by DTC. In determining the Beneficial Owner of any Bond, the Trustee, the Remarketing Agent, and the Commission may rely conclusively upon representations made and written information given to the Trustee, the Remarketing Agent, or the Commission by DTC or a DTC Participant with respect to any Bond held by DTC in which a beneficial interest is claimed.

"*Bond Counsel*" – any attorney or firm of attorneys engaged by the Department whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally-recognized.

"*Bond Insurer*" – Ambac Assurance with respect to the Series 2002-A Bonds and, with respect to other Obligations, as to any particular maturity or any particular Series of Obligations, the Person undertaking to insure such Obligations as designated in an Award Certificate, the authorizing minute order or in a Supplemental Indenture providing for the issuance of such Obligations.

"*Bond Purchase Fund*" – a fund established with the Trustee pursuant to the provisions of a Supplemental Indenture to be used in connection with the tender and purchase of Tender Indebtedness.

"*Bond Register*" – the register maintained pursuant to the Indenture by the Bond Registrar.

"*Bond Registrar*" – with respect to any Series of Obligations, that Person which maintains the Bond Register or such other entity designated by the Bond Registrar to serve such function and, initially, the Trustee.

"*Bonds*" – the Texas Transportation Commission Central Texas Turnpike System First Tier Revenue Refunding Put Bonds, Series 2009 authorized by the Fifth Supplemental Indenture.

"*Book-Entry Obligations*" or "*Book-Entry [First Tier] [Second Tier] or [Subordinate Lien] Obligations*" – all of the Obligations or those Obligations of a particular lien subject to the Book-Entry-Only System.

"*Book-Entry-Only System*" – a system similar to the system described in the Indenture pursuant to which Obligations are registered in book-entry form.

"*Business Day*" – any day other than a Saturday, 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; provided, however, such term may have a different meaning for purposes of a Credit Facility.

"*Capital Payments*" – payments under Approved Swap Agreements and Reimbursement Obligations other than Operating Expenses.

"*Central Texas Turnpike System*" – see definition of System.

"*Chief Financial Officer*" – the Chief Financial Officer of the Department, the Director of the Finance Division of the Department, the Deputy Director of the Finance Division of the Department, the Debt Management Director of the Department or such other officer or employee of the Department or such other individual so designated by the Commission to perform the duties of Chief Financial Officer under the Fifth Supplemental Indenture.

"*Code*" – the Internal Revenue Code of 1986, as amended, and the regulations proposed or adopted from time to time with respect thereto.

"*Commission*" – the Texas Transportation Commission and its successors and assigns.

"*Commission Official*" – any member of the Commission or any director, officer or employee of the Department authorized to perform specific acts or duties by minute order duly adopted by the Commission.

"*Construction and Ramp-Up Period*" – the period commencing with the delivery of Obligations to finance the Costs of the 2002 Project or the costs of expanding, enlarging or extending the System and ending forty-eight (48) months after Substantial Completion of (i) the 2002 Project or (ii) the improvements financed with the proceeds of other Obligations in the case of Obligations issued subsequent to the issuance of the 2002 Obligations; provided, however, when such term is used in determining (A) anticipated Revenues for purposes of applying the Rate Covenant to the requirements relating to the 2002 TIFIA Bond or (B) Projected Revenues for purposes of determining the Projected Debt Service Coverage Ratio for the 2002 TIFIA Bond, the end of the period shall be forty-eight (48) months after the commencement of the amortization of the 2002 TIFIA Bond.

"*Construction Fund*" – the Construction Fund established pursuant to the Master Indenture and described in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – Construction Fund" and "– Flow of Funds."

"*Consultant*" – a Person who shall be independent, employed by the Department as needed, being qualified and having a nationwide and favorable reputation for skill and experience in such work for which the Consultant was appointed. In those situations in which a Consultant is appointed to survey risks and to recommend insurance coverage, such Consultant may be a broker or agent with whom the Department transacts business.

"*Conversion*" or "*conversion*" – a change from one Mode to another with respect to a Bond, and with respect to a Bond in the Multiannual Mode, a change from one Interest Rate Period to another.

"*Cost*" or "*Costs*" – with respect to the System, all or any part of:

(a) the cost of study, design, construction, expansion, enlargement, extension, reconstruction, restoration, repair and rehabilitation of the System or portion thereof (including, but not limited to, indemnity and surety bonds, permits, taxes, licenses, insurance premiums, or other municipal or governmental charges lawfully levied or assessed during construction);

(b) the cost of acquisition of all real or personal property, rights, right-of-way, franchises, easements and interests acquired or used for the System or portion thereof;

(c) the cost of demolishing or removing any structures on land so acquired, including the cost of acquiring any land to which the structures may be removed;

(d) any cost of borings and other preliminary investigations necessary or incident to determining the feasibility or practicability of constructing the System or portion thereof and any cost necessary or desirable to satisfy conditions associated with the issuance of any permit for the construction thereof (including the costs of environmental related mitigation required in connection therewith);

(e) the cost of all machinery and equipment, vehicles, materials and rolling stock;

(f) Issuance Costs;

(g) provisions for working capital and interest on Obligations and on any Reimbursement Obligation for the period prior to, during and for a period of up to one year after acquisition or completion of construction as determined by the Commission, and reserves for principal and interest for extensions, enlargements, additions, replacements, renovations and improvements to the System;

(h) the cost of architectural, engineering, environmental feasibility, traffic and revenue, economic and demographic, appraisal, financial, and legal services;

(i) planning, investigations, studies, evaluations, plans, specifications, estimates, and administrative and other expenses that are necessary or incidental to the determination of the feasibility of constructing the System or portion thereof or incidental to the obtaining of construction contracts or to the construction (including construction administration and inspection), acquisition or financing thereof and that constitute capital costs;

(j) Operating Expenses and Maintenance Expenses occurring during and for a period of up to one year after acquisition or completion of construction, as determined by the Commission, provided that, if applicable, the Trustee has received an opinion of Bond Counsel (which opinion may address either specific Operating Expenses or Maintenance Expenses or categories of Operating Expenses or Maintenance Expenses) to the effect that the treatment of such Operating Expenses or Maintenance Expenses as a Cost will not adversely affect the exclusion of interest on any Obligations from gross income for federal income tax purposes;

(k) the repayment or reimbursement of any Obligation, loan or advance for any of the foregoing; and

(l) with respect to the use of proceeds of Obligations, such other costs and expenses as are permitted by the Enabling Acts at the time such Obligations are issued.

"*Counsel*" – an attorney or law firm (who may be counsel to the Commission) satisfactory to the Trustee.

"*Credit Facility*" – any letter of credit, line of credit, standby letter of credit, indemnity or surety insurance policy or agreement to purchase a debt obligation or any similar extension of credit, credit enhancement or liquidity support obtained by the Commission from a responsible financial or insurance institution, to provide for or to secure payment of principal and purchase price of, and/or interest on Obligations pursuant to the provisions of a Supplemental Indenture under which such Obligations are issued. The use of such definition is not intended to preclude the Commission from providing the credit or liquidity support with respect to one or more Series of Obligations directly rather than through a financial or insurance institution.

"*Daily Mode*" – the Mode in which the interest rate on any Bonds is set at the Daily Rate pursuant to the Fifth Supplemental Indenture.

"*Daily Rate*" – the rate of interest that is set on any Bonds by the Remarketing Agent while they are in the Daily Mode.

"*Defeasance Securities*" – (a) Government Obligations, (b) noncallable obligations of an agency or instrumentality of the United States, 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 (c) 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 Commission 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.

"*Defeased Obligation*" – Obligations deemed to be paid, retired and no longer Outstanding pursuant to the provisions of the Master Indenture.

"*Department*" or "*TxDOT*" – the Texas Department of Transportation or its successors.

"*Depository Participant*" – any Person for which the Securities Depository holds Obligations as securities depository.

"*DSRF Security*"– a First Tier DSRF Security or a Second Tier DSRF Security.

"*DTC*" – The Depository Trust Company and it successors and assigns.

"*Enabling Acts*" – the Turnpike Act, Chapter 222, Texas Transportation Code, as amended, and Chapter 1371, Texas Government Code, as amended.

"*Event of Default*" – those events specified under the caption "Events of Default and Remedies – *Events of Default*" in this Appendix B, and such other events specified in any Supplemental Indentures.

"*Financial Consultant*" – any financial advisor or firm of financial advisors of favorable national reputation for skill and experience in performing the duties for which a Financial Consultant is required to be employed pursuant to the provisions of the Master Indenture and who is retained by the Department as a Financial Consultant for the purposes of the Master Indenture.

"*First Tier Approved Swap Agreement*" – an Approved Swap Agreement entered into as a First Tier Obligation.

"First Tier Debt Service Fund" – the fund created by the Master Indenture to secure payment of First Tier Obligations and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts."

"*First Tier Debt Service Reserve Fund*" – the fund created by the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts."

"*First Tier Debt Service Reserve Requirement*" – the lesser of (i) the maximum Annual Debt Service of all the First Tier Obligations, (ii) 1.25 times the Average Annual Debt Service of all First Tier Obligations or (iii) ten percent (10%) of the aggregate principal amount of the Outstanding First Tier Obligations, as determined on the date each Series of First Tier Obligations is issued and delivered. Under no circumstances shall the 2002 TIFIA Loan be taken into account in computing the First Tier Debt Service Reserve Requirement.

"*First Tier DSRF Security*" – a surety bond, an insurance policy, a letter of credit or similar financial instrument satisfactory to the Rating Agency (as evidenced by a letter from the Rating Agency confirming that the First Tier DSRF Security will not result in the rating on any outstanding First Tier Obligations being downgraded).

"*First Tier Interest Account*" – the account of that name created pursuant to the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *First Tier Debt Service Fund*."

"*First Tier Obligations*" – the Bonds, the Series 2002 First Tier Obligations, and all Indebtedness of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations, issued or incurred as Additional First Tier Obligations under the Master Indenture and includes all obligations of the Commission owed to Secured Owners of (i) First Tier Obligations, (ii) Reimbursement Obligations secured by the Trust Estate on a parity with First Tier Obligations and (iii) obligations of the Commission under First Tier Approved Swap Agreements.

"*First Tier Principal Account*" – the account of that name created pursuant to the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Flow of Funds – First Tier Debt Service Fund."

"*First Tier Swap Agreement Counterparty*" – the counterparty to a First Tier Approved Swap Agreement with the Commission or with the Trustee.

"Fiscal Year" – the fiscal year of the Department, currently the period commencing on the first day of September and ending on the last day of August of the following year.

"*Fitch*" – Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally-recognized rating agency designated by the Commission.

"*Fixed Rate*" – a rate of interest on a Bond that is fixed for the remaining term of the Bond pursuant the Fifth Supplemental Indenture.

"*Fixed Rate Conversion Date*" – with respect to a Bond, the date upon which the Fixed Rate first becomes effective for the Bond.

"*Fixed Rate Mode*" – the Mode in which the interest rate on any Bonds is fixed from the Fixed Rate Conversion Date until the Maturity Date.

"*Flexible Mode*" – the Mode in which the interest rate on any Bonds is set at the Flexible Rate.

"*Flexible Rate*" – a rate of interest on any Bonds in the Flexible Mode set by the Remarketing Agent pursuant to the Fifth Supplemental Indenture for periods from 1 to 270 days.

"*General Engineering Consultant*" or "*GEC*" – an engineer or firm of engineers of favorable reputation for skill and experience in performing the duties for which a General Engineering Consultant is required to be employed pursuant to the provisions of the Master Indenture and who is retained by the Department as the General Engineering Consultant for purposes of the Master Indenture.

"*General Reserve Fund*" – the fund of such name created by the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts."

"*Government Obligations*" – direct obligations of, or obligations the principal or interest on which are unconditionally guaranteed by, the United States (including interest strips of the Resolution Funding Corporation).

"*IH 35*" – Interstate Highway 35.

"*Indebtedness*" – all indebtedness of the Commission payable from Revenues incurred or assumed by the Commission for borrowed money (including indebtedness arising under Credit Facilities) and all other financing obligations of the Commission related to the System that, in accordance with Accounting Principles, are included as a liability on a balance sheet for the System books and records, but excluding noncash accounting adjustments. For the purpose of determining the "Indebtedness" payable from the Revenues, any Defeased Obligation shall be excluded.

"*Indenture*" – collectively, the Master Indenture and the Fifth Supplemental Indenture.

"*Interest Payment Date*" – with respect to each Series of Obligations, the dates that are defined as such in the Master Indenture or in a Supplemental Indenture under which First Tier Obligations, Second Tier Obligations or Subordinate Lien Obligations are issued or in Award Certificate relating to any such Obligations. However, in each case, if the date specified above is not a Business Day then the Interest Payment Date shall be the Business Day next succeeding the date specified above. With respect to the Bonds during the Multiannual Rate Period described in this

Remarketing Memorandum, (i) August 15, 2011, and each February 15 and August 15 thereafter; and (ii) the Maturity Date.

"*Interest Rate Period*," "*Rate Period*," or "*Period*" – when used with respect to any particular rate of interest for a Bond, the period during which such rate of interest determined for such Bond will remain in effect as described in the Fifth Supplemental Indenture.

"*Investment Policy*" – the investment policy of the Commission relating to the funds of the System adopted pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

"*Issuance Costs*" – costs incurred by or on behalf of the Commission in connection with the issuance of Obligations including, without limitation, the following: payment of financial, rating agency, legal, accounting and appraisal fees and expenses; the Commission's fees and expenses attributable to the issuance of the Obligations; the cost of printing, engraving and reproduction services; fees and expenses incurred in connection with any Credit Facility and any Approved Swap Agreement; legal fees and expenses of Bond Counsel, Commission's counsel, Trustee's counsel and Remarketing Agent's counsel relating to the issuance of the Obligations; the initial or acceptance fee of the Trustee; and all other fees, charges and expenses incurred in connection with the issuance of the Obligations and the preparation of the Master Indenture and any Supplemental Indentures entered into in connection with the issuance of Obligations.

"*Legislature*" – the Legislature of the State.

"*Letter of Representations*" – the letter of representations or similar document executed by the Commission and delivered to the Securities Depository (and any amendments thereto or successor agreements) for one or more Series of Book-Entry Obligations.

"*Liquidity Agreement*" – each standby bond purchase agreement, irrevocable letter of credit, surety bond, insurance policy or similar instrument securing the payment of the Purchase Price of Variable Rate Demand Bonds as originally executed with the original issuance of Variable Rate Demand Bonds and any extensions thereof, as from time to time amended and supplemented, and any Alternate Liquidity Agreement, as originally executed and as such agreement may from time to time be amended and supplemented. A Liquidity Agreement is not a "Credit Facility" within the meaning of the Fifth Supplemental Indenture.

"*Liquidity Provider*" – the bank or other financial institution or the State of Texas acting through the Comptroller of Public Accounts as designated by the TTA Representative pursuant to the Fifth Supplemental Indenture, acting in its capacity as issuer of the initial Liquidity Agreement with respect to Variable Rate Demand Bonds, and its successors and assigns, and if an Alternate Liquidity Agreement is issued, the issuer of such Alternate Liquidity Agreement, and its successors and assigns.

"*Liquidity Provider Bonds*" – Variable Rate Demand Bonds purchased with money drawn on a Liquidity Agreement and held for the benefit of a Liquidity Provider pursuant to the Fifth Supplemental Indenture.

"*Long-Term Indebtedness*" – all Indebtedness that is not Short-Term Indebtedness.

"*Loop 1*" – an approximately three and a half-mile highway extending northward from the existing Loop 1 as of the date of the Master Indenture, from FM 734 to State Highway 45 North in Williamson and Travis Counties, Texas. The northern 3-mile east-west segment of Loop 1 shares a dual designation with State Highway 45 North.

"*Maintenance Account*" – the Central Texas Turnpike System Maintenance Account created under the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Flow of Funds – Maintenance Account."

"*Maintenance Expenses*" – the Commission's reasonable and necessary expenses of repair and maintenance of the System, including, without limiting the generality of the foregoing, periodic roadway resurfacing and repair, replacement of toll collection, vehicle identification, toll integration and video enforcement equipment and all administrative and engineering expenses relating to repair and maintenance of the System and any other expenses required to be paid by the Commission as shown in the Annual Maintenance Budget for the System.

"*Master Indenture*" – the Indenture of Trust, dated July 15, 2002 by and between the Commission and the Trustee, as supplemented and amended from time to time.

"*Maturity*" – the date on which the principal of an Obligation becomes due and payable as provided therein and as provided in the Master Indenture, whether at Stated Maturity, by redemption, or otherwise.

"*Maturity Date*" – the final maturity date of the Bonds.

"*Maximum Rate*" – fifteen percent (15%) per annum or such lower rate authorized by law, including specifically Chapter 1204, Texas Government Code, as amended, provided, however, that when such term relates to (i) Liquidity Provider Bonds it shall have the meaning given in the Liquidity Agreement but in no event shall the Maximum Rate under the Liquidity Agreement exceed fifteen percent (15%) as calculated in accordance with Chapter 1204, Texas Government Code, as amended, (ii) Credit Provider Bonds it shall have the meaning given in the Credit Facility but in no event shall the Maximum Rate under the Credit Facility exceed fifteen percent (15%) as calculated in accordance with Chapter 1204, Texas Government Code, as amended.

"*Mode*" – the period for and the manner in which the interest rates on the Bonds, or any portion of the 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 Auction Rate Mode, and the Fixed Rate Mode.

"*Monthly Mode*" – the Mode in which the interest rate on any Bonds is set at the Monthly Rate.

"*Monthly Rate*" – the rate of interest that is set on any Bonds while they are in the Monthly Mode pursuant to the Fifth Supplemental Indenture.

"*Moody's*" – Moody's Investors Service, its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally-recognized rating agency designated by the Commission.

"*MSRB*" – the Municipal Securities Rulemaking Board.

"*Multiannual Mode*" – the Mode in which the interest rate on any Bonds is fixed for periods of one year or whole multiples thereof designated by the TTA Representative.

"*Multiannual Rate*" – the rate or rates of interest set on any Bonds while they are in the Multiannual Mode pursuant to the Fifth Supplemental Indenture.

"*Obligations*" – Indebtedness issued or incurred as First Tier Obligations, Second Tier Obligations or Subordinate Lien Obligations.

"*Operating Account*" – the Central Texas Turnpike System Operating Account created under the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *Operating Account*."

"*Operating Account Requirement*" – an amount sufficient to bring the balance in the Operating Account to the amount contemplated by the Annual Operating Budget and a certificate of a Commission Official, dated no later than five days prior to the last Business Day of the month, to be necessary to pay Operating Expenses for the ensuing two months.

"*Operating Expenses*" – the Commission's reasonable and necessary expenses of operation of the System, including, without limiting the generality of the foregoing, expenses for toll collection, all premiums for insurance and payments into any self-insurance reserve fund, all administrative and engineering expenses relating to operation of the System, fees and expenses of the Traffic Consultants, the General Engineering Consultant, the Trustee and of the Paying Agents, Policy Costs, legal expenses, expenses for Public Safety Officers and any other expenses required to be paid by the Commission as shown in the Annual Operating Budget for the System.

"*Outstanding*" or "*outstanding*" in connection with Obligations – all Obligations that have been authenticated and delivered under the Master Indenture, except:

(a) Obligations theretofore canceled or delivered to the Trustee for cancellation under the Master Indenture;

(b) Obligations that are deemed to be no longer Outstanding in accordance with the Master Indenture; and

(c) Obligations in substitution for which other Obligations have been authenticated and delivered pursuant to the Master Indenture.

In determining whether the Secured Owners of a requisite aggregate principal amount of Obligations Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Master Indenture, Obligations that are held by or on behalf of the Commission (unless all of the Outstanding Obligations are then owned by the Commission) shall be disregarded for the purpose of any such determination.

"*Paying Agent*" – with respect to any Series of Obligations, that Person appointed pursuant to the Master Indenture to make payments to Registered Owners of interest and/or principal pursuant to the terms of the Master Indenture or any Supplemental Indenture, which initially shall be the Trustee.

"*Person*" – an individual, public body, corporation, partnership, association, joint stock company, trust and any unincorporated organization.

"*Policy Costs*" – a periodic fee or charge required to be paid to maintain a DSRF Security.

"*Project*" – the 2002 Project and any improvements to the System to be financed or refinanced with the proceeds of Obligations, including refundings authorized by law.

"*Projected Annual Debt Service*" – when applied to First Tier Obligations, Second Tier Obligations, Subordinate Lien Obligations or all Obligations, for each annual period, shall equal the sum of (a) the amount of Annual Debt Service on all such First Tier Obligations, Second Tier Obligations, Subordinate Lien Obligations or all Obligations, as the case may be, then Outstanding, plus (b) the Annual Debt Service on any Obligations of such character then proposed to be issued.

"*Projected Debt Service Coverage Ratio*" – when applied to First Tier Obligations, Second Tier Obligations, Subordinate Lien Obligations or a combination of the foregoing, for each of the Fiscal Years commencing with the Fiscal Year following the end of any period during which interest was fully capitalized on the Obligations proposed to be issued and ending with the latest Fiscal Year in which any Obligation is scheduled to mature or for any other annual period, the ratio determined by dividing Projected Revenues for such annual period by the Projected Annual Debt Service for each such annual period.

"*Projected Operating Expenses*" – the Operating Expenses for each monthly period or the entire Fiscal Year as shown in the Annual Operating Budget to be adopted each Fiscal Year by the Commission pursuant to the Master Indenture.

"*Projected Operating Expenses Capacity*" – for any Fiscal Year, the portion of Operating Expenses estimated to be paid with Revenues, as reflected in the Annual Operating Budget.

"*Projected Revenues*" – Revenues projected by the Traffic Consultant to be received in the annual period in question, taking into account (i) any revisions of the Tolls that have been approved by the Commission and that will be effective during such annual period, (ii) any additional Tolls that the Traffic Consultant estimates will be received by the Commission following the completion of any Project then being constructed or proposed to be constructed, (iii) any revisions of the Tolls expected to be implemented by the Commission, as evidenced by a certificate of a TTA Representative delivered to the Trustee, and included as assumptions in a traffic and revenue report of the Traffic Consultants and (iv) for each Fiscal Year in any Construction and Ramp-Up Period, the amounts projected

by a TTA Representative or the Traffic Consultants to be on deposit in the Rate Stabilization Fund and the General Reserve Fund.

"*Public Safety Officers*" – licensed public safety officers in the employment of or under contract to the Department for the purpose of performing public safety duties in connection with the System.

"*Purchase Date*" - the date upon which Bonds are required to be purchased pursuant to a mandatory or optional tender, in accordance with the provisions of the Fifth Supplemental Indenture.

"*Purchase Price*" – the purchase price payment described in paragraph (a) of the definition of Tender Indebtedness. With respect to the Bonds, the purchase price of the Bonds pursuant to mandatory or optional tender as set forth in the Fifth Supplemental Indenture.

"*Quarterly Mode*" – the Mode in which the interest rate on any Bonds is set at the Quarterly Rate.

"*Quarterly Rate*" – the rate of interest that is set on any Bonds while they are in the Quarterly Mode pursuant to the Fifth Supplemental Indenture.

"*Rate Covenant*" – means the rate covenants of the Commission set for in the first paragraph under "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Rate Covenant."

"*Rate Stabilization Fund*" – the fund of that name created under the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *Rate Stabilization Fund*."

"*Rate Stabilization Fund Requirement*" – (i) an amount equal to the greater of (A) all Revenues received, less the required deposits, if any, into the First Tier Debt Service Fund and the First Tier Debt Service Reserve Fund, through August 31, 2008, or (B) $10,000,000, or (ii) such other amount as set forth in a Supplemental Indenture, which amount may be less than the amount established in (i) above if the 2002 Obligations and the Bonds are no longer Outstanding. Provided, however, to the extent that amounts on deposit in the Rate Stabilization Fund are transferred to the First Tier Debt Service Fund, the Second Tier Debt Service Fund or the Subordinate Lien Debt Service Fund to cure a deficiency, the Rate Stabilization Fund Requirement shall be reduced to the greater of (i) the resulting balance in the Rate Stabilization Fund after such transfer or (ii) $10,000,000.

"*Rating Agency*" – Fitch, Moody's or S&P or such other nationally-recognized securities rating agency as may be so designated in writing to the Trustee by a TTA Representative.

"*Rating Category*" – each major rating classification established by the Rating Agency, determined without regard to gradations such as "1," "2" and "3" or "plus" (+) and "minus" (-).

"*Rebate Fund*" – the fund of that name created under the Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *Rebate Fund*."

"*Record Date*" – with respect to Bonds during the Multiannual Period, the close of business on the 15th day of the calendar month immediately preceding any Interest Payment Date, regardless of whether such day is a Business Day.

"*Redemption Date*" – the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of the Fifth Supplemental Indenture.

"*Regional Tollway Authority*" – a regional tollway authority established under Chapter 366, Texas Transportation Code.

"*Registered Owner*" or "*Owner*" (or the lower case version of the same) – the Person in whose name any Obligations are registered on the Bond Register maintained by the Bond Registrar.

"*Reimbursement Agreement*" – an agreement between the Commission and one or more Banks pursuant to which, among other things, such Bank or Banks issue a Credit Facility with respect to Obligations of one or more Series and the Commission agrees to reimburse such Bank or Banks for any drawings made thereunder.

"*Reimbursement Obligation*" or "*Reimbursement Obligations*" – the obligation of the Commission pursuant to a Reimbursement Agreement to repay any amounts drawn under a Credit Facility and to pay interest on such drawn amounts pursuant to such Reimbursement Agreement, which Reimbursement Obligation is secured by the Trust Estate on a parity with the First Tier Obligations, the Second Tier Obligations or Subordinate Lien Obligations, as appropriate.

"*Remarketing Agent*" – the Remarketing Agent or Remarketing Agents designated by the TTA Representative pursuant to the Fifth Supplemental Indenture, and any successor remarketing agent appointed in accordance therewith.

"*Remarketing Agreement*" – any remarketing agreement executed by the Commission and the Remarketing Agent pursuant to the Fifth Supplemental Indenture.

"*Reserve Maintenance Account*" – the fund of that name created under the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *Reserve Maintenance Account*."

"*Revenue Fund*" – the fund of that name created under the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *Revenue Fund*."

"*Revenues*" – all income and revenues derived from the operation of the System, including (a) all Tolls received by or on behalf of the Commission, (b) any other sources of revenues or funds of the Commission derived from or attributable to the System or from the ownership or the holding of certain properties constituting a part of the System, (c) the proceeds of any insurance covering business interruption loss relating to the System, (d) any other sources of revenues or funds of the Commission that the Commission chooses to designate as "Revenues" pursuant to a Supplemental Indenture, (e) the interest and income earned on any fund or account where said interest or income is required to be credited to the Revenue Fund pursuant to the Master Indenture and (f) transfers of excess funds from the Rate Stabilization Fund to the Revenue Fund pursuant to the Master Indenture. As more fully set forth in the caption "Agreement With Other Turnpikes" in the Appendix B, in the event the Commission receives advances or prepayments or otherwise operates or participates in a system in which funds are collected prior to the actual usage of the System, such funds shall not be deemed to be Revenues until the usage occurs or the funds are earned pursuant to the agreement under which the Commission receives such funds. Revenues does not include Additional Obligation Security.

"*Rule*" – Rule 15c2-12 of the SEC under the Securities Exchange Act of 1934, as amended from time to time.

"*SEC*" – the United States Securities and Exchange Commission or its successors.

"*Second Tier Approved Swap Agreement*" – an Approved Swap Agreement entered into as a Second Tier Obligation.

"*Second Tier Debt Service Fund*" – the fund of that name created under the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *Second Tier Debt Service Fund*."

"*Second Tier Debt Service Reserve Fund*" – the fund created by the Master Indenture to secure the payment of Additional Second Tier Obligations and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Funds and Accounts – *Second Tier Debt Service Reserve Fund*."

"*Second Tier Debt Service Reserve Requirement*" – the amount set forth in the Supplemental Indentures authorizing the Additional Second Tier Obligations.

"*Second Tier DSRF Security*" – a surety bond, an insurance policy, a letter of credit or similar financial instrument satisfactory to the Rating Agency (as evidenced by a letter from the Rating Agency confirming that the Second Tier DSRF Security will not result in the rating on any outstanding Second Tier Obligations being downgraded) payable to the Trustee for the benefit of the Secured Owners in an amount equal to the difference between the Second Tier Debt Service Reserve Requirement and the amounts then on deposit in the Second Tier Debt Service Reserve Fund.

"*Second Tier Interest Account*" – the account of that name created under the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Flow of Funds – *Second Tier Debt Service Fund*."

"*Second Tier Obligations*" – all Indebtedness of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations issued or incurred as Additional Second Tier Obligations and includes all obligations of the Commission owed to Secured Owners of Second Tier Obligations, Reimbursement Obligations secured by the Trust Estate on a parity with Second Tier Obligations and obligations of the Commission under Second Tier Swap Agreements.

"*Second Tier Principal Account*" – the account of that name created under the Master Indenture and set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Flow of Funds – *Second Tier Debt Service Fund*."

"*Second Tier Swap Agreement Counterparty*" – the counterparty to a Second Tier Approved Swap Agreement with the Commission or with the Trustee.

"*Secured Owner*" or "*Secured Owners*" – (a) with respect to First Tier Obligations, each Person who is a Registered Owner of any First Tier Obligations, each First Tier Swap Agreement Counterparty providing a First Tier Swap Agreement, each Bank providing a Credit Facility secured on a parity with the First Tier Obligations and each Bond Insurer providing a bond insurance policy with respect to a First Tier Obligation (b) with respect to Second Tier Obligations, each Person who is a Registered Owner of any Second Tier Obligations, each Second Tier Swap Agreement Counterparty providing a Second Tier Swap Agreement, each Bank providing a Credit Facility secured on a parity with the Second Tier Obligations and each Bond Insurer providing a bond insurance policy with respect to a Second Tier Obligation and (c) with respect to Subordinate Lien Obligations, each Person who is a Registered Owner of any Subordinate Lien Obligations, each Second Tier Swap Agreement Counterparty providing a Second Tier Swap Agreement, each Bank providing a Credit Facility secured on a parity with the Subordinate Lien Obligations and each Bond Insurer providing a bond insurance policy with respect to a Subordinate Lien Obligation.

"*Securities Depository*" – a Person that is registered as a clearing agency under Section 17A of the Securities Exchange Act of 1934 or whose business is confined to the performance of the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of such act for the purposes of Section 17A thereof.

"*Semiannual Mode*" – the Mode in which the interest rate on any Bonds is set at the Semiannual Rate.

"*Semiannual Rate*" – the rate of interest that is set on any Bonds while they are in the Semiannual Mode pursuant to the Fifth Supplemental Indenture.

"*Series*" – one or more Obligations issued at the same time, or sharing some other common term or characteristic, and designated as a separate Series of Obligations.

"*Series 2002 Bonds*" – collectively, the Series 2002-A Bonds and the Series 2002-B Bonds.

"*Series 2002 First Tier Obligations*" – the Series 2002 Bonds.

"*Series 2002 Second Tier BANS*" – the Texas Turnpike Authority Central Texas Turnpike System Bond Anticipation Notes, Series.

"*Series 2002-A Bonds*" – the Texas Turnpike Authority Central Texas Turnpike System First Tier Revenue Bonds, Series 2002-A.

"*Series 2002-B Bonds*" – the Texas Turnpike Authority Central Texas Turnpike System First Tier Revenue Bonds, Series 2002-B (Weekly Rate Demand Bonds).

"*Short-Term Indebtedness*" – all Indebtedness that matures in less than 365 days and are issued as Short-Term Indebtedness pursuant to the Master Indenture. In the event a Bank has extended a line of credit or the Commission 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 shall be considered Short-Term Indebtedness and the full amount of such commitment or program shall not be treated as Short-Term Indebtedness to the extent that such facility remains available but undrawn.

"*Standard & Poor's*" or "*S&P*" – Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally-recognized securities rating agency designated by the Commission.

"*State*" – the State of Texas.

"*State Highway 45 North*" – an approximately 13-mile highway located in Travis and Williamson Counties, Texas. The State Highway 45 element extends westward from FM 685 and State Highway 130 to IH 35 at existing FM 1325, and then continues westward to and over United States Highway 183 to a western terminus at Ridgeline Boulevard.

"*State Highway Fund*" – the fund established by the laws of the State known as State Highway Fund (006) held in the State Treasury by the Texas Comptroller of Public Accounts.

"*State Highway 130*" – an approximately 49-mile highway extending from State Highway 130 at State Highway 195, north of Georgetown, Texas to an interim southern terminus with United States Highway 183 at the location where the proposed State Highway 45 South turnpike ("*State Highway 45 South Turnpike*") will connect to United States Highway 183. State Highway 130 is located generally parallel to, and east of IH 35 and through the Counties of Williamson and Travis, Texas.

"*State Highway System*" – the system of highways referred to in the Texas Transportation Code as the State Highway System.

"*Stated Maturity*" – when used with respect to any Obligations, the scheduled maturity or mandatory sinking fund redemption of such Obligations.

"*Subordinate Lien Approved Swap Agreements*" – an Approved Swap Agreement entered into as a Subordinate Lien Obligation.

"*Subordinate Lien Debt Service Fund*" – the fund created under the Master Indenture to secure payment of the Subordinate Lien Obligations.

"*Subordinate Lien Obligations*" – the 2002 TIFIA Loan and all Indebtedness of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations issued or incurred as Additional Subordinate Lien Obligations under the Master Indenture and includes all obligations of the Commission owed to Secured Owners of Subordinate Lien Obligations, Reimbursement Obligations secured by the Trust Estate on a parity with Subordinate Lien Obligations and obligations of the Commission under Subordinate Lien Approved Swap Agreements.

"*Subordinate Lien Swap Agreement Counterparty*" – a counterparty to a Subordinate Lien Approved Swap Agreement.

"*Substantial Completion*" – as evidenced by the certificate of a TTA Representative pursuant to the Master Indenture, the point in time when the 2002 Project or any additional Project has been partially opened to traffic to the extent that the portions of such Project open to traffic were projected to produce 80% of the Revenues of such Project in the Traffic and Revenue Report issued at the time of the issuance of Obligations to finance the cost of such Project.

"*Supplemental Indenture*" or "*Supplement*" – any supplemental indenture to the Master Indenture, now or hereafter duly authorized and entered into in accordance with the provisions of the Master Indenture.

"*Swap Agreement*" – a contract having an interest rate, currency, cash-flow, or other basis desired by the Commission.

"*System*" – the Central Texas Turnpike System, initially the 2002 Project, and any Project to expand, enlarge or extend the Central Texas Turnpike System, any Project pooled with the Central Texas Turnpike System pursuant to the Turnpike Act and any other roads, bridges, tunnels or other toll facilities for which the Commission has operational responsibility and is collecting Tolls, unless the Commission identifies, in writing delivered to the Trustee, such roads, bridges, tunnels or other toll facilities as not being part of the System for the purposes of the Master Indenture.

"*Tender Indebtedness*" – any Obligations (specifically, excluding the Bonds):

(a) the terms of which include (i) an option or an obligation on the part of the Secured Owner to tender all or a portion of such Obligation to the Commission, the Trustee, the Paying Agent or another fiduciary or agent for payment or purchase and (ii) a requirement on the part of the Commission to purchase or cause to be purchased such Obligation or portion thereof if properly presented; and

(b) that are rated in either (i) one of the two highest long-term Rating Categories by a Rating Agency or (ii) the highest short-term, note or commercial paper Rating Category by a Rating Agency.

"*Tier*" – the designation of the lien status of the Obligations, and includes First Tier Obligations, Second Tier Obligations and Subordinate Lien Obligations.

"*TIFIA Loan Agreement*" – the Master Secured Loan Agreement dated as of July 15, 2002, as supplemented and amended, between the Commission and the USDOT, acting by and through the Federal Highway Administrator, relating to the 2002 TIFIA Loan.

"*Toll*" or "*Tolls*" – all rates, rents, fees, charges, fines or other income derived by the Commission from vehicular usage of the System, and all rights of the Commission to receive the same.

"*Traffic and Revenue Report*" – a report of the Traffic Consultants setting forth the estimated traffic and revenue for the System or a Project.

"*Traffic Consultant*" – any traffic and revenue consultant or firm or firms of traffic and revenue consultants of favorable national reputation for skill and experience in performing the duties for which a Traffic Consultant is required to be employed pursuant to the provisions of the Master Indenture and who are retained by the Department as a Traffic Consultant for the purposes of the Master Indenture.

"*Trust Estate*" – shall have the respective meanings set forth in "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Sources of Payment – *Special, Limited Obligations*" with respect to the First Tier Obligations, Second Tier Obligations and Subordinate Lien Obligations, respectively.

"*Trustee*" – The Bank of New York Mellon Trust Company, National Association, as successor in interest to Bank One, National Association.

"*TTA Representative* " – the Executive Director, each Deputy Executive Director and each Assistant Executive Director of the Department or such other individuals so designated by the Commission to perform the

duties of the TTA Representative under the Master Indenture. For purposes of the Fifth Supplemental Indenture, an Authorized Representative or a Chief Financial Officer of the Department.

"*Turnpike Act*" – Chapter 228 of the Transportation Code, as amended.

"*2002 Obligations*" – the Series 2002 First Tier Obligations, the Series 2002 Second Tier BANS and the 2002 TIFIA Bond.

"*2002 Project*" – the initial project to be financed with the proceeds of the Obligations, designated as the Central Texas Turnpike Project, a turnpike project composed of three elements, Loop 1, State Highway 45 North and State Highway 130, as further described in the GEC's 2002 Project Report.

"*2002 TIFIA Bond*" – the bond entitled "Texas Turnpike Authority, a division of the Texas Department of Transportation, TIFIA – No. 2001-001, Central Texas Turnpike Authority Subordinate Lien Bond, Series 2002" issued as a Subordinate Lien Obligation to evidence the 2002 TIFIA Loan.

"*2002 TIFIA Loan*" – the loan from the USDOT to the Commission made pursuant to the TIFIA Loan Agreement and evidenced by the 2002 TIFIA Bond, to finance a portion of the Costs of the 2002 Project.

"*Undelivered Bonds*" – Bonds which are deemed to have been tendered as provided in the Fifth Supplemental Indenture.

"*U.S.*" – United States of America.

"*US Highway 183A*" – an approximately 11-mile highway intersecting US Highway 183 between Lakeline Boulevard and Lakeline Mall Drive and extending north, parallel and east of existing US Highway 183. The US Highway 183A element reconnects with US Highway 183 north of the City of Leander, Texas at the South Fork of the San Gabriel River.

"*USDOT*" – United States Department of Transportation.

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

"*Variable Rate Indebtedness*" – any Obligation the interest rate on which fluctuates from time to time subsequent to the time of incurrence. Variable Rate Indebtedness may include, without limitation, (a) "auction rate" Obligations (i) the interest rate applicable to which (after an initial period following the issuance thereof or the conversion thereof to such an interest rate mode) is reset from time to time through an auction or bidding system and (ii) which the Commission has no obligation to repurchase in connection with the resetting of the interest rate applicable thereto except to the extent proceeds are available for such purpose either from the remarketing of such Obligations or from such other sources as identified in the Supplemental Indenture pursuant to which such Obligations were issued; (b) Tender Indebtedness (specifically excluding the Bonds); (c) commercial paper Obligations which are intended to be reissued and refinanced periodically; or (d) other forms of Obligations on which the interest fluctuates or is subject to being set or reset from time to time, not more frequently than annually.

"*Weekly Mode*" – the Mode in which the interest rate on any Bonds is set at the Weekly Rate.

"*Weekly Rate*" – the rate of interest that is set on any Bonds while they are in the Weekly Mode pursuant to the Fifth Supplemental Indenture.

SUMMARIES OF MASTER INDENTURE PROVISIONS

Limitations on Other Indebtedness

Limitations on Issuance of Additional First Tier Obligations and Execution of First Tier Approved Swap Agreements.

(a) Short-Term Indebtedness. The Commission agrees that it will not issue any Additional First Tier Obligations constituting Short-Term Indebtedness unless immediately after the incurrence of such Short-Term Indebtedness, the outstanding principal amount of all Obligations Outstanding in the form of Short-Term Indebtedness plus all Obligations Outstanding in the form of Variable Rate Indebtedness that does not constitute Short-Term Indebtedness, will not exceed twenty percent (20%) of the aggregate principal amount of all Outstanding Obligations. Short-Term Indebtedness issued in accordance with the limitations set forth in this paragraph will be on a parity with other First Tier Obligations.

(b) Long-Term Indebtedness. The Commission agrees that it will not issue any Additional First Tier Obligations constituting Long-Term Indebtedness unless prior to or contemporaneously with the incurrence thereof, the following items are delivered to the Trustee:

(i) a letter from each Rating Agency then maintaining a rating on the Outstanding First Tier Obligations to the effect that the Additional First Tier Obligations have received an investment grade rating from such Rating Agency; and either

(ii) a report of the Traffic Consultant to the effect that (A) the Revenues during the preceding annual period ending not more than ninety (90) days prior to the date of delivery of the proposed Additional First Tier Obligations were sufficient to satisfy the requirements of the Rate Covenant (which report may assume that a revision of the Tolls that was approved and implemented by the Commission subsequent to the beginning of such annual period had been in effect for the entire annual period), and (B) the Projected Revenues for each Fiscal Year over the term of the proposed Additional First Tier Obligations is expected to produce a Projected Debt Service Coverage Ratio of at least (1) 1.50 with respect to First Tier Obligations, (2) 1.20 with respect to First Tier Obligations and Second Tier Obligations and (3) 1.10 with respect to all Obligations; or:

(iii) if the Long-Term Indebtedness is being incurred solely for the purposes of refunding, repurchasing or refinancing (whether in advance or otherwise) any Outstanding Long-Term Indebtedness, a certificate of a TTA Representative certifying the Average Annual Debt Service on all Obligations prior to the issuance of the proposed Long-Term Indebtedness is greater than the Average Annual Debt Service on all Obligations after the issuance of such proposed Long-Term Indebtedness.

(c) Completion Obligations. To finance the costs of completion of (i) the 2002 Project or (ii) any improvements, extensions or enlargements to the Central Texas Turnpike System financed with the proceeds of Additional First Tier Obligations, the Commission may, without complying with any other provisions of paragraph (b) above, issue Additional First Tier Obligations in a principal amount not in excess of 10% of the principal amount of the original First Tier Obligations issued to finance such facilities, if prior to the issuance thereof there is delivered to the Trustee a certificate of a TTA Representative stating: (i) that at the time the original First Tier Obligations for the facilities to be completed were issued, the Commission had reason to believe that the proceeds of such First Tier Obligations together with other money then expected to be available would provide sufficient money for the completion of such facilities; (ii) the amount estimated to be needed to so complete the facilities; and (iii) that the proceeds of such First Tier Obligations to be applied to the completion of the facilities, together with a reasonable estimate of investment income to be earned on such proceeds and available to pay such Costs, the amount of money, if any, committed to such completion from available cash or marketable securities and reasonably estimated earnings thereon, enumerated bank loans (including letters or lines of credit), and any other money reasonably expected to be available, will be in an amount not less than the estimated amount needed to complete the facilities set forth in such certificate of a TTA Representative. The principal amount of the completion Obligations to be used in assessing whether the test set forth in this paragraph has been met shall include the amount required to (i) provide completed and equipped facilities of substantially the same type and scope contemplated at the time such prior First Tier Obligations were originally issued, (ii) provide for capitalized interest during the period of construction, (iii) provide the required deposit, if any, to cause the balance in the First Tier Debt Service Reserve Fund to equal the First Tier Debt Service Reserve Requirement, and (iv) pay the costs and expenses of issuing such First Tier Obligations.

(d) Additional Items Required for Trustee. In conjunction with the issuance of Additional First Tier Obligations (other than First Tier Approved Swap Agreements), Commission shall also file the following with the Trustee:

(i) A certified copy of the Commission's minute order(s) authorizing (1) the execution and delivery of a Supplemental Indenture establishing or providing for the establishment of, among other things, the date, rate or rates of interest on, interest payment dates, Stated Maturity dates and redemption provisions of such Additional First Tier Obligations, and (2) the issuance, sale, execution and delivery of the Additional First Tier Obligations;

(ii) An original executed Supplemental Indenture and Award Certificate, if authorized by the Supplement;

(iii) An opinion(s) of Bond Counsel to the effect that (1) issuance of the Additional First Tier Obligations is permitted under the Master Indenture, (2) each of the Supplemental Indenture and the Additional First Tier Obligations has been duly authorized, executed and delivered and is a valid, binding and enforceable obligation of the Commission, subject to bankruptcy, equitable principles and other standard legal opinion exceptions and (3) if applicable, interest on the Additional First Tier Obligations is not included in gross income for federal income tax purposes under the Code;

(iv) A signed request from the Commission to authenticate and deliver the Additional First Tier Obligations to such Person named therein upon such conditions as are set forth in the request and authorization, including, if applicable, confirmation of payment to the Trustee for the account of the Commission of a specified sum (which may include directions as to the disposition of such of such sum of money);

(v) A certificate of the Commission that the Commission is not in default under the Master Indenture or, upon the issuance of such Additional First Tier Obligations, any existing default will be cured, and evidence satisfactory to the Trustee that, upon issuance of the Additional First Tier Obligations, amounts will be deposited in the funds under the Master Indenture adequate for the necessary balances therein after issuance of the Additional First Tier Obligations (including any amount necessary to satisfy the First Tier Debt Service Reserve Requirement);

(vi) A certificate of the Commission identifying the Additional First Tier Obligations as Short-Term Indebtedness or Long-Term Indebtedness and demonstrating with reasonable detail that the applicable provisions described in subsections (a), (b) and (c) of this caption entitled "*Limitations on Issuance of Additional First Tier Obligations and Execution of First Tier Approved Swap Agreements*" have been met for the issuance of such Additional First Tier Obligations; and

(vii) Such further documents, money and securities as are required by the provisions of the Supplemental Indenture.

(e) First Tier Approved Swap Agreements. The Commission agrees that it will not enter into any First Tier Approved Swap Agreement as a First Tier Obligation unless prior to or contemporaneously with the incurrence thereof, there are delivered to the Trustee the certificates or reports required in paragraph (b)(iii) above, which certificates or reports take into account, in calculating Annual Debt Service, the expected payments to be made by and to the Commission pursuant to such First Tier Approved Swap Agreement, and the following items:

(i) A certified copy of the Commission's minute order(s) authorizing the execution and delivery of the Swap Agreement (no Supplemental Indenture is required unless the Commission determines it to be necessary) and specifying therein that payments owed by the Commission shall be secured by a pledge of and lien on the Trust Estate on a parity with other First Tier Obligations;

(ii) An original executed counterpart of the Swap Agreement;

(iii) An opinion of Bond Counsel addressed to the Commission and to the Trustee, to the effect that execution of the Swap Agreement is permitted under the laws of the State and will not adversely affect the exclusion from gross income of interest on any Outstanding First Tier Obligations for federal income tax purposes, including any Additional First Tier Obligations issued simultaneously with the delivery of the Swap Agreement;

(iii) A certificate of the Commission, signed by a TTA Representative, that the Commission is not under default under the Master Indenture;

(iv) Evidence that the execution of the Swap Agreement will not result in a reduction or withdrawal of the rating then assigned to any First Tier Obligations by the Rating Agency;

(v) Evidence that the other provisions of this subsection (e) entitled "First Tier Approved Swap Agreements" have been met; and

(vi) Such further documents as are required by the Swap Agreement or Bond Counsel, including evidence that all required legal approvals have been obtained.

In the event the Commission wishes to enter into an Approved Swap Agreement and to have its obligations thereunder be on parity with the First Tier Obligations, it shall file with the Trustee the items set forth above, together with, if deemed necessary by the Commission, a Supplemental Indenture granting such parity position (in which event, such Swap Agreement shall constitute a "*First Tier Swap Agreement*"). Upon entering into a First Tier Swap Agreement, unless otherwise provided in the Supplemental Indenture, the Commission shall pay to the Trustee for deposit into the First Tier Interest Account the net amount payable, if any, to the First Tier Swap Agreement Counterparty as if such amounts were additional amounts of interest due; and the Trustee shall pay on behalf of the Commission to the First Tier Swap Agreement Counterparty, to the extent required under the First Tier Swap Agreement, the amounts deposited in the First Tier Interest Account. Net amounts received by the Commission or the Trustee from the counterparty pursuant to a First Tier Swap Agreement shall be deposited to the credit of the First Tier Interest Account or to such other account as designated by a TTA Representative.

Limitations on Issuance of Additional Second Tier Obligations and Execution of Approved Second Tier Swap Agreements.

(a) Short-Term Indebtedness. The Commission agrees that it will not issue any Additional Second Tier Obligations constituting Short-Term Indebtedness unless (i) immediately after the incurrence of such Short-Term Indebtedness, the outstanding principal amount of all Obligations Outstanding in the form of Short-Term Indebtedness plus all Obligations Outstanding in the form of Variable Rate Indebtedness that does not constitute Short-Term Indebtedness, will not exceed twenty percent (20%) of the aggregate principal amount of all Outstanding Obligations and (ii) and the Commission delivers to the Trustee a letter from each Rating Agency then maintaining a rating on the Outstanding First Tier Obligations or Second Tier Obligations to the effect that the Additional Second Tier Obligations being issued as Short-Term Indebtedness are rated no lower than the lowest short-term investment grade rating of such Rating Agency. Short-Term Indebtedness issued in accordance with the limitations set forth in this paragraph will be on a parity with other Second Tier Obligations.

(b) Long-Term Indebtedness. The Commission agrees that it will not issue any Additional Second Tier Obligations constituting Long-Term Indebtedness unless prior to or contemporaneously with the incurrence thereof, there is delivered to the Trustee:

(i) a letter from each Rating Agency then maintaining a rating on the Outstanding First Tier Obligations or Second Tier Obligations to the effect that the Additional Second Tier Obligations have received an investment grade rating from such Rating Agency; and either

(ii) a report of the Traffic Consultant to the effect that (A) the Revenues during the preceding annual period ending not more than ninety (90) days prior to the date of delivery of the proposed Additional Second Tier Obligations were sufficient to satisfy the requirements of the Rate Covenant (which report may assume that a revision of the Tolls that was approved and implemented by the Commission subsequent to the beginning of such annual period had been in effect for the entire annual period), and (B) the Projected Revenues for each Fiscal Year over the term of the proposed Additional Second Tier Obligations is expected to produce a Projected Debt Service Coverage Ratio of at least (1) 1.20 with respect to First Tier Obligations and Second Tier Obligations and (2) 1.10 with respect to all Obligations; or

(iii) if the Long-Term Indebtedness is being incurred solely for the purposes of refunding, repurchasing or refinancing (whether in advance or otherwise) any outstanding Long-Term Indebtedness, a certificate of a TTA Representative certifying the Average Annual Debt Service on all Obligations prior to the issuance of the proposed Long-Term Indebtedness is greater than the Average Annual Debt Service on all Obligations after the issuance of such proposed Long-Term Indebtedness.

(c) Additional Items Required for Trustee. In conjunction with the issuance of Additional Second Tier Obligations (other than Second Tier Approved Swap Agreements), Commission shall also file with the Trustee those items described above under "Limitations on Other Indebtedness – *Limitations on Issuance of Additional First Tier Obligations and Execution of First Tier Approved Swap Agreements*- Additional Items Required for Trustee" are met (with the exception that wherever the term "First Tier" appears it shall be read as "Second Tier").

(d) Second Tier Approved Swap Agreements. The Commission agrees that it will not enter into any Second Tier Approved Swap Agreement as a Second Tier Obligation unless prior to or contemporaneously with the incurrence thereof, the provisions described above under "Limitations on Other Indebtedness – *Limitations on Issuance of Additional First Tier Obligations and Execution of First Tier Approved Swap Agreements*" are met (with the exception that wherever the term "First Tier" appears it shall be read as "Second Tier") and there are delivered to the Trustee the certificates or reports required in paragraph (b)(ii) above, which certificates or reports take into account, in calculating Annual Debt Service, the expected payments to be made by and to the Commission pursuant to such Second Tier Approved Swap Agreement.

Limitations on Issuance of Additional Subordinate Lien Obligations and Execution of Approved Subordinate Lien Swaps.

(a) Short-Term Indebtedness. The Commission agrees that it will not issue any Additional Subordinate Lien Obligations constituting Short-Term Indebtedness unless (i) immediately after the incurrence of such Short-Term Indebtedness, the outstanding principal amount of all Obligations Outstanding in the form of Short-Term Indebtedness plus all Obligations Outstanding in the form of Variable Rate Indebtedness that does not constitute Short-Term Indebtedness, will not exceed twenty percent (20%) of the aggregate principal amount of all Outstanding Obligations and (ii) the Commission delivers to the Trustee a letter from each Rating Agency then maintaining a rating on any Outstanding Obligations to the effect that the Additional Subordinate Lien Obligations being issued as Short-Term Indebtedness are rated no lower than the lowest short-term investment grade rating of such Rating Agency. Short-Term Indebtedness issued in accordance with the limitations set forth in this paragraph will be on a parity with other Subordinate Lien Obligations.

(b) Long-Term Indebtedness. The Commission agrees that it will not issue any Additional Subordinate Lien Obligations constituting Long-Term Indebtedness unless prior to or contemporaneously with the incurrence thereof, there is delivered to the Trustee:

(i) a report of the Traffic Consultants to the effect that (A) the Revenues during the preceding annual period ending not more than ninety (90) days prior to the date of delivery of the proposed Additional Subordinate Lien Obligations were sufficient to satisfy the requirements of the Rate Covenant (which report may assume that a revision of the Tolls that was approved and implemented by the Commission subsequent to the beginning of such annual period had been in effect for the entire annual period), and (B) the Projected Revenues for each Fiscal Year over the term of the proposed Additional Subordinate Lien Obligations is expected to produce a Projected Debt Service Coverage Ratio of at least 1.10 with respect to all Obligations or

(ii) if the Long-Term Indebtedness is being incurred solely for the purposes of refunding, repurchasing or refinancing (whether in advance or otherwise) any outstanding Long-Term Indebtedness, a certificate of a TTA Representative certifying the Average Annual Debt Service on all Obligations prior to the issuance of the proposed Long-Term Indebtedness is greater than the Average Annual Debt Service on all Obligations after the issuance of such proposed Long-Term Indebtedness.

(c) Additional Items Required for Trustee. In conjunction with the issuance of Additional Subordinate Lien Obligations (other than Subordinate Lien Approved Swap Agreements), the Commission shall also file with the Trustee those items described above under "Limitations on Other Indebtedness – *Limitations on Issuance of Additional First Tier Obligations and Execution of First Tier Approved Swap Agreements*- Additional Items

Required for Trustee" are met (with the exception that wherever the term "First Tier" appears it shall be read as " Subordinate Lien ").

(d) Subordinate Lien Approved Swap Agreements. The Commission agrees that it will not enter into any Approved Swap Agreement as a Subordinate Lien Obligation unless prior to or contemporaneously with the incurrence thereof, the provisions described above under "Limitations on Other Indebtedness – *Limitations on Issuance of Additional First Tier Obligations and Execution of First Tier Approved Swap Agreements*" are met (with the exception that wherever the term "First Tier" appears it shall be read as "Subordinate Lien") and there are delivered to the Trustee the certificates or reports required in paragraph (b)(ii) above, which certificates or reports take into account, in calculating Annual Debt Service, the expected payments to be made by and to the Commission pursuant to such Subordinate Lien Approved Swap Agreement.

Particular Covenants

Annual Operating Budget; Annual Maintenance Budget; Annual Capital Budget.

(a) Annual Operating Budget. The Commission covenants that on or before August 31 in each Fiscal Year (or such other date as is consistent with the Commission's policies then in effect) it will adopt an Annual Operating Budget for the System for the ensuing Fiscal Year. Prior to adopting the Operating Budget, the Commission shall provide a draft of such budget to the General Engineering Consultant sufficiently in advance of the adoption of such Annual Operating Budget in order for the General Engineering Consultant to provide comments before such adoption. The Commission further covenants that it will prepare each such Annual Operating Budget on the basis of monthly requirements, so that it will be possible to determine the estimated Operating Expenses for each month during the following Fiscal Year.

If for any reason the Commission shall not have adopted the Annual Operating Budget before the first day of any Fiscal Year, the budget for the preceding Fiscal Year shall, until the adoption of the new Annual Operating Budget, be deemed to be in force and shall be treated as the Annual Operating Budget.

Subject to the review and comment of the General Engineering Consultant, the Commission may adopt an amended or supplemental Annual Operating Budget at any time for the remainder of the then current Fiscal Year.

If the estimate of Revenues and Commission payments for Operating Expenses to be received in the Fiscal Year, as reflected in the Annual Operating Budget, shows that such amounts are expected to be insufficient to allow the Commission to pay all Operating Revenues, the Commission shall take the actions provided under "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Rate Covenant" as though the projected shortfall in Revenues has been experienced so that Revenues can be increased to an amount sufficient to provide for the payment of Operating Expenses.

In recognition that Revenues are not expected to be sufficient to pay all Operating Expenses for a number of years and that the Commission has covenanted to pay the Operating Expenses to the extent Revenues are not sufficient for such purpose, but solely from lawfully available funds, the Commission covenants to include in its general budget for such Fiscal Year one hundred and ten percent (110%) of the difference between the projected Operating Expenses and the Projected Operating Expenses Capacity.

(b) Annual Maintenance Budget. The Commission covenants that on or before August 31 in each Fiscal Year (or such other date as is consistent with the Commission's policies then in effect) it will adopt an Annual Maintenance Budget for the System for the ensuing Fiscal Year. Prior to adopting the Maintenance Budget, the Commission shall provide a draft of such budget to the General Engineering Consultant sufficiently in advance of the adoption of such Annual Maintenance Budget in order for the General Engineering Consultant to provide comments before such adoption. The Commission further covenants that it will prepare each such Annual Maintenance Budget on the basis of monthly requirements, so that it will be possible to determine the estimated Maintenance Expenses for each month during the following Fiscal Year.

If for any reason the Commission shall not have adopted the Annual Maintenance Budget before the first day of any Fiscal Year, the budget for the preceding Fiscal Year, shall, until the adoption of the new Annual Maintenance Budget, be deemed to be in force and shall be treated as the Annual Maintenance Budget.

Subject to the review and comment of the General Engineering Consultant, the Commission may adopt an amended or supplemental Annual Maintenance Budget at any time for the remainder of the then current Fiscal Year.

If the estimate of Commission payments for Maintenance Expenses in the Fiscal Year, as reflected in the Annual Maintenance Budget, shows that Commission's payments for Maintenance Expenses are expected to be insufficient to pay all Maintenance Expenses, the Commission shall take the actions set forth under "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Rate Covenant" as though a projected shortfall in Revenues has been experienced so that Revenues can be increased to an amount sufficient to provide for the payment of Maintenance Expenses.

(c) Annual Capital Budget. The Commission further covenants that it will adopt an Annual Capital Budget for the System on or before August 31 of each Fiscal Year (or such other date as is consistent with the Commission's policies then in effect). The Annual Capital Budget will detail the Commission's planned capital expenditures over a period of at least five (5) years and the portion of capital expenditures expected to be funded from the Reserve Maintenance Account. The Annual Capital Budget for each Fiscal Year shall include the expected beginning balance in the Reserve Maintenance Account, the amounts to be transferred by the Trustee to the Reserve Maintenance Account from the General Reserve Fund, the amount of proceeds of Indebtedness expected to become available during the Fiscal Year, the amounts expected to be transferred monthly by the Commission to the Reserve Maintenance Account, and the desired year-end balance in the Reserve Maintenance Fund. Prior to adopting the Annual Capital Budget, the Commission shall provide a draft of the capital budget to the General Engineering Consultant sufficiently in advance of the Commission's adoption of the Annual Capital Budget in order for the General Engineering Consultant to provide comments before the date of such adoption. The Commission may adopt amendments or supplements to the Annual Capital Budget at any time.

Use and Operation of System. The Commission covenants that

(a) it will maintain and operate the System in an efficient and economical manner,

(b) it will maintain the System in good repair and will make all necessary repairs, renewals and replacements, to the extent funds are available therefor; and

(c) it will comply with laws and all rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to such System, subject to the right of the Commission to contest the same in good faith and by appropriate legal proceedings.

Inspection of the System and Duties of General Engineering Consultant. The Commission shall cause the General Engineering Consultant to make an inspection of the System at least once in the Fiscal Year following the Substantial Completion of the 2002 Project and in each Fiscal Year thereafter; provided, however, with the advice and consent of the Commission the obligations of the GEC required by this paragraph may be modified or lessened to the extent that the obligations of the GEC have been performed by other parties otherwise retained by the Commission to carry out inspections in accordance with the National Bridge Inspection Program. Following each inspection and on or before the 90th day prior to the end of each Fiscal Year, the General Engineering Consultant shall submit to the Commission a report setting forth (a) their findings as to whether the System has been maintained in good repair, working order and condition and (b) their advice and recommendations as to the proper maintenance, repair and operation of the System during the ensuing Fiscal Year and (c) 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 in the Annual Operating Budget, the Annual Maintenance Budget and Annual Capital Budget for the next ensuing Fiscal Year. Copies of such reports shall be provided to the Trustee, and to USDOT so long as the 2002 TIFIA Loan is Outstanding, except, with the advice and consent of the Commission, the obligations of the GEC, as described in this paragraph, may be modified and lessened by the performance of the National Bridge Inspection Program (NBI), in accordance with applicable Federal law, by parties otherwise retained by the Commission to perform NBIs in the geographic region of the 2002 Project.

Construction of Projects. The Commission covenants that:

(a) it will proceed with diligence to construct any Projects in conformity with law; all requirements of all governmental authorities having jurisdiction; and the policies, rules and regulations of the Commission.

(b) the Commission shall involve the General Engineering Consultant or another Consultant to assist in quality assurance matters in connection with design, construction or both of any Project or portion thereof to the extent the Commission determines necessary or appropriate.

Employment of General Engineering Consultant and Traffic Consultants. The Commission covenants to employ an independent engineer or engineering firm or corporation having a national reputation for skill and experience in such work to perform any functions of the General Engineering Consultant and the Traffic Consultants under the Master Indenture. The General Engineering Consultant and the Traffic Consultants shall be independent of one another.

Insurance. The Commission covenants that it will keep the System and its use and operation thereof insured (including through self-insurance) at all times in such amounts, subject to such exceptions and deductibles and against such risks, as are customary for similar organizations, including business interruption insurance. All insurance policies shall be carried with a responsible insurance company or companies authorized to do business in the State or shall be provided under a self-insurance program; any self-insurance program shall be actuarially sound in the written opinion of an accredited actuary, which opinion shall be filed with the Trustee at least annually. At any time and from time to time, the Commission may elect to terminate self-insurance of a given type. Upon making such election, the Commission shall, to the extent then deemed necessary by a Consultant, obtain and maintain comparable commercial insurance.

On the July 1 following the Substantial Completion of the 2002 Project and every three years thereafter (except with respect to self-insurance, which shall be annually), the Commission shall cause the Consultant referred to in the preceding paragraph to certify to the Trustee that (a) it has reviewed the adequacy of the Commission's insurance, listing the types and amounts of insurance, and (b) it finds such coverage to be reasonable and customary for similar organizations. If the Consultant concludes that coverage other than that currently carried by the Commission should be carried, the Commission shall obtain such insurance coverage unless it determines in good faith that it is unreasonable or uneconomical to obtain such coverage and TTA Representative certifies the same in writing to the Trustee.

The Commission covenants that it will take actions as it deems necessary to demand, collect and sue for any proceeds that may become due and payable to it under any policy. To the extent that the Commission receives insurance payments under a business interruption insurance policy or liquidated damages for delayed completion under a construction contract relating to the acquisition or construction of a Project, such amounts shall be deposited into the First Tier Debt Service Fund.

Damage or Destruction. Immediately after any damage to or destruction of any part of the System that materially adversely affects the Revenues, the Commission will promptly take action to repair, reconstruct or replace the damaged or destroyed property or to otherwise ameliorate the adverse impact on Revenues.

Encumbrance of Revenues; Sale, Lease or Other Disposition of Property. The Commission covenants that so long as any Obligations are Outstanding under the Master Indenture,

(a) (1) it will not create or suffer to be created any lien or charge upon any Revenues, except the lien and charge of the First Tier Obligations, the Second Tier Obligations and the Subordinate Lien Obligations secured hereby; and (2) from such Revenues or other funds available under the Master Indenture, it will pay or cause to be discharged, or will make adequate provision to pay or discharge, within ninety (90) days after the same shall accrue, all lawful claims and demands for labor, materials or supplies that, if unpaid, might by law become a lien upon any Revenues; provided, however, that the Commission shall not be required to pay or discharge, or make provision for such payment or discharge of, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings; provided further, that in recognition that amounts on deposit in the General Reserve Fund may be used for any lawful purpose, the Commission retains the right to issue bonds or notes or otherwise incur debt secured by and payable from amounts to be deposited in the General Reserve Fund. Any encumbrance of amounts on deposit in the General Reserve Fund in addition to that created by the other provisions of the Master Indenture, shall be subject and subordinate to the security interest in, pledge of and lien on the Trust Estate established for the benefit of the Obligations and to the other provisions of the Master Indenture relating to the use of Revenues and the amounts on deposit in the General Reserve Fund.

(b) subject to the provisions of the Indenture described under "TAX MATTERS" and "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Reservation of Right to Transfer System" of this Remarketing Memorandum, it will not sell or otherwise dispose of any real estate or personal property comprising a portion of the System unless the TTA Representative determines in the case of property with a value of $1 million or less or the Commission determines in the case of property with a value in excess of $1 million that

(1) such property (i) has become obsolete or worn out or is reasonably expected to become so within one year after the date of such disposition, (ii) is no longer used or useful in the operation of the System or in the generation of Revenues or (iii) is to be or has been replaced by other property; or

(2) by minute order that such action will not materially adversely affect the Projected Revenues.

The Commission shall have the discretion to deposit the proceeds of such sale or disposition in a fund or account held under the Master Indenture or a Commission account held outside the Master Indenture, as it deems appropriate. In the event the Commission did not meet the Rate Covenant during the preceding Fiscal Year, however, then the Commission shall notify the Trustee of the sale or disposition of any property that generated Revenues in excess of one percent of the Commission's Revenues during the prior Fiscal Year, and all proceeds from such sale or disposition shall be deposited in the Revenue Fund.

(c) subject to the provisions of the Indenture described under "TAX MATTERS" and "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Reservation of Right to Transfer System" of this Remarketing Memorandum, it will not lease any real estate or personal property comprising a portion of the System unless the Commission determines by minute order that such action will not materially adversely affect the Revenues.

Without intending to limit the foregoing, the Commission also may enter into contracts or other forms of agreement for the use of any real estate comprising a portion of the System including, but not limited to, rights of way for telephone, telegraph, optic fiber and other forms of communication, electric, gas transmission and other lines, towers, or facilities for utilities, and other uses that do not materially adversely affect the operation of the System and the payments received in connection with the same shall, to the extent permitted by law, constitute Revenues. The Commission also covenants to ensure that all necessary real property filings are made in connection with any such lease or other agreement relating to the use of real estate comprising a portion of the System to protect the interest of the Commission in such property.

Reservation of Right to Transfer System

Under the Master Indenture, the Commission reserves the right to transfer all or any part of the System to a Regional Mobility Authority established under the Texas Transportation Code, a Regional Tollway Authority or another governmental entity authorized by law to own and operate toll facilities, but only upon satisfaction of the following conditions:

(a) the General Engineering Consultant issues a report in which it estimates the Operating Expenses and Maintenance Expenses for the System following such transfer for each Fiscal Year that any Obligations are scheduled to be Outstanding;

(b) the Traffic Consultants issue a traffic and revenue projection showing the Projected Revenues for the System following such transfer for each Fiscal Year that any Obligations are scheduled to be Outstanding;

(c) a TTA Representative delivers a certificate, based upon the reports of the General Engineering Consultant and the Traffic Consultants required by (a) and (b), to the effect that (i) the Projected Debt Service Coverage Ratio would be sufficient on that day to allow each of the then-Outstanding Obligations to be issued in compliance with the terms of the Master Indenture if such Obligations were being issued on the date of such certificate and (ii) the Commission is not in default under any of the provisions of the Master Indenture;

(d) each Rating Agency then maintaining a rating on the Outstanding Obligations issues a letter to the Commission to the effect that such transfer would not have the effect of causing the Rating Agency to lower the existing rating;

(e) if the 2002 TIFIA Loan is still outstanding, the USDOT consents in writing to such transfer and the additional requirements in the TIFIA Loan Agreement relating to such transfer are satisfied or waived by the USDOT;

(f) any money paid by the Department for the design, construction, operation and maintenance of the transferred property is repaid to the State Highway Fund;

(g) the Commission delivers an opinion of Counsel to the Trustee to the effect that the transfer is authorized by law; and

(h) the Commission delivers an Opinion of Bond Counsel to the Trustee to the effect that the transfer will not adversely affect the treatment for federal income tax purposes of interest on any Outstanding Obligations.

Agreement with Other Turnpikes

To the extent now or hereafter authorized by law, the Commission may enter into agreements with any commission, authority or other similar legal body operating a turnpike, whether or not connected to the System, (i) with respect to the establishment of a combined Toll rate schedule and/or (ii) for the collection and application of Tolls charged for trips over all or a portion of both turnpikes combined, which, in either case, on the basis of the Revenues to be received by any such agreement, will result in the receipt by the Commission of its allocable portion of such Tolls (less fees and expenses associated with such arrangement). To the extent now or hereafter authorized by law, the Commission also may enter into agreements with other Persons with respect to the collection of Tolls or advances or prepayment of Tolls charged for trips over all or a portion of the System, which collections, on the basis of the Revenues to be received from any such agreement, will result in the receipt by the Commission of the appropriate Tolls for such trips. Unless approved by a Traffic Consultant, no agreement establishing a combined Toll rate schedule shall restrict the ability of the Commission to implement an increase in its Tolls at least once in each Fiscal Year.

Amounts received by the Commission from such other commission, authority or other similar legal body or Person, in accordance with such agreements, shall be deposited in the Revenue Fund and shall constitute Revenues to the extent the Commission will not be required to pay such amounts to the other party in accordance with the agreement. Such amounts may be held with one of the Depositaries until they constitute Revenues. Amounts received by the Commission and deposited in the Revenue Fund that are payable by the Commission to such other commission, authority or other similar legal body or Person, in accordance with any such agreements, shall be withdrawn by the Trustee from the Revenue Fund upon delivery to the Trustee of a certificate of a TTA Representative that such withdrawal is required pursuant to the terms of an agreement entered into pursuant to this Section and shall be paid by the Trustee in accordance with directions contained in such certificate. Any agreement entered into pursuant to this Section shall be made available to the Trustee upon its request.

Events of Default and Remedies

Events of Default. The occurrence and continuation of the following events shall constitute an Event of Default under the Master Indenture:

(a) failure by the Commission to pay the principal of and premium, if any, or interest on any of the Obligations or to pay Capital Payments when the same shall become due and payable, either at Stated Maturity, by proceedings for redemption or pursuant to the terms of the Obligation or any failure of the Commission to purchase or cause to be purchased any Tender Indebtedness, including any applicable Variable Rate Indebtedness, upon any optional or mandatory tender to the Commission or a tender agent of the Commission; or

(b) the occurrence and continuance of an event of default under a Credit Facility, First Tier DSRF Security, Second Tier DSRF Security, Approved Swap Agreement or Reimbursement Agreement; or

(c) unreasonable delay or failure of the Commission to carry on with reasonable dispatch or discontinues the construction of any portion of the System for which Obligations have been issued and are then outstanding; or

(d) destruction or damage of substantially all or any major portion of the System to the extent of impairing its efficient operation and materially adversely affecting the Revenues that shall not be promptly repaired, replaced or reconstructed (whether such failure promptly 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

(e) judgment for the payment of money rendered against the Commission if such judgment is under any circumstances payable from Revenues and is in an amount that its payment would, in the opinion of the Trustee, have a materially adverse effect upon the financial condition of the System and any such judgment shall not be discharged within ninety (90) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have 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

(f) the occurrence of a Bankruptcy-Related Event that shall not have been cured, vacated, discharged or stayed within sixty (60) days after the occurrence thereof; or

(g) failure of the Commission to duly and punctually perform any other of the covenants, conditions, agreements and provisions contained in any Obligations or in the Master Indenture on the part of the Commission to be performed, and (with the exception of covenants, conditions, agreements and provisions set forth under "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Additional Obligations," "Limitations on Other Indebtedness" in this Appendix B, "Particular Covenants – Encumbrance of Revenues, Sale, Lease, or Other Disposition of Property" in this Appendix B, "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Additional Covenants of the Commission – *Covenant Not to Build Competing System*," and Commission's covenants regarding tax exemption, a failure to perform with respect to which is not stayed) the continuation of such failure for sixty (60) days after written notice specifying such failure and requiring same to be remedied shall have been given to the Commission by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Secured Owners of not less than ten per centum (10%) in principal amount of the Obligations then Outstanding; and the Trustee shall investigate and consider any allegation of such default or Event of Default of which any Bond Insurer of record notifies the Trustee in writing.

Remedies Applicable. The Secured Owners shall be entitled to the remedies set forth under the caption "*Events of Default and Remedies*" of this Appendix B. To the extent that a Series of Obligations is secured by a Credit Facility, a First Tier DSRF Security or a Second Tier DSRF Security, the Bank or the Bond Insurer shall be considered the Secured Owner of such Obligation for all purposes of exercising any remedy or giving any directions to the Trustee.

Enforcement of Remedies. Upon the occurrence of any Event of Default set forth under the caption "Event of Default and Remedies – Events of Default" of this Appendix B, then and in every such case the Trustee may proceed, and upon the written request of the Secured Owners of not less than twenty percent (20%) in principal amount of the Obligations then Outstanding shall proceed, subject to certain provisions of the Master Indenture, to protect and enforce its rights and the rights of the Secured Owners under the Enabling Acts and under the Master Indenture 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 Master Indenture or in aid or execution of any power in the Master Indenture granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by Counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Master Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming, and at any time remaining, due from the Commission for principal, interest or otherwise under any of the provisions of the Master Indenture or of the Outstanding Obligations and unpaid, with interest on overdue payments, to the extent permitted by law, at the rate or rates of interest borne by such Obligations, together with any and all costs and expenses of collection and of all proceedings under the Master Indenture and under such Obligations, without prejudice, to any other right or remedy of the Trustee or of the Secured Owners, and to recover and enforce judgment or decree against the Commission, but solely as provided in the Master Indenture and in such Obligations, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from Revenues) 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 Debt Service Fund, the Second Tier Debt Service Fund or the Subordinate Lien Debt Service Fund, and the respective reserve funds and other funds established by the Master Indenture shall not be sufficient to pay the principal of or the interest on any Obligations 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 provided by the Master Indenture or

otherwise, shall be applied (subject to the provisions of the Master Indenture relating to the payment of fees and expenses of the Trustee on other costs of the Trustee) as set forth in (a) through (f) below; provided, however, amounts on deposit in a fund or account (i) dedicated to the payment or security of the First Tier Obligations, the Second Tier Obligations, or the Subordinate Lien Obligations or (ii) constituting Additional Obligation Security for the benefit of one or more specific Series of Obligations shall not be applied as provided in (a) through (f) below but shall be used only for the purpose for which such deposits were made:

(a) Unless the principal of all the First Tier Obligations shall then be due and payable, all such money shall be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the First Tier Obligations, in the order of the Maturity of the installments of such interest, and, if the amount available shall not be 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 Obligations; and second: to the payment of the principal of any First Tier Obligations which have matured, and, if the amount available shall not be sufficient to pay all of such matured First Tier Obligations, then to the payment thereof ratably, according to the amount due: or if no First Tier Obligations have matured, to the retirement of First Tier Obligations.

(b) If the principal of all the First Tier Obligations shall then be due and payable, all such money shall be applied to the payment of the principal and interest then due and unpaid upon the First Tier Obligations, 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 Obligations over any other First Tier Obligations, 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 Obligations.

(c) If there is no default existing in the payment of the principal of, premium, if any, or interest on the First Tier Obligations but the principal of, premium, if any, or interest on Second Tier Obligations has not been paid when due, unless the principal of all the Second Tier Obligations shall then be due and payable, all such money shall be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the Second Tier Obligations, in the order of the Maturity of the installments of such interest, and, if the amount available shall not be 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 Obligations; and second: to the payment of the principal of any Second Tier Obligations which have matured, and, if the amount available shall not be sufficient to pay all of such matured Second Tier Obligations, then to the payment thereof ratably, according to the amount due: or if no Second Tier Obligations have matured, to the retirement of Second Tier Obligations.

(d) If there is no Event of Default existing in the payment of the principal of, premium, if any, or interest on the First Tier Obligations but the principal of all the Second Tier Obligations shall then be due and payable, all such money shall be applied to the payment of the principal and interest then due and unpaid upon the Second Tier Obligations, 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 Obligations over any other Second Tier Obligations, 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 Obligations.

(e) If there is no Event of Default existing in the payment of the principal of, premium, if any, or interest on the First Tier Obligations or the Second Tier Obligations but the principal of, premium, if any, or interest on Subordinate Lien Obligations has not been paid when due, unless the principal of all the Subordinate Lien Obligations shall then be due and payable, all such money shall be applied first: to the payment to the persons entitled thereto of all installments of interest then due on the Subordinate Lien Obligations, in the order of the Maturity of the installments of such interest, and, if the amount available shall not be 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 Subordinate Lien Obligations; and second: to the payment of the principal of any Subordinate Lien Obligations that have matured, and, if the amount available shall not be sufficient to pay all of such matured Subordinate Lien Obligations, then to the payment thereof ratably, according to the amount due: or if no Subordinate Lien Obligations have matured, to the retirement of Subordinate Lien Obligations.

(f) If there is no Event of Default existing in the payment of the principal of, premium, if any, or interest on the First Tier Obligations or Second Tier Obligations but the principal of all the Subordinate Lien Obligations shall then be due and payable, all such money shall be applied to the payment of the principal and interest then due and unpaid upon the Subordinate Lien Obligations, 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 Subordinate Lien Obligations over any other Subordinate Lien Obligations, 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 Subordinate Lien Obligations.

Whenever money is to be applied by the Trustee as described under the caption "Events of Default and Remedies – *Pro Rata Application of Funds*" of this Appendix B, such money shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, 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 Trustee, or otherwise setting aside such money, in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Commission, to any Secured Owner 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 such provisions of the Master Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem 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 to such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Secured Owner of any unpaid Obligation or the interest thereon unless such Obligation shall be 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 Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Commission, the Trustee, any Bond Insurer of record, and the Secured Owners shall be restored to their former respective positions and rights under the Master Indenture, and all rights, remedies, powers and duties of the Trustee shall continue as though no such action had been taken.

Majority of Secured Owners May Control Proceedings. Anything in the Master Indenture to the contrary notwithstanding, the Secured Owners of not less than a majority in principal amount of the First Tier Obligations then Outstanding (or, if no First Tier Obligations are then Outstanding, then the Secured Owners of not less than a majority in principal amount of the Second Tier Obligations and Subordinate Lien Obligations then Outstanding) shall have the right, subject to certain rights of the Trustee and the Bond Insurer set forth in the Master Indenture, 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 under the Master Indenture, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Master Indenture, and that the Trustee shall have the right to decline to follow any such direction that in the opinion of the Trustee would be unjustly prejudicial to Secured Owners not parties to such direction.

Restrictions Upon Action by Individual Secured Owner. No Secured Owners of any of the Outstanding Obligations shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the execution of any trust under the Master Indenture or the protection or enforcement of any right under the Master Indenture or any resolution or minute order of the Commission authorizing the issuance of Obligations, or any right under the Enabling Acts or other laws of the State, excepting only an action for the recovery of overdue and unpaid principal, interest or redemption premium, unless such Secured Owner previously shall have 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 Secured Owners of not less than twenty percent (20%) in principal amount of the Obligations then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers in the Master Indenture granted or granted by the Enabling Acts or by the other laws of the State, or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have 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 shall have 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 Master Indenture or for any other remedy under the Master Indenture or under the Enabling Acts or by the other laws of the

State. It is understood and intended that no one or more Secured Owners shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Master Indenture, or to enforce any right under the Master Indenture or under the Enabling Acts or by the other laws of the State with respect to the Obligations or the Master Indenture, except in the manner provided in the Master Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner in the Master Indenture provided and for the benefit of all Secured Owners of the Outstanding Obligations, except as otherwise permitted in the Master Indenture with reference to over-due and unpaid principal, interest or redemption premium.

Actions by Trustee. All rights of action under the Master Indenture or under any of the Obligations, enforceable by the Trustee, may be enforced by it without the possession of any of the Obligations or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the holders of such Obligations, subject to the provisions of the Master Indenture.

No Remedy Exclusive. No remedy conferred upon or reserved to the Trustee, any Bond Insurer, or to the Secured Owners of the Obligations is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Master Indenture or now or hereafter existing at law or in equity or by statute.

No Delay or Omission Construed to be a Waiver; Repeated Exercise of Powers and Remedies; Waiver of Default. No delay or omission of the Trustee or of any Secured Owner of the Obligations to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by the Master Indenture to the Trustee and the Secured Owners of the Obligations may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Secured Owners of not less than a majority in principal amount of the Outstanding Obligations shall waive any default which in its opinion shall have been remedied before the completion of the enforcement of any remedy under the Master Indenture, but no such waiver shall 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 shall mail to each Bond Insurer, and each Secured Owner written notice of the occurrence of any Event of Default, within thirty (30) days after the Trustee has knowledge of any such Event of Default. If in any Fiscal Year the total amount of deposits to a debt service fund shall be less than the amounts required so to be deposited under the provisions of the Master Indenture, the Trustee, on or before the first day of the second month of the next succeeding Fiscal Year, shall mail to each Bond Insurer and all Secured Owners written notice of the failure to make such deposits.

2002 TIFIA Loan Default Remedy. Upon the occurrence of both (i) an Event of Default described in (a) or (f) under the caption "Events of Default and Remedies – *Events of Default*" of this Appendix B, and (ii) a default under the 2002 TIFIA Loan in accordance with its terms, the 2002 TIFIA Loan will be deemed to be and will automatically become, as of the date of the Event of Default described in (a) or (f) under the caption "Events of Default and Remedies – *Events of Default*" of this Appendix B, a First Tier Obligation for all purposes of the Master Indenture, including particularly the provisions of set forth in this paragraph, and the USDOT, acting through the Federal Highway Administration will be deemed the Secured Owner of such First Tier Obligation. In the event that the Event of Default described in (a) under the caption "Events of Default and Remedies – *Events of Default*" of this Appendix B, and any then existing defaults under the 2002 TIFIA Loan are cured, on the date that the Events of Default or the default under the 2002 TIFIA Loan are deemed to be cured the status of the 2002 TIFIA Loan as a First Tier Obligation will cease and the 2002 TIFIA Loan will revert to the status of a Subordinate Lien Obligation and will no longer be entitled to any rights as a First Tier Obligation. Notwithstanding the other provisions set forth in this paragraph, if on the date that the events described in both (i) and (ii) of this paragraph occur any amounts are on deposit in the First Tier Debt Service Fund or the First Tier Debt Service Reserve Fund, such amounts shall be used to pay amounts due or to become due on the First Tier Obligations Outstanding immediately prior to the occurrence of such Event of Default.

Bond Insurer's Rights. Notwithstanding any other provisions described under the caption "Events of Default and Remedies – *Events of Default*" of this Appendix B, if there has been filed with the Trustee a bond insurance policy, or a certified copy thereof, with respect to any Obligation, all enforcement remedies and rights to

waive defaults with respect to such Obligation may be exercised by the Secured Owners 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 Obligation without the consent of the Secured Owners, and in such event such Bond Insurer shall be deemed to be the Secured Owner for such purpose. Any Bond Insurer under a bond insurance policy, or certified copy thereof, that has been filed with the Trustee shall, for all purposes of the Master Indenture, constitute and may be called a Bond Insurer.

Discharge and Defeasance

Discharge. If:

(a) the principal of any Obligations and the interest due or to become due thereon, together with any redemption premium required by redemption of any such Obligations prior to Maturity, shall be paid, or is caused to be paid, or is provided for under the caption "Discharge and Defeasance – *Defeasance*" of this Appendix B, at the times and in the manner to which reference is made in the Obligations, as the case may be, according to the true intent and meaning thereof, or the outstanding Obligations shall have been paid and discharged in accordance with the Master Indenture, and

(b) all of the covenants, agreements, obligations, terms and conditions of the Commission under the Master Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee, the Bond Registrar and the Paying Agents all sums of money due or to become due to them in accordance with the terms and provisions of the Master Indenture, then the right, title and interest of the Trustee in the Trust Estate shall thereupon cease and the Trustee, on request of the Commission and at the expense of the Commission, shall release the Master Indenture and the Trust Estate and shall execute such documents to evidence such release as may be reasonably required by the Commission and shall turn over to the Commission, or to such other Person as may be entitled to receive the same, all balances remaining in any Funds under the Master Indenture except for amounts required to pay such Obligations or held pursuant to the Commission's obligation to pay rebate to the United States as prescribed under the Code.

Defeasance

(a) Defeased Obligations. Any Obligations and the interest thereon shall be deemed to be paid, retired and no longer outstanding (each a "*Defeased Obligation*") within the meaning of the Master Indenture, except to the extent provided in subsection (c) under this section entitled "*Defeasance*", when payment of the principal of such Defeased Obligation, plus interest thereon to the due date (whether such due date be by reason of Maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Trustee (or other bank or similar institution with trust powers meeting the qualifications of a trustee under the Master Indenture) as escrow agent (the "*Escrow Agent*") in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Commission with the Escrow Agent for the payment of its services and those of the Trustee relating to such Defeased Obligations until such Defeased Obligations shall have become due and payable; provided, however, a Credit Facility shall not be deemed to have been paid and no longer Outstanding until all amounts due thereunder have been paid and the Credit Facility has been terminated in accordance with its terms. At such time as an Obligation shall be deemed to be a Defeased Obligation under the Master Indenture, as aforesaid, such Defeased Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Trust Estate pledged as provided in the Master Indenture, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of the Master Indenture to the contrary, it is provided that any determination not to redeem Defeased Obligations that is made in conjunction with the payment arrangements specified in clauses (i) or (ii) immediately above shall not be irrevocable, provided that, in the proceedings providing for such payment arrangements, the Commission (A) expressly reserves the right to call the Defeased Obligations for redemption; (B) gives notice of the reservation of that right to the owners of the Defeased Obligations immediately following the making of the payment arrangements; and (C) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Investment in Defeasance Securities. Any money so deposited with the Escrow Agent may at the written direction of the Commission be invested in Defeasance Securities, maturing in the amounts and times as set forth, and all income from such Defeasance Securities received by the Escrow Agent that is not required for the payment of the Defeased Obligations and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Commission, or deposited as directed in writing by the Commission. Any Future Escrow Agreement pursuant to which the money, Defeasance Securities or a combination of the foregoing are held for the payment of Defeased Obligations may contain provisions permitting the investment or reinvestment of such money in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in clauses (i) or (ii) of subsection (a) immediately above. All income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Defeased Obligations, with respect to which such money has been so deposited, shall be remitted to the Commission or deposited as directed in writing by the Commission.

(c) Paying Agent/Registrar Services. Until all Defeased Obligations shall have become due and payable, the Paying Agent shall perform the services of Paying Agent for such Defeased Obligations the same as if they had not been defeased, and the Commission shall make proper arrangements to provide and pay for such services as required by the Master Indenture.

(d) Selection of Obligations for Defeasance. In the event that the Commission elects to defease less than all of the principal amount of a Series of Obligations of a Maturity, the Trustee, or the Securities Depository if such Obligations are in book-entry-only form, shall select, or cause to be selected, such amount of such obligations by such random method as it deems fair and appropriate.

Supplemental Indentures

Supplemental Indentures Without Secured Owners' Consent. The Commission and the Trustee may from time to time and at any time enter into Supplemental Indentures, without the consent of or notice to any Secured Owner, to effect any one or more of the following:

(a) cure any ambiguity, defect or omission or correct or supplement any provision in the Master Indenture or in any Supplemental Indenture;

(b) grant to or confer upon the Trustee for the benefit of the Secured Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Secured Owners or the Trustee which are not contrary to or inconsistent with the Master Indenture as then in effect or to subject to the pledge and lien of the Master Indenture additional revenues, properties or collateral, including Defeasance Securities;

(c) add to the covenants and agreements of the Commission in the Master Indenture other covenants and agreements thereafter to be observed by the Commission or to surrender any right or power in the Master Indenture reserved to or conferred upon the Commission which are not contrary to or inconsistent with the Master Indenture as then in effect;

(d) permit the appointment of a co-trustee under the Master Indenture;

(e) modify, alter, supplement or amend the Master Indenture in such manner as shall permit the qualification of the Master Indenture, if required, under the Trust Indenture Act of 1939, the Securities Act of 1933 or any similar federal statute hereafter in effect;

(f) make any other change in the Master Indenture that is determined by the Commission not to be materially adverse to the interests of the Secured Owners, including changes or amendments requested by any Rating Agency as a condition to the issuance or maintenance of a rating or requested by the Texas Attorney General's office as a condition to the approval of any Additional First Tier Obligation, Additional Second Tier Obligation or Subordinate Lien Obligation;

(g) implement the issuance of Additional First Tier Obligations, Additional Second Tier Obligations or Additional Subordinate Lien Obligations permitted under the Master Indenture; or

(h) if all First Tier Obligations, Second Tier Obligations or Subordinate Lien Obligations in a Series are Book-Entry Obligations, amend, modify, alter or replace any Letter of Representations or other provisions relating to Book-Entry Obligations.

The Trustee shall not be obligated to enter into any such Supplemental Indenture that adversely affects the Trustee's own rights, duties or immunities under the Master Indenture.

Supplemental Indentures Requiring Secured Owners' Consent. The Commission and the Trustee, at any time and from time to time, may execute and deliver a Supplemental Indenture for the purpose of making any modification or amendment to the Master Indenture, but only with the written consent, given as provided under the caption "Supplemental Indentures – *Consents of Secured Owners and Opinions*" of this Appendix B, of the Secured Owners of at least a majority in aggregate principal amount of the Obligations Outstanding at the time such consent is given, and in case less than all of the Obligations then Outstanding are affected by the modification or amendment, of the Secured Owners of at least a majority in aggregate principal amount of the Obligations so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Obligations so affected remain Outstanding, the consent of the Secured Owners of such Obligations shall not be required and such Obligations shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Obligations under this paragraph. Notwithstanding the foregoing, no modification or amendment contained in any such Supplemental Indenture shall permit any of the following, without the consent of each Secured Owner whose rights are affected thereby:

(a) a change in the terms of stated Maturity or redemption of any Obligation or of any installment of interest thereon;

(b) a reduction in the principal amount of or redemption premium on any Obligation or in the rate of interest thereon or a change in the coin or currency in which such Obligation is payable;

(c) the creation of a lien on or a pledge of any part of the Trust Estate which has priority over or parity with (to the extent not permitted under the Master Indenture) the lien or pledge granted to the Secured Owners under the Master Indenture (but this provision shall not apply to the release of any part of the Trust Estate as opposed to the creation of a prior or parity lien or pledge);

(d) the granting of a preference or priority of any First Tier Obligations, Second Tier Obligations or Subordinate Lien Obligation, as the case may be, over any other First Tier Obligations, Second Tier Obligations or Subordinate Lien Obligations, except to the extent permitted in the Master Indenture;

(e) a reduction in the aggregate principal amount of Obligations of which the consent of the Secured Owners is required to effect any such modification or amendment; or

(f) a change in the provisions of this paragraph.

Notwithstanding the foregoing, the Secured Owner of any Obligation may extend the time for payment of the principal of or interest on such Obligation; provided, however, that upon the occurrence of an Event of Default, funds available under the Master Indenture for the payment of the principal of and interest on such Obligations shall not be applied to any payment so extended until all principal and interest payments which have not been extended have first been paid in full. Notice of any Supplemental Indenture executed pursuant to this paragraph shall be given to the affected Secured Owners promptly following the execution thereof.

Consents of Secured Owners and Opinions. Each Supplemental Indenture executed and delivered pursuant to the provisions described under the caption "Supplemental Indentures – *Supplemental Indentures Requiring Secured Owner's Consent*" of this Appendix B shall take effect only when and as provided in this section entitled "*Consents of Secured Owners and Opinions*." A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Secured Owners for their consent thereto in form satisfactory to the Trustee, shall be sent by the Trustee to Secured Owners, at the expense of the Commission, by first class mail, postage prepaid, provided that a failure to mail such request shall not affect the validity of the Supplemental Indenture when consented to as provided. Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of Secured Owners of

the percentage of Obligations specified under the caption "Supplemental Indentures – *Supplemental Indentures Requiring Secured Owner's Consent*" of this Appendix B given as provided in the Master Indenture, and (b) the opinion of Counsel described under the caption "Supplemental Indentures – *Delivery of Counsel's Opinion with Respect to Supplemental Indentures*" of this Appendix B. Any such consent shall be binding upon the Secured Owner giving such consent and upon any subsequent Secured Owner of such Obligations and of any Obligations issued in exchange therefor or in lieu thereof (whether or not such subsequent Secured Owner has notice thereof), unless such consent is revoked in writing by the Secured Owner giving such consent or a subsequent Secured Owner of such Obligations by filing such revocation with the Trustee prior to the date the Trustee receives the material required in subsections (a) and (b) of this section entitled "*Consents of Secured Owners and Opinions*."

Notwithstanding anything else in the Master Indenture, if a Supplemental Indenture is to become effective as described under the caption "Supplemental Indentures – *Supplemental Indentures Requiring Secured Owners' Consent*" of this Appendix B on the same date as the date of issuance of Additional First Tier Obligations, Additional Second Tier Obligations or Subordinate Lien Obligation, the consents of the Remarketing Agent or purchasers of such Additional First Tier Obligations, Additional Second Tier Obligations or Subordinate Lien Obligation, as the case may be, shall be counted for purposes described under the caption "Supplemental Indentures – *Supplemental Indentures Requiring Secured Owners' Consent*" of this Appendix B and this section entitled "*Consents of Secured Owners and Opinions*."

Exclusion of Certain Obligations for the Purpose of Consent, etc. Obligations that are to be disregarded under the last sentence of the definition of "Outstanding" shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Obligations provided for under the caption "Supplemental Indentures" of this Appendix B. At the time of any consent or other action taken as described under the caption "Supplemental Indentures" of this Appendix B or elsewhere in the Master Indenture, the Commission shall furnish the Trustee a certificate of a Commission Official or TTA Representative, upon which the Trustee may rely, describing all Obligations so to be excluded.

Delivery of Counsel's Opinion with Respect to Supplemental Indentures. Subject to certain rights and obligations of the Trustee set forth in the Master Indenture, the Trustee in executing a supplemental indenture may rely, and shall be fully protected in relying, on (a) an opinion of Counsel acceptable to it stating that (1) the execution of such Supplemental Indenture is authorized or permitted by the Master Indenture and (2) all conditions precedent to the execution and delivery of such Supplemental Indenture have been complied with, and (b) an opinion of Bond Counsel that the execution and performance of such Supplemental Indenture shall not, in and of itself, adversely affect the federal income tax status of any Obligations, the interest on which is not included in gross income for federal income tax purposes.

Effect of Supplemental Indentures. Upon the execution and delivery of any Supplemental Indenture as described under the caption "Supplemental Indentures" of this Appendix B, the Master Indenture shall be modified in accordance therewith, and such Supplemental Indenture shall form a part of the Master Indenture for all purposes; and every Secured Owner of any Obligation theretofore or thereafter authenticated and delivered under the Master Indenture shall be bound thereby.

SUMMARIES OF FIFTH SUPPLEMENTAL INDENTURE PROVISIONS

Limited Obligations

The Bonds are limited obligations of the Commission constituting a Series of First Tier Obligations, payable solely from a first lien on, pledge of and security interest in the Trust Estate. The Bonds, as a series of First Tier Obligations, shall constitute a valid claim of the respective Secured Owners thereof against the Trust Estate, which is pledged to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds, and which shall be utilized for no other purpose, except as expressly authorized in the Master Indenture and the Fifth Supplemental Indenture. The Bonds shall not constitute general obligations of the Commission or the State and under no circumstances shall the Bonds be payable from, nor shall the Secured Owners thereof have any rightful claim to, any income, revenues, funds or assets of the Commission other than those pledged under the Fifth Supplemental Indenture as security for the payment of the First Tier Obligations. Neither the full faith and credit nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Bond Purchase Fund

The Fifth Supplemental Indenture creates and establishes with the Trustee a separate "Central Texas Turnpike System Revenue Bonds, Series 2009 Bond Purchase Fund" (the "Bond Purchase Fund") with respect to Variable Rate Demand Bonds in the Multiannual Mode which are not supported by a Liquidity Agreement or Credit Facility, to be held as a separate escrow fund, in trust and administered and distributed by the Trustee. All money deposited into the Bond Purchase Fund shall be used solely for the purposes set forth in the Fifth Supplemental Indenture and such money shall not constitute a part of the trust estate under the Indenture. The Bond Purchase Fund shall secure and be used solely for the Bonds.

The Remarketing Agent shall pay or cause to be paid to the Trustee, in immediately available funds, by the time indicated in the Fifth Supplemental Indenture, on the Purchase Date of tendered Bonds, all amounts representing Remarketing Proceeds of such Bonds, and all such Remarketing Proceeds shall be deposited by the Trustee directly into the Bond Purchase Fund. All money received by the Trustee as Remarketing Proceeds shall be deposited by the Trustee in the Bond Purchase Fund as provided in the Fifth Supplemental Indenture and shall be used solely for the payment of the Purchase Price of tendered Bonds and shall not be commingled with other funds held by the Trustee.

The Trustee shall deposit or cause to be deposited into the Bond Purchase Fund, when and as received, all money delivered to the Trustee as and for the Purchase Price of remarketed Variable Rate Demand Bonds by or on behalf of the Remarketing Agent. The Trustee shall disburse money from the Bond Purchase Fund to pay the Purchase Price of the related Bonds properly tendered for purchase upon surrender of such Bonds in immediately available money by close of business on the Purchase Date.

THE COMMISSION RESERVES THE RIGHT, BUT DOES NOT HAVE THE OBLIGATION, TO PURCHASE VARIABLE RATE DEMAND BONDS TENDERED FOR PURCHASE. No purchase of Variable Rate Demand Bonds by the Trustee or the Commission or advance use of any funds to effectuate any such purchase shall be deemed to be a payment or redemption of such Bonds or any portion thereof, and such purchase will not operate to extinguish or discharge the indebtedness evidenced by such Bonds unless it is expressly stated in a certificate of a TTA Representative delivered to the Trustee that the Purchase Price paid by the Commission shall be deemed the payment and discharge of the purchased Bonds and directs the Trustee to cancel such Bonds.

The money in the Bond Purchase Fund shall not be part of the trust estate under the Indenture, but shall be used solely to pay the Purchase Price of the Bonds as aforesaid and may not be used for any other purposes. The Trustee shall hold the money in the Bond Purchase Fund for the benefit of the Registered Owners of the Bonds which have been properly tendered for purchase or deemed tendered on the Purchase Date. If sufficient funds to pay the Purchase Price for Bonds shall be held by the Trustee in the Bond Purchase Fund for the benefit of the Registered Owners thereof, each such Registered Owner shall thereafter be restricted exclusively to that Bond Purchase Fund for any claim of whatever nature on such owner's part under the Fifth Supplemental Indenture or on, or with respect to, such tendered Bonds. Tendered Variable Rate Demand Bonds in the Multiannual Mode which are not supported by a Liquidity Agreement or Credit Facility and that are not remarketed or purchased on a Purchase Date shall bear interest at 15% until purchased or redeemed. The Commission will use its best efforts to have such Bonds remarketed or purchased as soon as reasonably possible and until such time each Business Day will constitute a Purchase Date for such Bonds that have not been remarketed or purchased.

Money held in each Bond Purchase Fund for the benefit of Registered Owners of the related untendered Bonds shall be held in trust and shall be invested overnight at the direction of the Commission in 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. Money in a Bond Purchase Fund which remains unclaimed three (3) years after the applicable Purchase Date shall, at the request of the Commission, and if the Commission is not at the time, to the knowledge of the Trustee, in default with respect to any material covenant in the Indenture, be paid to the Commission, and the owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Commission.

The Remarketing Agent

The Remarketing Agent for the Variable Rate Demand Bonds shall use their best efforts to remarket Bonds required to be purchased pursuant to the Fifth Supplemental Indenture. The TTA Representative shall appoint any

successor Remarketing Agent for the Bonds, subject to the conditions set forth in Fifth Supplemental Indenture and the approval of each Bond Insurer and Credit Provider for such Bonds. Each Remarketing Agent shall designate its principal office to the Trustee and signify its acceptance of the duties and obligations imposed upon it under the Fifth Supplemental Indenture by a written instrument of acceptance delivered to the Commission and the Trustee under which the Remarketing Agent will agree, particularly, to:

(a) determine the Flexible Rates, Daily Rates, Weekly Rates, Monthly Rates, Quarterly Rates, Semiannual Rates, Multiannual Rates, and Fixed Rates and give notice of such rates in accordance with the Fifth Supplemental Indenture;

(b) keep such books and records with respect to its duties as Remarketing Agent as shall be consistent with prudent industry practice; and

(c) remarket Bonds in accordance with the Fifth Supplemental Indenture and the Remarketing Agreement.

Each Remarketing Agent shall have a capitalization of at least $100,000,000 and be authorized by law to perform all the duties imposed upon it by the Fifth Supplemental Indenture. A Remarketing Agent may at any time resign and be discharged of the duties and obligations created by the Fifth Supplemental Indenture by giving at least ten (10) days' written notice to the Commission and the Trustee. A Remarketing Agent may be removed at any time by the Commission, upon seven (7) days' notice by an instrument filed with the Remarketing Agent, the Trustee, each Liquidity Provider, Credit Provider and/or Bond Insurer of record for the Bonds, and each Rating Agency then maintaining a rating on the Bonds.

In the event of the resignation or removal of a Remarketing Agent, such Remarketing Agent shall pay over, assign, and deliver any money and Bonds held by it in such capacity to its successor or, if there is no successor, to the Trustee.

In the event that a Remarketing Agent shall resign or be removed, or be dissolved, or if the property or affairs of a Remarketing Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency or for any other reason, and the Commission shall not have appointed its successor as Remarketing Agent, the Trustee shall be deemed to be the Remarketing Agent for the Bonds for the sole and limited purpose of setting the default interest rate pursuant to the Fifth Supplemental Indenture until the appointment by the Commission of a Remarketing Agent or a successor Remarketing Agent, as the case may be. For purposes of clarification, the Trustee, in its capacity as Remarketing Agent, shall not be required to remarket Bonds or determine the interest rates on the Bonds or to perform the other duties of the Remarketing Agent set forth the Fifth Supplemental Indenture.

Master Indenture to Be in Effect

Except as otherwise explicitly provided in the Fifth Supplemental Indenture, the Master Indenture shall be in full force and effect and govern the Bonds, it being the express intention of the parties that the Fifth Supplemental Indenture supplements the Master Indenture by providing the terms and provisions related to such Bonds as a Series of First Tier Obligations. The Commission affirms its agreements and covenants contained in the Master Indenture, except to the extent modified as provided in the Fifth Supplemental Indenture and, in each case, with respect to the Bonds. Notice of any defeasance of the Bonds shall be sent to any rating agency then maintaining a rating on the Bonds.

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APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

This appendix describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by the Depository Trust Company ("*DTC*"), New York, NY, while the Bonds are registered in its nominee's name. The information in this appendix concerning DTC and the book-entry-only system has been provided by DTC for use in disclosure documents such as this Remarketing Memorandum. The Commission believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Commission cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants,, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, 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.

DTC will act initially as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of a maturity exceeds $500,000,000, one certificate will be issued with respect to each $500,000,000 of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

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 Standard & Poor's highest rating: AAA. 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 and www.dtc.org. Please note that these websites are included herein as active textual references only, and the information contained on (or accessed through) these websites is not incorporated herein and should not be construed as part of this Remarketing Memorandum.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bonds ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase.

Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction.

Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

Principal, premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Commission or the Trustee, on 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 Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission 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.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and will effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Remarketing Agent's DTC account.

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

The Commission may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered in accordance with the Fifth Supplemental Indenture.

In reading this Remarketing Memorandum it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Remarketing Memorandum to registered owners should be

read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC.

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

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APPENDIX D

CENTRAL TEXAS TURNPIKE SYSTEM
2010 TRAFFIC AND REVENUE FORECAST

CENTRAL TEXAS TURNPIKE SYSTEM
2010 TRAFFIC AND REVENUE FORECAST

FINAL REPORT

Texas Department of Transportation
Texas Turnpike Authority Division

December 20, 2010

Prepared by:
Stantec Consulting Services. Inc.

Executive Summary

PROJECT

The Texas Turnpike Authority Division of the Texas Department of Transportation (TTA) constructed the turnpike system known as the Central Texas Turnpike System Project (CTTS), in the Greater Austin Area. The initial investment-grade study of traffic and toll revenues completed for the CTTS, hereinafter referred to as the "2002" Project," was updated due to project design changes in 2005, hereinafter referred to as the "2005" Project. As portions of the toll facility opened in November 2006 a subsequent "2008 Review" was prepared to analyze the existing traffic and toll revenue and changing socioeconomic conditions in the Greater Austin Area. Stantec has prepared this CTTS Traffic and Revenue 2010 Update, based upon a review of current conditions, updated travel demand model, and updated socioeconomic projections. In the current work, Stantec takes full responsibility for all CTTS elements or "forecasts" as a group of new staff from Systra Mobility has recently joined Stantec (many of whom have worked on prior SH 130 Projects).

The 2005 Report, referred to herein, is entitled, Central Texas Turnpike System 2002 Project Traffic and Revenue Forecast 2005 Update, dated December 8, 2005.

The 2002 Report, referred to herein, is entitled, Central Texas Turnpike System 2002 Project Traffic and Revenue Forecast, dated July 22, 2002.

As described in the attached Report and shown in Figure 1-1, the project consists of three turnpike elements:

- SH 45 N and Loop 1 elements are collectively referred to as the Northwest Elements, and

- The third element being SH 130, extending from Georgetown in the north to US 183 south of the Austin-Bergstrom International Airport.

This study provides several new analyses and information compared to work performed in the 2008 Review:

- The CTTS project was opened in several stages from November of 2006 to May of 2008. Most CTTS elements have been opened for more than three years, and Stantec has had a chance to review the traffic statistics during this period, and compare the actual traffic to expectations set in the 2008 Review. The discussion of this review is presented in "Chapter 2 Existing Travel Patterns."

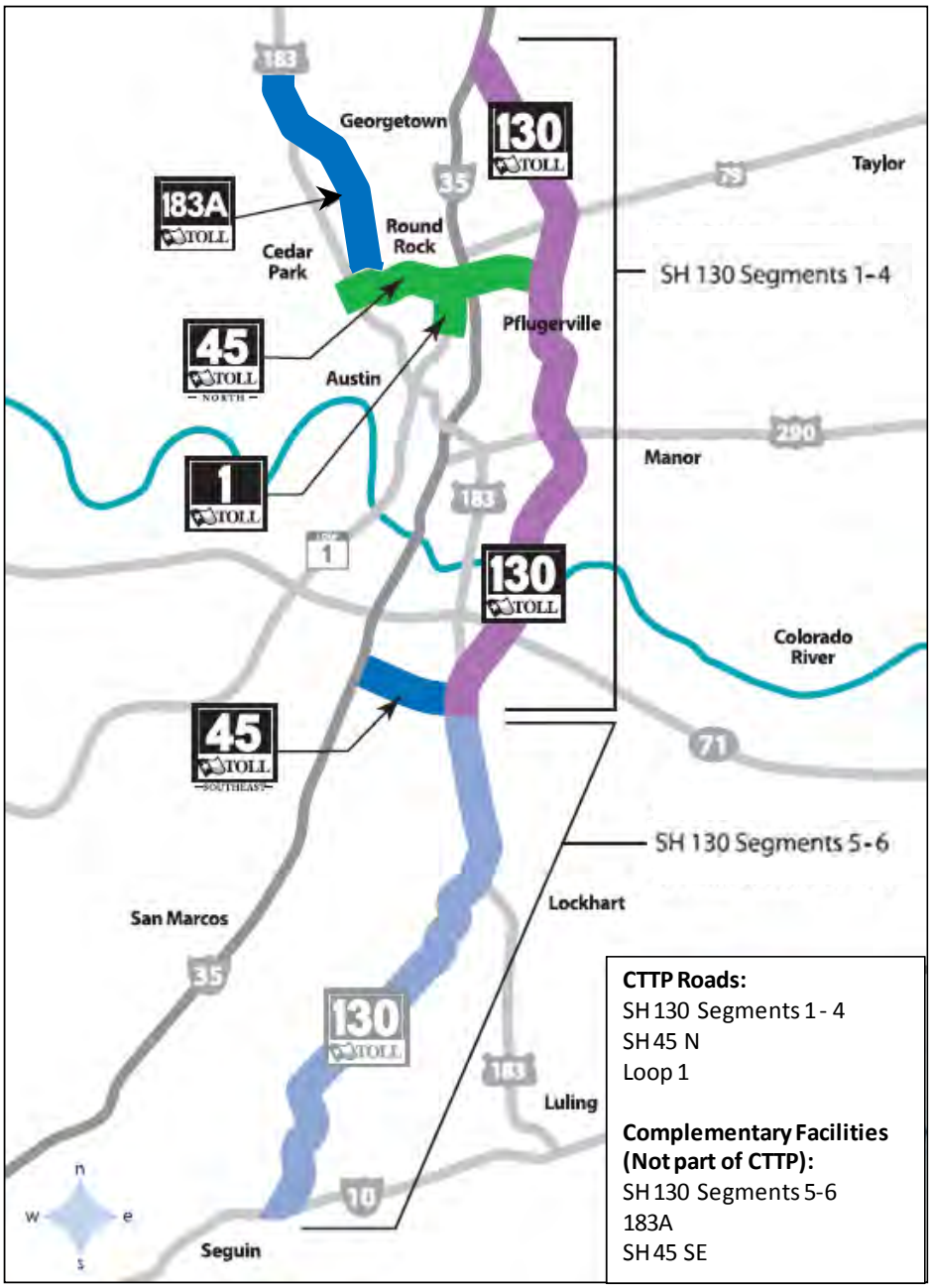
- The travel demand model has been updated so as to integrate the San Antonio/Bexar County (SABC) with the Capital Area Metropolitan Planning Organization's (CAMPO's) for the CTTS study area. The discussion of the travel demand model is presented in "Chapter 3 Model Validation and Refinement."

- Socioeconomic projections have been updated for this study, both by reviewing current conditions on the ground and providing a new projection of future development. The

discussion pertaining to the new socioeconomic data is presented in "Chapter 4 Socioeconomic Forecasts."

- Several major roadways in the Austin area have been updated based on the most recent information. The discussion pertaining to the network updates is presented in "Chapter 5 Roadway Networks."

Figure ES-1: CTTS Toll Roads and Study Area



Source: http://www.centraltexasturnpike.org/

EXISTING TRAFFIC AND TOLL REVENUE

A data collection program conducted by Alliance Transportation Group, Inc. (ATG) was designed to provide information on travel within the study area and support the travel demand model described in Chapter 3. The data were gathered by the Consultant team in September 2010. Travel data compiled for the study consisted of 43 Automatic Traffic Recorders (ATRs) presented in Chapter 2.

Most of the ATRs were placed at defined screenline locations which are used to better understand traffic demand within the CTTS corridor. Screenlines 1 through 4 represent the four east-west screenlines along the north-south toll road SH 130. Screenlines A and B represent the two north-south screenline along the east-west toll road SH 45 N and Screenline C represents the north-south toll road Loop 1.

A travel time data collection program was conducted by *Brown & Gay Engineers, Inc*. For this study, travel time runs were measured along IH 35, Loop 1, SH 130, SH 45 N, US 183, SH 21, SH 360, US 79, US 973, FM 685, RM 620, Gattis School Rd., Parmer Lane, IH 10, and SH 123. On each road travel time runs were conducted for the AM Peak, PM Peak, and the Off Peak period. Details in Chapter 2 compare the speeds on these routes on a typical weekday for the length of the entire route.

Table ES-1 shows the actual monthly average weekday transactions by roadway and the percent change year over year, respectively. SH 45 N average weekday transactions have been steadily increasing with 5.5 percent increase in FY 2009 and 2.5 percent increase in FY 2010 and recently reaching 100,000. Growth on Loop 1 has remained virtually flat, with average weekday transactions only reaching 56,900 for FY 2010. SH 130 transactions have experienced double digit growth since opening, with weekday volumes recently almost reaching 90,000.

Table ES-1: Average Weekday Transactions

Toll Road	Not Open		Toll-Free		Discounted Tolls		Full Toll Rate					
	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07
SH 45 Total	-	-	NA	NA	38,312	41,409	39,714	41,034	42,995	42,725	42,800	45,757
Loop1 Turnpike	-	-	NA	NA	49,752	53,821	51,682	52,583	53,633	53,116	52,887	55,342
SH 130 Turnpike	-	-	NA	NA	29,789	33,417	32,314	32,803	33,052	32,164	31,467	34,334
CTTP TOTAL	-	-	NA	NA	117,853	128,647	123,710	126,420	129,680	128,005	127,154	135,433

Toll Road	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	FY 08
SH 45 Total	88,697	90,181	88,485	86,574	86,363	91,601	90,064	94,469	96,942	93,482	91,771	94,053	**91,057**
Loop1 Turnpike	55,085	54,726	53,929	52,263	53,074	55,639	54,645	56,356	56,452	55,378	54,594	55,104	**54,770**
SH 130 Turnpike	39,741	43,220	59,311	55,318	52,592	58,240	58,825	60,233	65,716	65,358	69,670	70,975	**58,267**
CTTP TOTAL	183,523	188,127	201,725	194,155	192,029	205,480	203,534	211,058	219,110	214,218	216,035	220,132	**204,094**

Toll Road	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	FY 09
SH 45 Total	95,283	96,496	93,982	91,614	91,260	94,583	93,629	97,972	101,507	99,779	97,701	99,042	**96,071**
Loop1 Turnpike	55,757	55,696	54,455	52,955	53,181	54,923	54,039	55,839	56,380	56,189	55,362	56,491	**55,106**
SH 130 Turnpike	69,999	70,765	69,968	66,563	63,679	67,940	70,384	71,812	79,731	82,663	82,054	81,555	**73,093**
CTTP TOTAL	221,039	222,957	218,405	211,132	208,120	217,446	218,052	225,623	237,618	238,631	235,117	237,088	**224,269**

Toll Road	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	FY 10
SH 45 Total	98,080	98,938	97,511	94,200	94,291	94,273	98,760	102,392	103,115	100,502	98,416	100,872	**98,446**
Loop1 Turnpike	56,006	56,575	55,652	54,125	55,399	55,244	57,475	58,845	58,951	58,324	57,487	58,716	**56,900**
SH 130 Turnpike	79,743	81,292	83,610	78,074	74,433	78,824	86,870	88,569	89,225	88,537	89,015	89,228	**83,952**
CTTP TOTAL	233,829	236,805	236,773	226,399	224,123	228,341	243,105	249,806	251,291	247,363	244,918	248,816	**239,297**

Notes:
(1) Values for SH 130 include only the two northern segments (Segments 1 & 2) in operation as of October 2007.
(2) Values for SH 130 include only the three northern segments (Segments 1,2, and 3) in operation between November 2007 and June 2008.
(3) Values for SH 130 include all four segments in operation between July 2008 and September 2008.
Source: CTTS Annual Reports (FY 07, FY 08, FY 09, and FY 10)

Table ES-2 shows the historic trends in toll revenue since the toll road began collecting revenue in January 2007 to August 2010. Total revenue on SH 45 N increased 6.2 percent in FY 2009 and slightly declined by 0.5 percent in FY 2010. Total revenue on Loop 1 has continually collected on average $10.7 million for FY 2008, FY 2009, and FY 2010. These downward influences on SH 45 N and Loop 1 are most likely due to the recent recession and the congestion in the Loop 1 corridor. CTTS total revenue growth has been significant and steady since the start-up of this toll facility with $48.9 million in FY 2008, $58.9 million in FY 2009, and $66.2 million in FY 2010.

Table ES-2: Actual Monthly Fiscal Year Toll Revenues

Toll Road	Not Open		Toll-Free		Discounted Tolls		Full Toll Rate					
	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07
SH 45 Total	$ -	$ -	$ -	$ -	$ 53,900	$ 363,500	$ 625,400	$ 614,200	$ 682,800	$ 661,700	$ 661,000	$ 887,600
Loop1 Turnpike	$ -	$ -	$ -	$ -	$ 116,300	$ 539,200	$ 900,100	$ 866,600	$ 936,800	$ 900,000	$ 894,600	$ 981,100
SH 130 Turnpike	$ -	$ -	$ -	$ -	$ 108,400	$ 465,200	$ 820,000	$ 795,800	$ 858,200	$ 841,200	$ 817,300	$ 927,800
CTTP TOTAL	$ -	$ -	$ -	$ -	$ 278,900	$1,386,100	$2,388,400	$2,328,400	$2,553,000	$2,473,600	$2,448,800	$ 2,886,700

Toll Road	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	FY 08
SH 45 Total	$1,328,600	$1,466,800	$1,342,400	$1,353,600	$1,370,300	$1,393,800	$1,435,100	$1,469,200	$1,517,700	$1,425,600	$1,420,300	$ 1,459,100	**$ 16,982,500**
Loop1 Turnpike	$ 883,100	$ 961,200	$ 883,700	$ 874,100	$ 902,200	$ 896,700	$ 915,000	$ 925,400	$ 923,900	$ 879,200	$ 885,700	$ 892,400	**$ 10,822,600**
SH 130 Turnpike	$1,045,900	$1,215,800	$1,247,000	$1,359,700	$1,429,400	$1,538,200	$1,652,900	$1,636,700	$1,781,700	$1,775,400	$1,777,700	$ 1,909,600	**$ 18,370,000**
CTTP TOTAL	$3,344,100	$3,769,300	$3,611,700	$3,772,900	$3,943,700	$4,030,500	$4,195,500	$4,253,100	$4,479,800	$4,392,500	$4,458,800	$ 4,653,900	**$ 48,905,800**

Toll Road	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	FY 09
SH 45 Total	$1,482,700	$1,551,500	$1,389,700	$1,456,800	$1,471,800	$1,420,900	$1,533,200	$1,546,500	$1,582,900	$1,565,700	$1,529,100	$ 1,506,100	**$ 18,036,900**
Loop1 Turnpike	$ 902,300	$ 942,000	$ 836,300	$ 880,000	$ 894,500	$ 865,700	$ 929,300	$ 929,700	$ 914,400	$ 919,200	$ 904,700	$ 893,600	**$ 10,811,700**
SH 130 Turnpike	$1,946,600	$2,021,100	$1,825,400	$1,831,500	$1,782,700	$1,795,500	$2,066,200	$1,981,600	$2,211,800	$2,433,400	$2,412,300	$ 2,289,800	**$ 24,597,900**
CTTP TOTAL	$4,671,600	$4,939,300	$4,456,700	$4,563,400	$4,625,600	$4,545,100	$4,971,700	$4,868,700	$5,109,200	$5,429,700	$5,403,100	$ 5,329,900	**$ 58,914,000**

Toll Road	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	FY 10
SH 45 Total	$1,424,100	$1,467,700	$1,386,500	$1,476,900	$1,429,200	$1,373,900	$1,579,000	$1,583,500	$1,592,100	$1,557,800	$1,543,900	$ 1,540,900	**$ 17,955,500**
Loop1 Turnpike	$ 851,800	$ 878,000	$ 824,600	$ 878,800	$ 860,400	$ 834,400	$ 961,000	$ 958,300	$ 945,200	$ 640,700	$ 938,200	$ 961,500	**$ 10,532,900**
SH 130 Turnpike	$2,160,400	$2,199,400	$2,226,400	$2,227,500	$1,966,700	$2,040,000	$2,577,200	$2,538,000	$2,532,600	$2,522,200	$2,562,300	$ 2,529,100	**$ 28,081,800**
CTTP TOTAL	$5,220,000	$5,359,900	$5,492,400	$5,319,200	$4,994,900	$4,937,300	$5,834,900	$5,929,000	$5,716,500	$5,723,200	$5,778,200	$ 5,845,600	**$ 66,151,100**

Note:
(1) Individual roadway revenue do not include Pay by Mail revenue.
(2) Totals do not add because Pay by Mail revenue is included in CTTS total.
(3) Values for SH 130 include only the two northern segments (Segments 1 & 2) in operation as of October 2007.
(4) Values for SH 130 include only the three northern segments (Segments 1,2, and 3) in operation between November 2007 and June 2008.
(5) Values for SH 130 include all four segments in operation between July 2008 and September 2008.
Source: CTTS Annual Reports (FY 07, FY 08, FY 09, and FY 10)

TRAFFIC MODELING

In preparing to estimate traffic and toll revenue for this project, a decision was made to update the existing travel demand modeling process used to forecast traffic and toll diversion. The objective of this model development effort was to provide a more robust tool for modeling the CTTS toll roads as well as other local toll roads that influence traffic on the CTTS.

A key element of the model development was the expansion of the modeled region to encompass areas and facilities that would influence traffic volumes on the various CTTS roadways. The expanded region included two additional counties east of Austin (Bastrop and Caldwell) and a significant extension south of Austin by incorporating the area within the San Antonio Regional Model. The expanded area south of Austin was included primarily to reflect the anticipated growth in the I-35 corridor southward towards San Antonio and impacts of growing congestion that would influence diversion to the planned extension of the SH 130 Toll Road southward towards Seguin.

In addition to the expansion of the modeled region, the toll diversion modeling techniques were also updated to reflect new aspects of the tolling policy including the option of video tolling or pay by mail. The toll diversion model was updated to provide for greater flexibility in representing the variations in toll policy utilized by TTA and CTRMA both in terms of discounts and the integration of configuration-based tolls for newer facilities such SH 45 Southeast. Lastly, the toll diversion models were further enhanced to improve the representation of several planned toll facilities that will be operated as managed lanes with variable pricing. The effect of all of these enhancements is the creation of improved modeling process that is capable of supporting forecasting in the growing region surrounding Austin.

The final toll diversion model was subjected to an in-depth calibration using the observed transaction data for each of the toll roads in the Austin region. This calibration included replication of overall traffic by facility type and area type as well as transaction data at each toll plaza by vehicle type and payment type. A more comprehensive description of the modeling process and calibration analysis is provided in Chapter 3.

LAND USE AND DEMOGRAPHICS

Socioeoconomic indicators were used to identify current demographic and economic trends in the Austin, Texas and San Antonio, Texas Metropolitan Statistical Areas (MSAs). These trends were reviewed and adjustments were applied to the Capital Area Metropolitan Planning Organization's (CAMPO's) and the San Antonio/Bexar County Metropolitan Planning Organization's (SABC's) socioeconomic forecasts for the CTTS 2010 Update study area. This section also discusses the methodology used to assess and adjust the MPOs' socioeconomic forecasts. It compares the revised county control total figures for the overall CAMPO and SABC study areas to the county control totals from the recently updated Metropolitan Transportation Plans (MTPs), and provides a brief description of the methodology used to assess and adjust the socioeconomic data at the Traffic Serial Zone (TSZ) level.

Despite the relative strength of the two regions' economies, the national recession and the difficulties of obtaining financing for homes and commercial projects has had an observable impact on the pace of the development along SH 130 and the competing IH 35 corridor. During the field surveys, residential construction continued at a modest pace and was concentrated in subdivisions that were already under development, with few new subdivisions. Over the near term, these trends are expected to continue. As existing subdivisions build out and the regions' overall housing inventory becomes more conducive to expanding supply, new subdivisions will begin to be developed (although still subject to the constraints in the residential and commercial credit markets). It is also possible that as the economy improves, there will be a lag between the market demand and market supply of new housing. In terms of commercial projects, fewer sites were observed under construction and, among the commercial projects that were recently completed, it was not uncommon for these structures to be unfinished or partially or entirely vacant. However, this pattern was not uniform throughout the study area and some projects appeared to be doing very well.

The Austin and San Antonio MSAs are currently recovering from the effects of the severe downturn in the national economy and have likely entered into a period of prolonged, but modest growth. As they proceed through this period, the recovery will continue to be at risk from the effects of any new national economic downturns, a new global financial crisis, and energy price fluctuations. Although the fundamental elements of the two regional economies

appear to be relatively strong, when compared to the national economy, national economic conditions are nonetheless continuing to have local impacts. At a minimum, modest growth is expected to continue in the two regions for at least the next 12 to 24 months and could continue for an additional 1 to 2 years before regaining strength, if additional unanticipated events weaken the national economy. The rate of economic and population growth in the Austin MSA will outpace the San Antonio MSA but both regions will likely outperform national trends.

The new updated 2010 CTTS Socioeconomic forecasts were compared to the original 2002 report, 2005 Update, and the 2008 review. Table 4-18 shows the total population and employment comparison for the CAMPO region between these four studies. While population is much higher in the 2010 CTTS Update study, the employment growth between the 2008 and 2015 model years is significantly lower.

Table ES-3 SED Comparison for Various CTTS Studies

Year	2002 CTTS (2)	2005 CTTS Update (2)	2008 CTTS Review (2)	2010 CTTS Update
	Population			
2008	1,286,283	1,354,084	1,411,370	1,527,890
2015	1,593,072	1,614,996	1,698,917	1,871,047
2025	2,020,370	1,998,326	2,099,054	2,316,883
2035				2,802,768
	Employment			
2008	639,445	679,947	707,048	744,105
2015	821,933	822,519	868,068	784,794
2025	1,061,625	1,006,654	1,103,389	976,325
2035				1,193,118
	Population AAGR			
08 - 15	3.1%	2.5%	2.7%	2.9%
15 - 25	2.4%	2.2%	2.1%	2.2%
25 - 35				1.9%
	Employment AAGR			
08 - 15	3.7%	2.8%	3.0%	0.8%
15 - 25	2.6%	2.0%	2.4%	2.2%
25 - 35				2.0%

Note: 2015, 2020, and 2025 SED for the 2005 Update, 2008 Review were interpolated from 2012, 2017, 2023 and 2030 SED.

ROADWAY NETWORKS

Roadway networks were developed for 2008, 2015, 2025, and 2035. The latest roadway improvement plans were obtained from the CAMPO 2035 Regional Transportation Plan (dated May 24, 2010). Based on the degree of commitment (feasibility studies, funding, ROW status, and program inclusion) judgments were made as to whether or not to include project elements in future highway networks.

Other toll road projects currently contemplated for the Austin region have been incorporated into the background network. These projects were implemented based on information received from TxDOT and CTRMA.

REVENUE PROJECTIONS

Table ES-4 provides a listing of the transactions for the combined elements of the CTTS for the original 2002 financing study, the 2005 Update, the 2008 Review and the 2010 Update. Table ES-5 includes the revenue forecasts for each of the studies. All of these values are provided as fiscal year values and it should be noted that the first three years of the 2010 Update include the observed transactions and revenue as reported by TTA in their respective annual reports.

In general the CTTS transactions in the 2010 Update are higher than the original forecast prepared for the 2002 financing study. The revenue stream is generally higher as well except for the period encompassing FY 2011 through FY 2013. These minor reduction is reflects the lingering impacts of the recent recession and the reduced level of truck transactions within the overall revenue stream. For FY 2014 and beyond, the 2010 Update forecasts exceed the 2002 forecasts.

In comparison the 2008 Update, the new forecast is generally higher in terms of revenue but slightly lower in terms of total transactions. As part of the calibration of the new model, it was recognized that the previous model was under-predicting transactions at the mainline plazas and over-predicting transactions at the ramps. The new model is now calibrated against observed data and while transactions are somewhat lower, the percentage at the higher rate mainline plazas in now higher, leading to higher overall revenue.

Table ES – 4: 2010 CTTS Update Total Toll Transaction Projections

Fiscal Year	CTTS Total			
	2002 Report	2005 Update	2008 Review	2010 Update
2008	118,360	138,492	202,269	***204,133***
2009	169,103	182,163	220,937	***224,276***
2010	206,917	226,221	237,493	***239,343***
2011	244,235	265,528	256,845	252,931
2012	270,361	291,858	276,433	275,508
2013	286,652	308,460	294,893	296,472
2014	299,981	321,743	312,989	316,168
2015	313,309	335,026	330,670	335,845
2016	287,287	303,598	322,450	315,830
2017	300,831	307,145	340,249	332,677
2018	314,374	318,864	359,924	349,727
2019	327,918	333,307	380,220	366,987
2020	341,461	347,751	397,996	384,463
2021	366,425	361,549	415,060	402,162
2022	389,357	376,000	432,846	420,091
2023	412,291	398,873	451,233	438,259
2024	435,223	420,697	469,484	456,672
2025	458,156	441,236	487,625	475,339
2026	427,217	428,172	467,082	455,416
2027	443,203	449,074	485,245	475,316
2028	459,181	469,976	503,408	495,600
2029	475,108	490,879	521,571	516,232
2030	490,938	502,381	525,258	537,179
2031	506,627	518,068	536,045	558,404
2032	522,129	536,840	550,644	579,872
2033	537,396	555,062	565,597	601,544
2034	552,380	572,597	579,962	623,387
2035	567,034	589,313	594,602	645,363
2036	546,799	563,528	572,113	621,641
2037	559,815	577,195	585,706	632,083
2038	572,749	590,639	599,301	642,465
2039	585,707	604,111	612,923	652,912
2040	598,681	617,604	626,567	663,412
2041	611,667	631,111	640,223	673,962
2042	624,659	644,626	653,886	684,556

Notes: Toll Rate Increased in this year
Actual Average Weekday Traffic

Table ES – 5: 2010 CTTS Update Total Toll Revenue Projections

Fiscal Year	CTTS Total ($000)					
	2002 Report	2005 Update	2008 Review	2010 Update		
				Base Toll Cash, ETC, & Video	Video Surcharge Revenue	Total
2008	$34,996	$40,019	$48,905			***$48,875***
2009	$49,654	$53,322	$57,882			***$58,907***
2010	$59,693	$66,764	$63,629			***$66,151***
2011	$72,167	$79,021	$69,572	$68,652	$1,873	$70,525
2012	$80,209	$87,259	$75,374	$75,272	$2,418	$77,690
2013	$85,791	$93,388	$80,988	$81,619	$2,632	$84,250
2014	$90,060	$98,221	$86,535	$87,774	$2,844	$90,619
2015	$94,330	$103,055	$91,993	$93,956	$3,060	$97,016
2016	$117,342	$126,359	$122,393	$125,379	$3,902	$129,281
2017	$124,053	$127,907	$131,973	$134,647	$4,254	$138,901
2018	$130,764	$133,734	$141,765	$143,969	$4,607	$148,576
2019	$137,476	$140,987	$151,609	$153,346	$4,963	$158,309
2020	$144,187	$148,240	$160,053	$162,779	$5,322	$168,100
2021	$154,764	$155,304	$168,286	$172,270	$5,683	$177,953
2022	$164,852	$162,560	$176,734	$181,822	$6,047	$187,870
2023	$174,940	$176,702	$187,636	$191,437	$6,414	$197,851
2024	$185,028	$188,809	$196,912	$201,116	$6,784	$207,900
2025	$195,115	$199,473	$205,376	$210,861	$7,158	$218,019
2026	$232,938	$243,320	$251,597	$264,273	$8,543	$272,816
2027	$242,654	$256,823	$262,641	$276,519	$8,960	$285,478
2028	$252,361	$270,325	$273,685	$288,882	$9,382	$298,264
2029	$262,025	$283,827	$284,730	$301,325	$9,808	$311,134
2030	$271,611	$287,308	$284,251	$313,808	$10,238	$324,045
2031	$281,080	$295,710	$289,272	$326,285	$10,669	$336,954
2032	$290,393	$307,011	$297,786	$338,716	$11,100	$349,817
2033	$299,512	$317,946	$306,261	$351,056	$11,531	$362,586
2034	$308,397	$328,428	$314,670	$363,260	$11,959	$375,218
2035	$317,370	$338,374	$322,987	$375,747	$12,398	$388,145
2036	$356,750	$387,085	$376,212	$422,185	$13,943	$436,128
2037	$365,448	$396,677	$385,366	$432,197	$14,274	$446,471
2038	$374,070	$406,096	$394,499	$442,169	$14,603	$456,772
2039	$382,713	$415,541	$403,657	$452,226	$14,935	$467,161
2040	$391,372	$425,006	$412,832	$462,363	$15,269	$477,632
2041	$400,042	$434,484	$422,021	$471,035	$15,555	$486,590
2042	$408,717	$443,968	$431,216	$479,729	$15,841	$495,571

Notes: Toll Rate Increased in this year
2010 CTTS Revenue includes pay-by-mail surcharge (20% of cash toll).
Actual Revenue

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1.0 Introduction

The Texas Turnpike Authority Division of the Texas Department of Transportation (TTA) constructed the turnpike systems known as the Central Texas Turnpike System Project (CTTS), in the Greater Austin Area. The initial investment-grade study of traffic and toll revenues completed for the CTTS, hereinafter referred to as the "2002" Project," was updated due to project design changes in 2005, hereinafter referred to as the "2005" Project. As portions of the toll facility opened in November 2006 a subsequent "2008 Review" was prepared to analyze the existing traffic and toll revenue and changing socioeconomic conditions in the Greater Austin Area. Stantec has prepared this CTTS Traffic and Revenue 2010 Update, based upon a review of current conditions, updated travel demand model, and updated socioeconomic projections. In the current work, Stantec takes full responsibility for all CTTS elements or "forecasts" as a group of new staff from Systra Mobility has recently joined Stantec (many of whom have worked on prior SH 130 Projects).

The 2005 Report, referred to herein, is entitled, Central Texas Turnpike System 2002 Project Traffic and Revenue Forecast 2005 Update, dated December 8, 2005.

The 2002 Report, referred to herein, is entitled, Central Texas Turnpike System 2002 Project Traffic and Revenue Forecast, dated July 22, 2002.

1.1 CENTRAL TEXAS TURPIKE SYSTEM PROJECT (CTTS)

As described in the attached Report and shown in Figure 1-1, the project consists of three turnpike elements:

- SH 45 N and Loop 1 elements are collectively referred to as the Northwest Elements, and
- The third element being SH 130, extending from Georgetown in the north to US 183 south of the Austin-Bergstrom International Airport.

This study provides several new analyses and information compared to work performed in the 2008 Review:

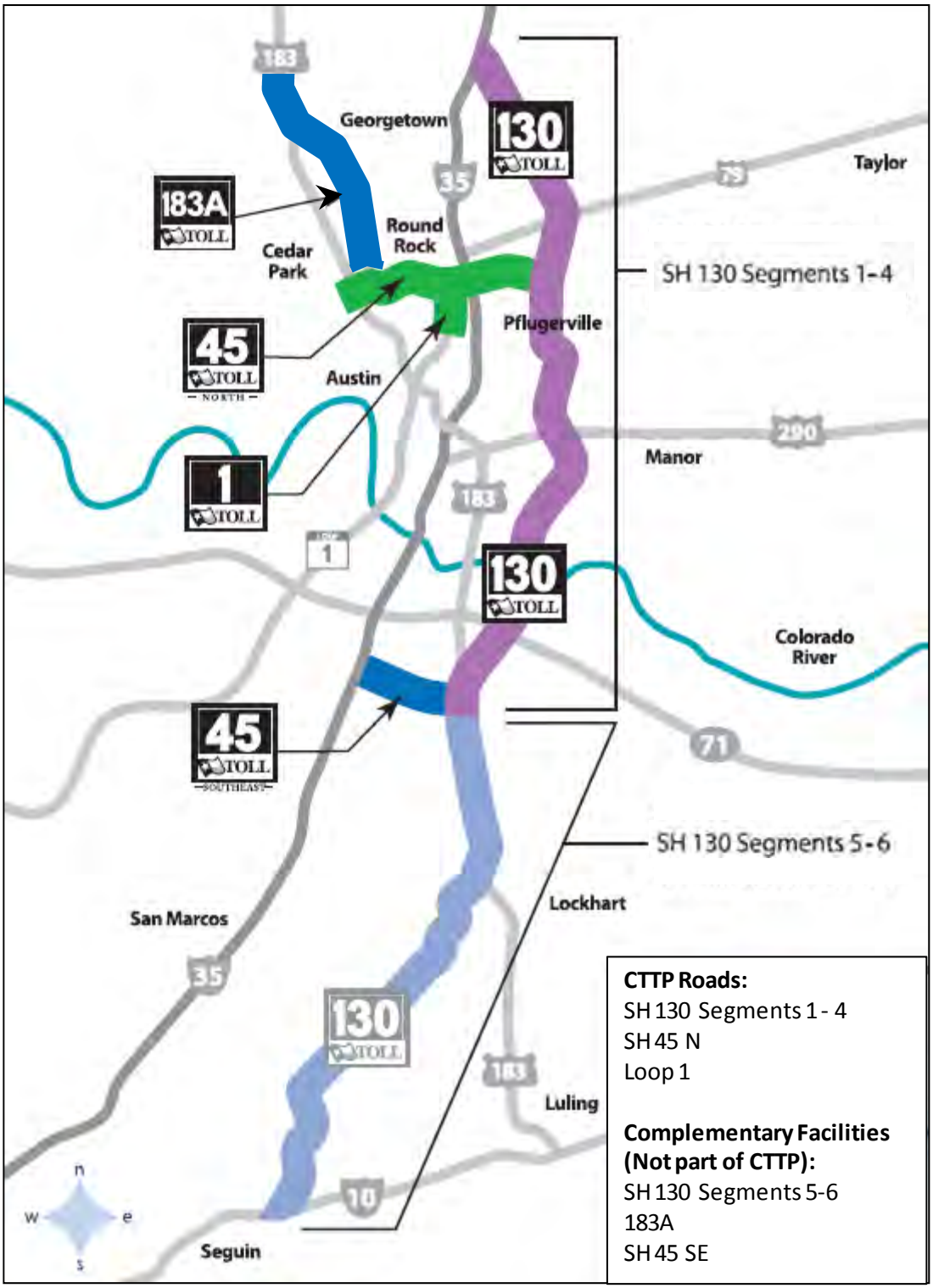
- The CTTS project was opened in several stages from November of 2006 to May of 2008. Most CTTS elements have been opened for more than three years, and Stantec has had a chance to review the traffic statistics during this period, and compare the actual traffic to expectations set in 2008 Review. The discussion of this review is presented in "Chapter 2 Existing Travel Patterns."

- The travel demand model has been updated so as to integrate the San Antonio/Bexar County (SABC) with the Capital Area Metropolitan Planning Organization's (CAMPO's) for the CTTS study area. The discussion of the travel demand model is presented in "Chapter 3 Model Validation and Refinement."

- Socioeconomic projections have been updated for this study, both by reviewing current conditions on the ground and providing a new projection of future development. The discussion pertaining to the new socioeconomic data is presented in "Chapter 4 Socioeconomic Forecasts."

- Several major roadways in the Austin area have been updated based on the most recent information. The discussion pertaining to the network updates is presented in "Chapter 5 Roadway Networks."

Figure 1-1: CTTS Toll Roads and Study Area



Source: http://www.centraltexasturnpike.org/

1.2 CONSULTANT TEAM

The purpose of this study is to provide updated traffic and revenue forecasts for review by potential investors in bonds supporting the CTTS. *Stantec Consulting Services Inc* (Stantec) led the consultant team for the Traffic and Revenue Study and was responsible for project management, coordination, and forecasting gross toll revenues. Two firms assisted in work effort:

- *Alliance Transportation Group.* (ATG) provided traffic counts within the study area which was used for model validation. ATG also provided the socioeconomic review and updated employment and population projections used in the traffic model.

- *Brown & Gay Engineers, Inc.* provided local engineering support identifying regional highway network improvements and conducted travel time surveys

1.3 REPORT ORGANIZATION

The remainder of this report is organized into the following chapters as described below:

- Chapter 2 – Existing Travel Patterns – presents a summary of travel time surveys, traffic count data and historic toll transactions for the CTTS 2010 Update. These data were used in developing and validating the base year model.

- Chapter 3 – Model Validation and Refinement – explains the methodology used to produce travel demand forecasts for the CTTS Study area, based upon an adaptation of the CAMPO and San Antonio Model. The toll diversion model and results of the model validation are also described.

- Chapter 4 – Socioeconomic Forecasts – describes the assumptions used to assess future development in the Austin and San Antonio metropolitan areas, more specifically the CTTS Study Area.

- Chapter 5 – Roadway Networks – describes the key network changes between traffic model analysis years.

- Chapter 6 – Revenue Forecasts – presents the base case toll structure and the resulting traffic and revenue forecasts.

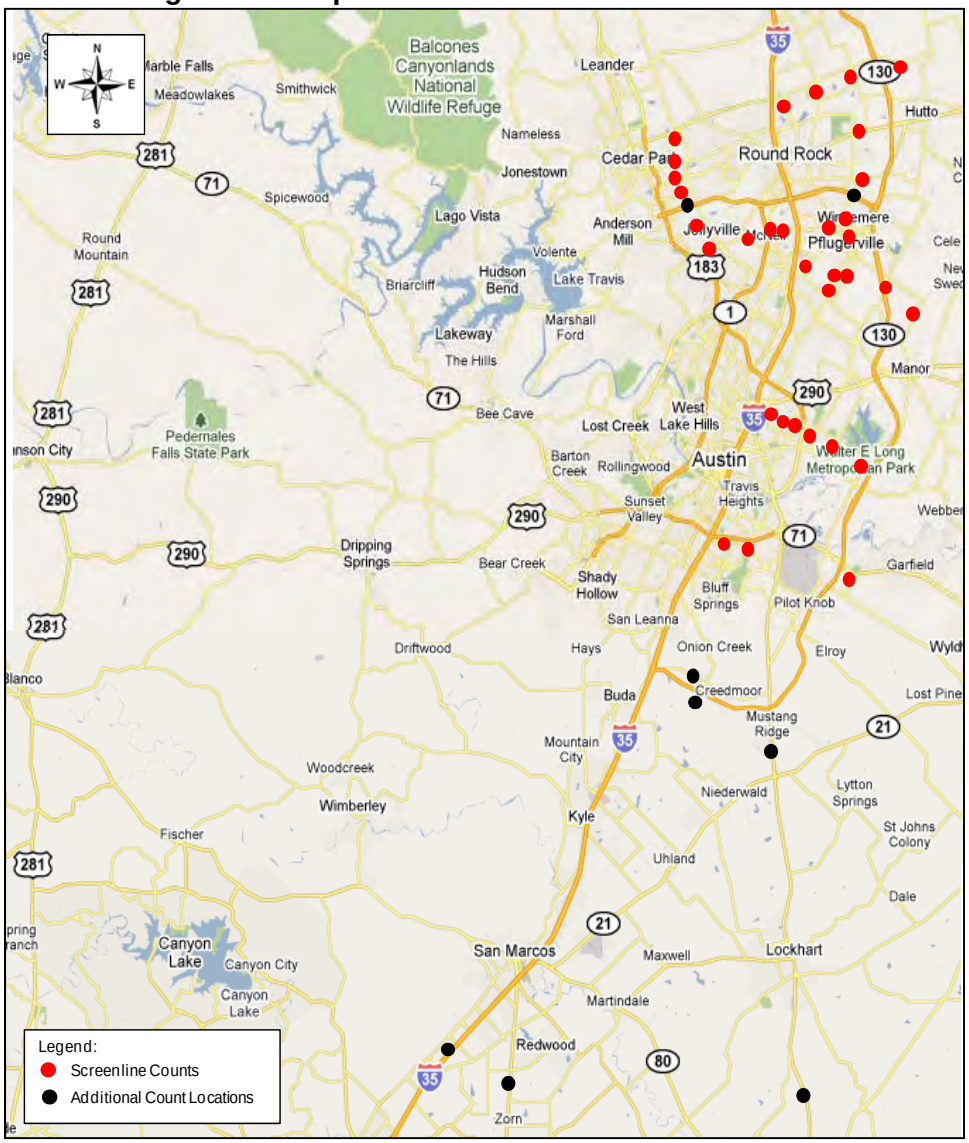
- Chapter 7 – Sensitivity Analysis – presents impacts of changing key input parameters on transaction and revenue forecasts.

2.0 Existing Travel Patterns

2.1 STUDY AREA TRAFFIC DATA COLLECTION

A data collection program conducted by *Alliance Transportation Group, Inc.* (ATG) was designed to provide information on travel within the study area and support the travel demand model described in Chapter 3. The data were gathered by the Consultant team in September 2010. Travel data compiled for the study consisted of 43 Automatic Traffic Recorders (ATRs) shown in Figure 2-1 and travel time surveys shown in Figure 2-3.

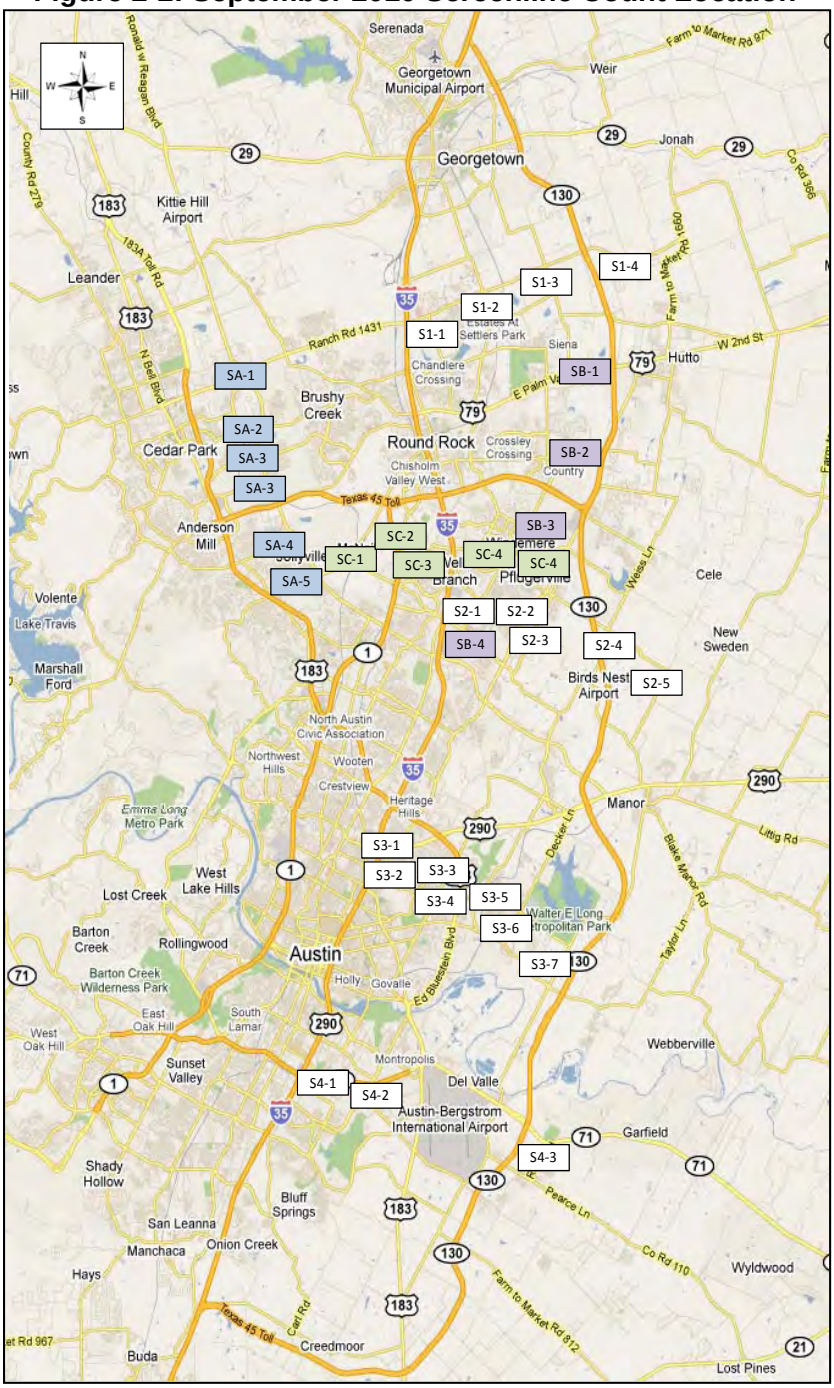
Figure 2-1: September 2010 ATR Count Locations



Source: maps.google.com

Most of the ATRs were placed at defined screenline locations and are shown in Figure 2-2. These screenline locations are used to better understand traffic demand within the CTTS corridor. Screenlines 1 through 4 represent the four east-west screenlines along the north-south toll road SH 130. Screenlines A and B represent the two north-south screenlines along the east-west toll road SH 45 N, and Screenline C represents the north-south toll road Loop 1.

Figure 2-2: September 2010 Screenline Count Location



Source: maps.google.com See Table 2-1

Table 2-1 shows the average weekday traffic volume recorded in September 2010 at each screenline count location.

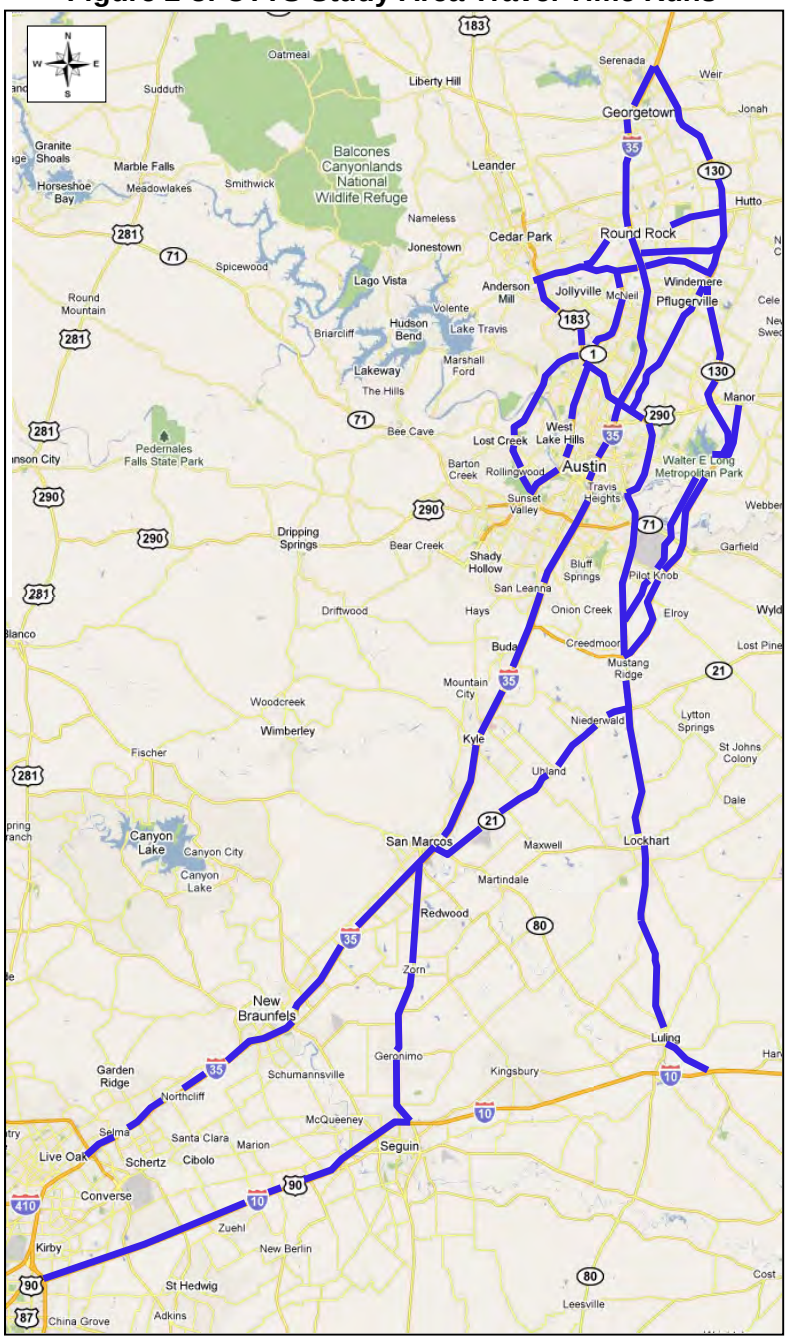
Table 2-1: Average Weekday Traffic Counts in CTTS Study Area

ID	ROADWAY	LOCATION	TOTAL
SH 130 - Screenline 1			
S1-1	Sunrise Rd (CR 115)	Between University Blvd/E. Chandler St. and FM 3406/E. Old Settlers Blvd.	11,189
S1-2	N Aw Grimes Blvd (FM 1460)	Between E. Chandler St. and CR 112	7,776
S1-3	Hutto Rd (CR 110)	Between University Blvd/E. Chandler St. and Limmer Loop/CR 164	2,767
S1-4	CR 100	Between Chandler Rd. and CF 394	448
SH 130 - Screenline 2			
S2-1	S. Heatherwilde Blvd.	Between Wells Branch Pkwy and Howard Lane	8,039
S2-2	Dessau Road	Between Howard Ln. and Wells Branch Pkwy	18,445
S2-3	Immanuel Road	Between Howard Ln. and Wells Branch Pkwy	2,991
S2-4	Cameron Rd.	Between Pfluggerville East Rd. and SH 130	2,245
S2-5	Fuchs Grove Rd.	Between Cameron Rd. and Gregg Ln.	1,729
SH 130 - Screenline 3			
S3-1	Cameron Rd	Between E. Koenig Ln. and E. 51st St.	15,915
S3-2	Berkman Dr	Between US 290E and E. 51st St.	7,718
S3-3	Manor Rd	Between E. 51st St. and US Springdale/Manor Rd Intersection	9,159
S3-4	Springdale Rd	Between E. 51st St. and US Springdale/Manor Rd Intersection	10,108
S3-5	Johnny Morris Rd	Between MLK Blvd (FM 969) and Loyola Ln.	4,852
S3-6	Decker Ln (FM 3177)	Between MLK Blvd (FM 969) and Loyola Ln.	8,371
S3-7	FM 973	Between MLK Blvd (FM 969) and Loyola Ln.	5,734
SH 130 - Screenline 4			
S4-1	Todd Ln	Between E Street Elmo Rd and SH 71	9,776
S4-2	Stassney Ln	Between Burleston Rd. and SH 71	19,437
S4-3	Ross Rd	Between Pearce Ln. and Elroy Rd.	3,075
SH 45 N West - Screenline A			
SA-1	Colonial Parkway	Between N Vista Ridge Blvd. and W Parmer Ln.	3,931
SA-2	Brushy Creek Rd	Between S Vista Ridge Blvd. and W Parmer Ln.	10,794
SA-3	Avery Ranch Blvd	Between N Canoa Hills Trail and Casditas Dr. (W of Parmer Ln)	11,902
SA-4	Lakeline Blvd	Between Rutledge Spur and W Parmer Ln.	7,938
SA-5	Anderson Mill Rd	Between Villa Park Dr. and Morris Rd.	15,457
SA-6	McNeil Dr	Between Blackfoot Trail and Corpus Christ Dr.	27,596
SH 45 N East - Screenline B			
SB-1	US 79	Between Red Bud Ln. and County Road 110	22,161
SB-2	CR 168/Gattis School Rd	Between Red Bud Ln. and SH 130	12,763
SB-3	Pflugerville Loop Rd	Between Wilke Ridge Ln and Great Basin Ave.	9,257
SB-4	Howard Lane	East of Heatherwilde Blvd.	19,675
Loop 1 - Screenline C			
SC-1	Howard Lane	Between McNeil Round Rock Rd. and Loop 1	14,484
SC-2	FM 1325/Lp 1 SR	Parallel to the Mainline Plaza	16,012
SC-3	Bratton Lane	Between Merriltown Dr. and Shoreline Dr.	6,450
SC-4	Heatherwilde	North of FM 1825 (Pecan St. W)	14,375
SC-5	N Railroad Rd	Between FM 1825 and Pfenning Ln.	4,690
Additional Counts			
X-1	SR 123	Between S. Old Bastrop Highway and FM 1978	11,575
X-2	IH 35	Between S. Old Bastrop Highway and CR 235/Posey Road	69,859
X-3	US 183S	Just North of Luling (North of the Carter Memorial Airport)	6,026
X-4	US 183S	Between Margo Dr and Laws Rd in Mustang Ridge	15,160
X-5	FM 1327	West of Palmer Road	8,639
X-6	Turnerville Road	West of Palmer Road	334
X-7	SH 45 NE Frontage Road	East of Heatherwide Blvd	7,604
X-8	SH 45 NW Frontage Road	past Briar Hollow Drive, prior to on-ramp adjacent to Amberglen Road	28,890

2.2 CTTS STUDY AREA TRAVEL TIME RUNS

A travel time data collection program was conducted by *Brown & Gay Engineers, Inc*. For this study, travel time runs were measured along IH 35, Loop 1, SH 130, SH 45 N, US 183, SH 21, SH 360, US 79, US 973, FM 685, RM 620, Gattis School Rd., Parmer Lane, IH 10, and SH 123. The travel time run locations are shown in Figure 2-3.

Figure 2-3: CTTS Study Area Travel Time Runs



Source: maps.google.com

On each road travel time runs were conducted for the AM Peak, PM Peak, and the Off Peak period. Table 2-2 compares the speeds on these routes on a typical weekday for the length of the entire route. Details for individual sections may be found in Appendix A.

In the northbound and southbound direction SH 130 experiences average travel speeds of about 70 mph during peak and off-peak hours. In the northbound direction from MLK Boulevard to SH 130, IH 35 experiences average travel time speeds of around 67 mph in the AM peak and off-peak, but only 47 mph during the PM peak. In the southbound direction from SH 130 to MLK Boulevard, IH 35 experiences average travel time speeds of 34 mph in the AM peak and 44 mph during the PM peak. FM 973, US 183, and Parmer Lane experience average travel speeds ranging from 27 to 66 mph during peak hours. Overall, SH 130 provides the fastest route to and from north of the Austin central business district.

In the northbound direction Loop 1 provides average travel speeds of 54 mph during the AM peak, 36 mph in the PM peak, and 63 mph in the off-peak. From US 290 to SH 45 N, US 183 provides average northbound travel speeds of 66 mph during the AM peak and 45 mph during the PM peak. FM 685 provides average travel speeds of 35 mph during the AM peak and 27 mph during the PM peak. Overall, Loop 1 does not provide the fastest north-south travel route in the corridor and the PM peak average travel speeds indicate congestion.

In the eastbound and westbound direction SH 45 N provides average travel speeds ranging from 66 to 74 mph during peak and off-peak hours. Competing roadways RM 620, Gattis Rd., and US 79 provide average travel speeds ranging from 24 to 39 mph during peak hours. Therefore SH 45 N provides the fastest east-west alternative.

Table 2-2: September 2010 Travel Time Runs

Location			DIST (mile)	Speed (MPH)		
				AM Peak	PM Peak	Off Peak
Northbound						
Loop 1	***US 290 - SH 45 N***	***NB***	***19.9***	***54***	***36***	***63***
SH 130	***US 183 - IH 35***	***NB***	***46.9***	***73***	***72***	***71***
IH 35	MLK Blvd - SH 130	NB	30.0	67	47	68
	SH 80 - MLK Blvd	NB	30.1	34	52	62
	Loop 1604 - SH 80	NB	33.7	73	71	70
US 183	US 290 - SH 45 N	NB	14.3	66	45	65
	SH 130 - Manor Rd	NB	17.1	38	46	51
	IH 10 - SH 130	NB	32.3	54	53	53
SH 21	SH 80 - US 183	NB	17.0	57	58	60
SH 360	Loop 1 - US 183	NB	12.7	36	24	46
FM 973	US 183 - US 290	NB	19.5	41	40	43
SH 123	IH 10 - IH 35	NB	19.2	54	53	51
FM 685	US 290 - SH 45 N	NB	12.5	35	27	34
Parmer Ln.	Loop 1 - FM 1431	NB	9.9	38	39	47
Southbound						
Loop 1	***SH 45 N - US 290***	***SB***	***19.9***	***34***	***37***	***65***
SH 130	***IH 35 - US 183***	***SB***	***46.9***	***72***	***72***	***71***
IH 35	SH 130 - MLK Blvd	SB	29.9	34	44	68
	MLK Blvd - SH 80	SB	30.1	67	45	70
	SH 80 - Loop 1604	SB	33.7	63	72	71
US 183	SH 45 N - US 290	SB	14.3	35	66	67
	Manor Rd - SH 130	SB	17.1	44	37	50
	SH 130 - IH 10	SB	32.3	52	51	52
SH 21	US 183 - SH 80	SB	17.0	60	58	61
SH 360	US 183 - Loop 1	SB	12.7	30	34	45
FM 973	US 290 - US 183	SB	19.5	44	42	44
SH 123	IH 35 - IH 10	SB	19.2	53	52	52
FM 685	SH 45 N - US 290	SB	12.5	24	32	37
Parmer Ln.	FM 1431 - Loop 1	SB	9.9	34	32	38
Eastbound						
SH 45 N	***US 183 - SH 130***	***EB***	***12.8***	***66***	***68***	***71***
US 79	IH 35 - SH 130	EB	6.9	40	37	40
IH 10	Loop 410 - SH 123	EB	29.1	71	72	70
RM 620	US 183 - IH 35	EB	7.8	33	30	36
Gattis School Rd.	IH 35 - SH 130	EB	5.4	27	25	30
Westbound						
SH 45 N	***SH 130 - US 183***	***WB***	***12.8***	***68***	***66***	***74***
US 79	SH 130 - IH 35	WB	6.9	31	31	33
IH 10	SH 123 - Loop 410	WB	29.1	67	71	72
RM 620	IH 35 - US 183	WB	7.8	30	30	39
Gattis School Rd.	SH 130 - IH 35	WB	5.4	24	25	29

2.3 HISTORIC CTTS TOLL TRANSACTIONS AND REVENUE

The CTTS is a fully operational 65-mile turnpike system, with all sections currently opened for traffic. The project was opened in Phases as follows:

- The eastern portion of SH 45 N, Loop 1, Segment 2 of SH 130 were opened in November 2006
- A month later, Segment 1 of SH 130 was opened in December 2006.
- The remaining Western portion of SH 45 N was completed and opened in spring 2007
- Segment 3 of SH 130 was opened almost a year later in September 2007. By May 2008, the CTTS elements were complete with the opening of SH 130 Segment 4.

Another pertinent event was the opening of SH 45 Southeast in May, 2009. This toll facility is a major connector between IH-35 and SH 130/US 183 Interchange and functions as a feeder road to CTTS elements, particularly SH 130. The opening of SH 45 Southeast completes the "half-beltway" that provides an alternative route for through traffic going north-south of the region as well as traffic traveling east of the region, in order to avoid Austin's busy traffic.

Historic toll rates for passenger cars are shown in Table 2-3. The CTTS operated toll-free at all paypoint locations for the first full two months of operation (November and December 2006). In the second and third months of operation all paypoint locations operated under reduced toll rates. Full tolling began in March 2007.

Table 2-3: Historic Toll Rates

Toll Road		Payment Type	Toll-Free		Discounted Tolls		Full Toll Rate
			Nov-06	Dec-06	Jan-07	Feb-07	Mar 2007 - Current
SH 45 N and Loop 1	Mainlines	Cash	-	-	$0.75	$0.75	$0.75
		ETC	-	-	-	$0.34	$0.68
		Pay by Mail	-	-	-	-	$0.90
	Ramps	Cash	-	-	$0.50	$0.50	$0.50
		ETC	-	-	-	$0.23	$0.45
		Pay by Mail	-	-	-	-	$0.60
SH 130 Turnpike	Mainlines	Cash	-	-	$1.50	$1.50	$1.50
		ETC	-	-	-	$0.68	$1.35
		Pay by Mail	-	-	-	-	$1.80
	Ramps	Cash	-	-	$0.50	$0.50	$0.50
		ETC	-	-	-	$0.23	$0.45
		Pay by Mail	-	-	-	-	$0.60

The percentages of payment type by facility and fiscal year for average weekday transactions are presented in Table 2-4. The Electronic Toll Collection (ETC) usage for the Northwest Elements has been consistently in the vicinity of 75 percent or higher for all fiscal years, while the ETC usage for SH 130 is slightly lower, at approximately 63 percent. These rates are much higher than the expected rate of use in the original 2002 study. The ETC rates were adjusted in the 2008 Review Study to reflect observed conditions and were also used for the 2010 Update. The ETC percentage for SH 130 in FY07 mainly reflects the usage of segments 1 and 2 of the facility since the other segments were opened later. These two segments served the users with higher transponder usage at 67 percent. However, as the other segments were opened (Segments 3 & 4) the ETC toll percentage dropped to approximately 62 percent. Please note

that in the model validation process, SH 130 utilized percentages by payment type from FY10, rather than FY08, to reflect the trends experienced for the entire facility's operation. .

It should be noted that TxDOT has a pilot program that permits the option of paying for tolls using video license plate technology, where the patron does not pay at the plaza but passes through and is billed later based up on the reading and identification of the license plate. This option was not considered in the original 2002 CTTS Study or 2005 Update. In subsequent studies, including 2008 Review, the video transactions were estimated in the post-model adjustment process as a fraction of cash transactions, based primarily upon observed transaction data. For the 2010 Update, video transactions were estimated by the modeling process and adjusted manually as necessary.

Table 2-4: Payment Type Percentages by Facility and Fiscal Year

Toll Road	Payment Type	FY 07	FY 08	FY 09	FY 10
SH 45 N	**Cash**		10%	8%	7%
	ETC	77%	75%	74%	74%
	Pay by Mail		15%	18%	19%
	Total	**77%**	**100%**	**100%**	**100%**
Loop 1	**Cash**		11%	8%	7%
	ETC	77%	75%	75%	75%
	Pay by Mail		14%	17%	18%
	Total	**77%**	**101%**	**100%**	**100%**
SH 130 Turnpike	**Cash**	18%	15%	12%	9%
	ETC	67%	63%	62%	62%
	Pay by Mail	15%	22%	26%	28%
	Total	**100%**	**100%**	**100%**	**99%**

Source: Transactions Data provided by TTA.

Table 2-5 and Table 2-6 show the actual monthly average weekday transactions by roadway and the percent change year over year, respectively. SH 45 N average weekday transactions have been steadily increasing with 5.5 percent increase in FY 2009 and 2.5 percent increase in FY 2010 and recently reaching 100,000. Growth on Loop 1 has remained virtually flat, with average weekday transactions only reaching 56,900 for FY 2010. SH 130 transactions have experienced double digit growth since opening, with weekday volumes recently almost reaching 90,000.

Table 2-5: Average Weekday Transactions by Fiscal Year

Toll Road	Not Open		Toll-Free		Discounted Tolls		Full Toll Rate					
	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07
SH 45 Total	-	-	NA	NA	38,312	41,409	39,714	41,034	42,995	42,725	42,800	45,757
Loop1 Turnpike	-	-	NA	NA	49,752	53,821	51,682	52,583	53,633	53,116	52,887	55,342
SH 130 Turnpike	-	-	NA	NA	29,789	33,417	32,314	32,803	33,052	32,164	31,467	34,334
CTTS TOTAL	-	-	NA	NA	117,853	128,647	123,710	126,420	129,680	128,005	127,154	135,433

Toll Road	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	FY 08
SH 45 Total	88,697	90,181	88,485	86,574	86,363	91,601	90,064	94,469	96,942	93,482	91,771	94,053	**91,057**
Loop1 Turnpike	55,085	54,726	53,929	52,263	53,074	55,639	54,645	56,356	56,452	55,378	54,594	55,104	**54,770**
SH 130 Turnpike	39,741	43,220	59,311	55,318	52,592	58,240	58,825	60,233	65,716	65,358	69,670	70,975	**58,267**
CTTS TOTAL	183,523	188,127	201,725	194,155	192,029	205,480	203,534	211,058	219,110	214,218	216,035	220,132	**204,094**

Toll Road	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	FY 09
SH 45 Total	95,283	96,496	93,982	91,614	91,260	94,583	93,629	97,972	101,507	99,779	97,701	99,042	**96,071**
Loop1 Turnpike	55,757	55,696	54,455	52,955	53,181	54,923	54,039	55,839	56,380	56,189	55,362	56,491	**55,106**
SH 130 Turnpike	69,999	70,765	69,968	66,563	63,679	67,940	70,384	71,812	79,731	82,663	82,054	81,555	**73,093**
CTTS TOTAL	221,039	222,957	218,405	211,132	208,120	217,446	218,052	225,623	237,618	238,631	235,117	237,088	**224,269**

Toll Road	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	FY 10
SH 45 Total	98,080	98,938	97,511	94,200	94,291	94,273	98,760	102,392	103,115	100,502	98,416	100,872	**98,446**
Loop1 Turnpike	56,006	56,575	55,652	54,125	55,399	55,244	57,475	58,845	58,951	58,324	57,487	58,716	**56,900**
SH 130 Turnpike	79,743	81,292	83,610	78,074	74,433	78,824	86,870	88,569	89,225	88,537	89,015	89,228	**83,952**
CTTS TOTAL	233,829	236,805	236,773	226,399	224,123	228,341	243,105	249,806	251,291	247,363	244,918	248,816	**239,297**

Toll Road	Sep-10	Oct-10	Nov-10
SH 45 Total			
Loop1 Turnpike			
SH 130 Turnpike			
CTTS TOTAL			

Notes:
(1) Values for SH 130 include only the two northern segments (Segments 1 & 2) in operation as of October 2007.
(2) Values for SH 130 include only the three northern segments (Segments 1,2, and 3) in operation between November 2007 and June 2008.
(3) Values for SH 130 include all four segments in operation starting in July 2008.

Source: CTTS Annual Reports (FY 07, FY 08, FY 09, and FY 10)

Table 2-6: Average Weekday Transaction - Monthly Percent Change

	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08
SH 45 Total					125.4%	121.2%	126.8%	130.2%	125.5%	118.8%	114.4%	105.5%
Loop1 Turnpike					6.7%	3.4%	5.7%	7.2%	5.3%	4.3%	3.2%	-0.4%
SH 130 Turnpike					76.5%	74.3%	82.0%	83.6%	98.8%	103.2%	121.4%	106.7%
CTTS TOTAL					62.9%	59.7%	64.5%	66.9%	69.0%	67.4%	69.9%	62.5%

	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	FY 09
SH 45 Total	7.4%	7.0%	6.2%	5.8%	5.7%	3.3%	4.0%	3.7%	4.7%	6.7%	6.5%	5.3%	**5.5%**
Loop1 Turnpike	1.2%	1.8%	1.0%	1.3%	0.2%	-1.3%	-1.1%	-0.9%	-0.1%	1.5%	1.4%	2.5%	**0.6%**
SH 130 Turnpike	76.1%	63.7%	18.0%	20.3%	21.1%	16.7%	19.6%	19.2%	21.3%	26.5%	17.8%	14.9%	**25.4%**
CTTS TOTAL	20.4%	18.5%	8.3%	8.7%	8.4%	5.8%	7.1%	6.9%	8.4%	11.4%	8.8%	7.7%	**9.9%**

	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	FY 10
SH 45 Total	2.9%	2.5%	3.8%	2.8%	3.3%	-0.3%	5.5%	4.5%	1.6%	0.7%	0.7%	1.8%	**2.5%**
Loop1 Turnpike	0.4%	1.6%	2.2%	2.2%	4.2%	0.6%	6.4%	5.4%	4.6%	3.8%	3.8%	3.9%	**3.3%**
SH 130 Turnpike	13.9%	14.9%	19.5%	17.3%	16.9%	16.0%	23.4%	23.3%	11.9%	7.1%	8.5%	9.4%	**14.9%**
CTTS TOTAL	5.8%	6.2%	8.4%	7.2%	7.7%	5.0%	11.5%	10.7%	5.8%	3.7%	4.2%	4.9%	**6.7%**

Note: Monthly Percent Change is comparison to the same month in prior year

Overall, the CTTS project was well received by patrons as shown in the comparison between estimated and observed transactions in the past three years shown in Figure 2-4.

Figure 2-4: Actual Average Weekday Toll Transactions vs. Prior Forecasts

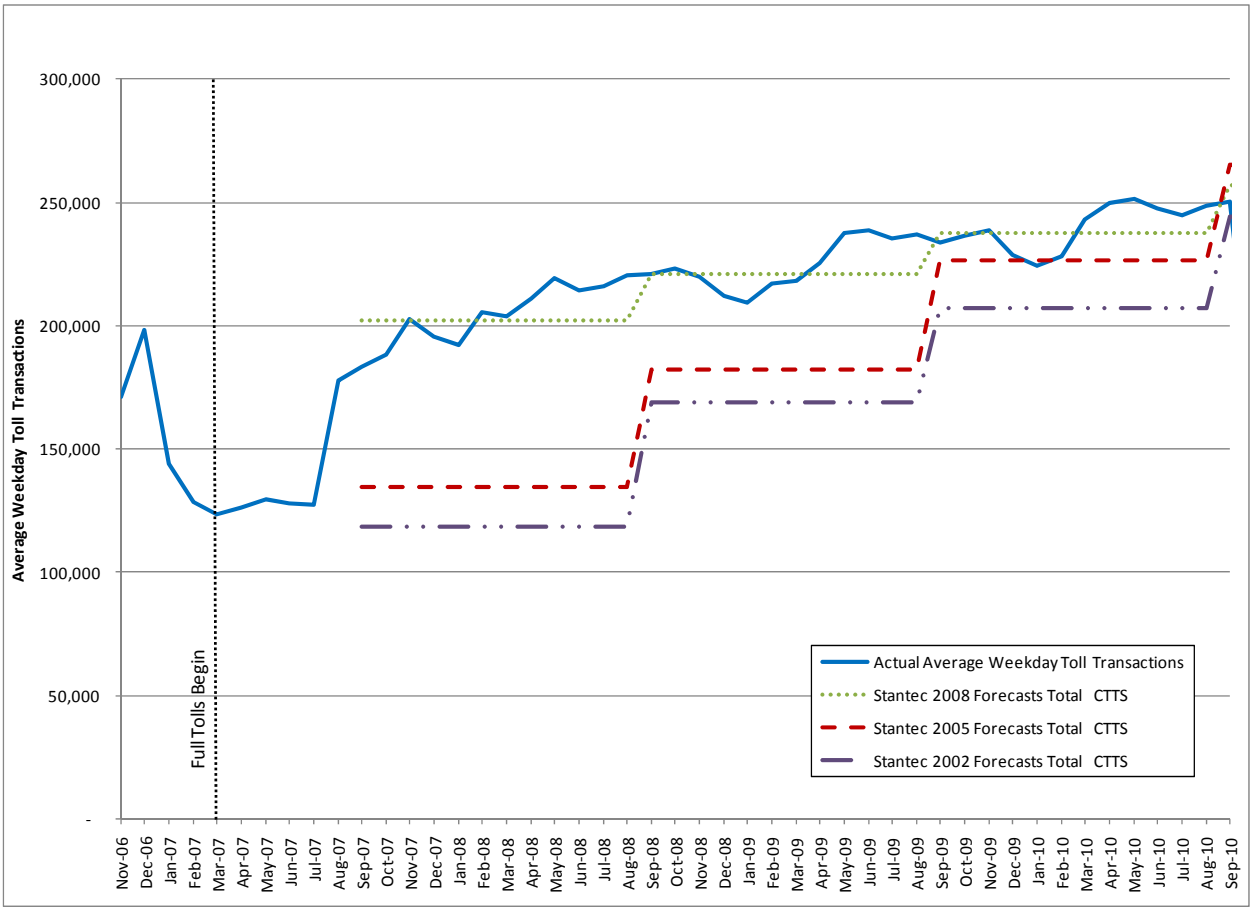


Table 2-7 and Table 2-8 show the historic trends in toll revenue since the toll road began collecting revenue in January 2007 to August 2010. Total revenue on SH 45 N increased 6.2 percent in FY 2009 and slightly declined by 0.5 percent in FY 2010. Total revenue on Loop 1 has continually collected on average $10.7 million for FY 2008, FY 2009, and FY 2010. These downward influences on SH 45 N and Loop 1 are most likely due to the recent recession and the congestion in the Loop 1 corridor. CTTS total revenue growth has been significant and steady since the start-up of this toll facility with toll revenues of $48.9 million in FY 2008, $58.9 million in FY 2009, and $66.2 million in FY 2010.

Table 2-7: Actual Monthly Toll Fiscal Year Toll Revenues

Toll Road	Not Open		Toll-Free		Discounted Tolls		Full Toll Rate					
	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07
SH 45 Total	$ -	$ -	$ -	$ -	$ 53,900	$ 363,500	$ 625,400	$ 614,200	$ 682,800	$ 661,700	$ 661,000	$ 887,600
Loop1 Turnpike	$ -	$ -	$ -	$ -	$ 116,300	$ 539,200	$ 900,100	$ 866,600	$ 936,800	$ 900,000	$ 894,600	$ 981,100
SH 130 Turnpike	$ -	$ -	$ -	$ -	$ 108,400	$ 465,200	$ 820,000	$ 795,800	$ 858,200	$ 841,200	$ 817,300	$ 927,800
CTTS TOTAL	$ -	$ -	$ -	$ -	$ 278,900	$1,386,100	$2,388,400	$2,328,400	$2,553,000	$2,473,600	$2,448,800	$ 2,886,700

Toll Road	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	FY 08
SH 45 Total	$1,328,600	$1,466,800	$1,342,400	$1,353,600	$1,370,300	$1,393,800	$1,435,100	$1,469,200	$1,517,700	$1,425,600	$1,420,300	$ 1,459,100	**$ 16,982,500**
Loop1 Turnpike	$ 883,100	$ 961,200	$ 883,700	$ 874,100	$ 902,200	$ 896,700	$ 915,000	$ 925,400	$ 923,900	$ 879,200	$ 885,700	$ 892,400	**$ 10,822,600**
SH 130 Turnpike	$1,045,900	$1,215,800	$1,247,000	$1,359,700	$1,429,400	$1,538,200	$1,652,900	$1,636,700	$1,781,700	$1,775,400	$1,777,700	$ 1,909,600	**$ 18,370,000**
CTTS TOTAL	$3,344,100	$3,769,300	$3,611,700	$3,772,900	$3,943,700	$4,030,500	$4,195,500	$4,253,100	$4,479,800	$4,392,500	$4,458,800	$ 4,653,900	**$ 48,905,800**

Toll Road	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	FY 09
SH 45 Total	$1,482,700	$1,551,500	$1,389,700	$1,456,800	$1,471,800	$1,420,900	$1,533,200	$1,546,500	$1,582,900	$1,565,700	$1,529,100	$ 1,506,100	**$ 18,036,900**
Loop1 Turnpike	$ 902,300	$ 942,000	$ 836,300	$ 880,000	$ 894,500	$ 865,700	$ 929,300	$ 929,700	$ 914,400	$ 919,200	$ 904,700	$ 893,600	**$ 10,811,700**
SH 130 Turnpike	$1,946,600	$2,021,100	$1,825,400	$1,831,500	$1,782,700	$1,795,500	$2,066,200	$1,981,600	$2,211,800	$2,433,400	$2,412,300	$ 2,289,800	**$ 24,597,900**
CTTS TOTAL	$4,671,600	$4,939,300	$4,456,700	$4,563,400	$4,625,600	$4,545,100	$4,971,700	$4,868,700	$5,109,200	$5,429,700	$5,403,100	$ 5,329,900	**$ 58,914,000**

Toll Road	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	FY 10
SH 45 Total	$1,424,100	$1,467,700	$1,386,500	$1,476,900	$1,429,200	$1,373,900	$1,579,000	$1,583,500	$1,592,100	$1,557,800	$1,543,900	$ 1,540,900	**$ 17,955,500**
Loop1 Turnpike	$ 851,800	$ 878,000	$ 824,600	$ 878,800	$ 860,400	$ 834,400	$ 961,000	$ 958,300	$ 945,200	$ 640,700	$ 938,200	$ 961,500	**$ 10,532,900**
SH 130 Turnpike	$2,160,400	$2,199,400	$2,226,400	$2,227,500	$1,966,700	$2,040,000	$2,577,200	$2,538,000	$2,532,600	$2,522,200	$2,562,300	$ 2,529,100	**$ 28,081,800**
CTTS TOTAL	$5,220,000	$5,359,900	$5,492,400	$5,319,200	$4,994,900	$4,937,300	$5,834,900	$5,929,000	$5,716,500	$5,723,200	$5,778,200	$ 5,845,600	**$ 66,151,100**

Note:
(1) Individual roadway revenue does not include Pay by Mail revenue.
(2) Totals do not add because Pay by Mail revenue is included in CTTS total.
(3) Values for SH 130 include only the two northern segments (Segments 1 & 2) in operation as of October 2007.
(4) Values for SH 130 include only the three northern segments (Segments 1,2, and 3) in operation between November 2007 and June 2008.
(5) Values for SH 130 include all four segments in operation between July 2008 and September 2008.

Source: CTTS Annual Reports (FY 07, FY 08, FY 09, and FY 10)

Table 2-8: Actual Monthly Toll Revenue - Monthly Percent Change

	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08
SH 45 Total					2442.3%	283.4%	129.5%	139.2%	122.3%	115.4%	114.9%	64.4%
Loop1 Turnpike					675.8%	66.3%	1.7%	6.8%	-1.4%	-2.3%	-1.0%	-9.0%
SH 130 Turnpike					1218.6%	230.7%	101.6%	105.7%	107.6%	111.1%	117.5%	105.8%
CTTS TOTAL					1314.0%	190.8%	75.7%	82.7%	75.5%	77.6%	82.1%	61.2%

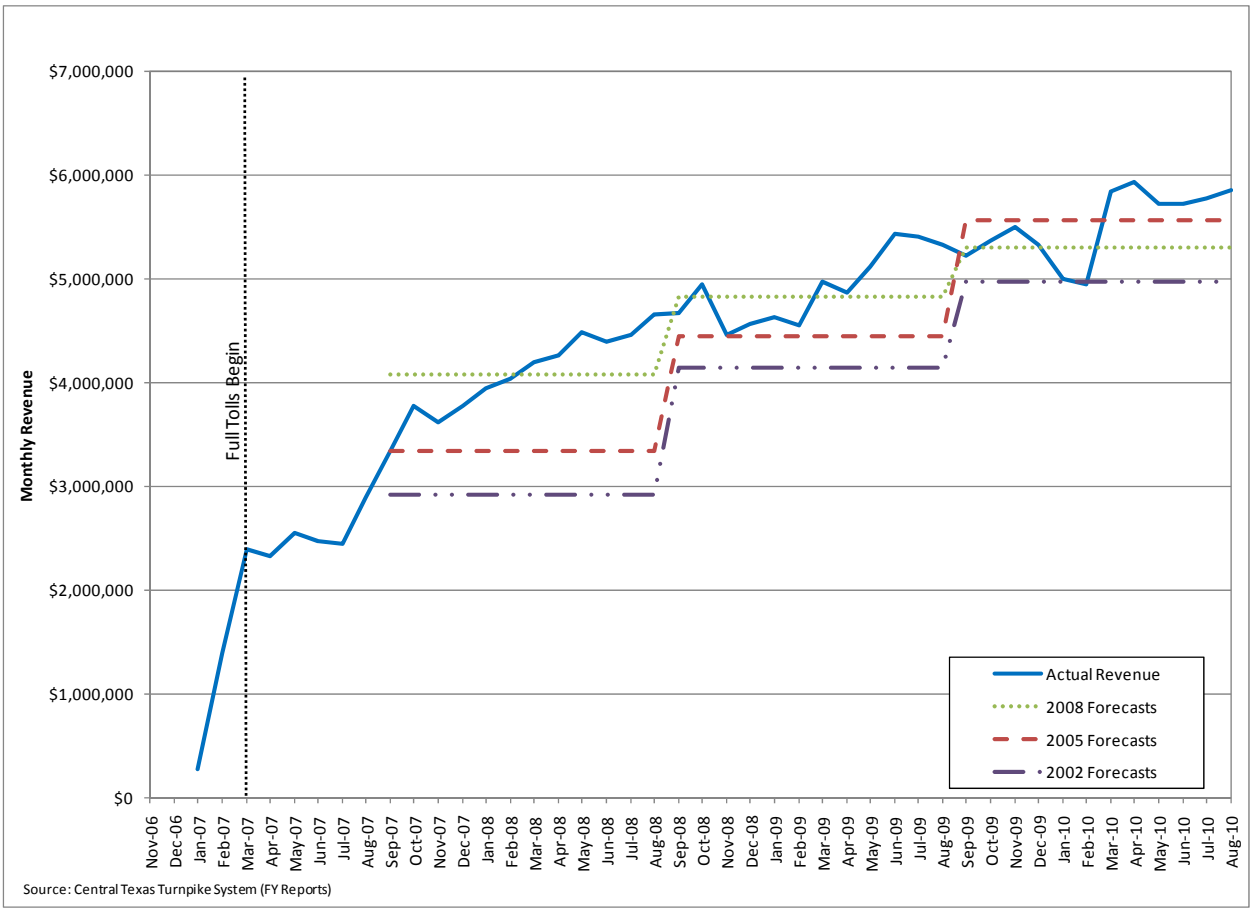
	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	**FY 09**
SH 45 Total	11.6%	5.8%	3.5%	7.6%	7.4%	1.9%	6.8%	5.3%	4.3%	9.8%	7.7%	3.2%	**6.2%**
Loop1 Turnpike	2.2%	-2.0%	-5.4%	0.7%	-0.9%	-3.5%	1.6%	0.5%	-1.0%	4.5%	2.1%	0.1%	**-0.1%**
SH 130 Turnpike	86.1%	66.2%	46.4%	34.7%	24.7%	16.7%	25.0%	21.1%	24.1%	37.1%	35.7%	19.9%	**33.9%**
CTTS TOTAL	39.7%	31.0%	23.4%	21.0%	17.3%	12.8%	18.5%	14.5%	14.0%	23.6%	21.2%	14.5%	**20.5%**

	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	**FY 10**
SH 45 Total	-4.0%	-5.4%	-0.2%	1.4%	-2.9%	-3.3%	3.0%	2.4%	0.6%	-0.5%	1.0%	2.3%	**-0.5%**
Loop1 Turnpike	-5.6%	-6.8%	-1.4%	-0.1%	-3.8%	-3.6%	3.4%	3.1%	3.4%	-30.3%	3.7%	7.6%	**-2.6%**
SH 130 Turnpike	11.0%	8.8%	22.0%	21.6%	10.3%	13.6%	24.7%	28.1%	14.5%	3.6%	6.2%	10.5%	**14.2%**
CTTS TOTAL	11.7%	8.5%	23.2%	16.6%	8.0%	8.6%	17.4%	21.8%	11.9%	5.4%	6.9%	9.7%	**12.3%**

Note: Monthly Percent Change is comparison to the same month in prior year

Figure 2-5 shows the actual total monthly toll revenue including pay by mail for the entire CTTS since the roadway was opened in November 2006, compared to prior revenue forecasts.

Figure 2-5: Monthly Toll Revenue Collections vs. Prior Forecasts



3.0 Model Validation and Refinement

In preparing to estimate traffic and toll revenue for this project, a decision was made to update the existing travel demand modeling process used to forecast traffic and toll diversion. This decision was based on several issues related to the growth in the region and the expansion of the underlying regional models as well as the availability of several years of observed data for the CTTS facilities. The objective of this model development effort was to provide a more robust tool for modeling the CTTS toll roads as well as other local toll roads that influence traffic on the CTTS.

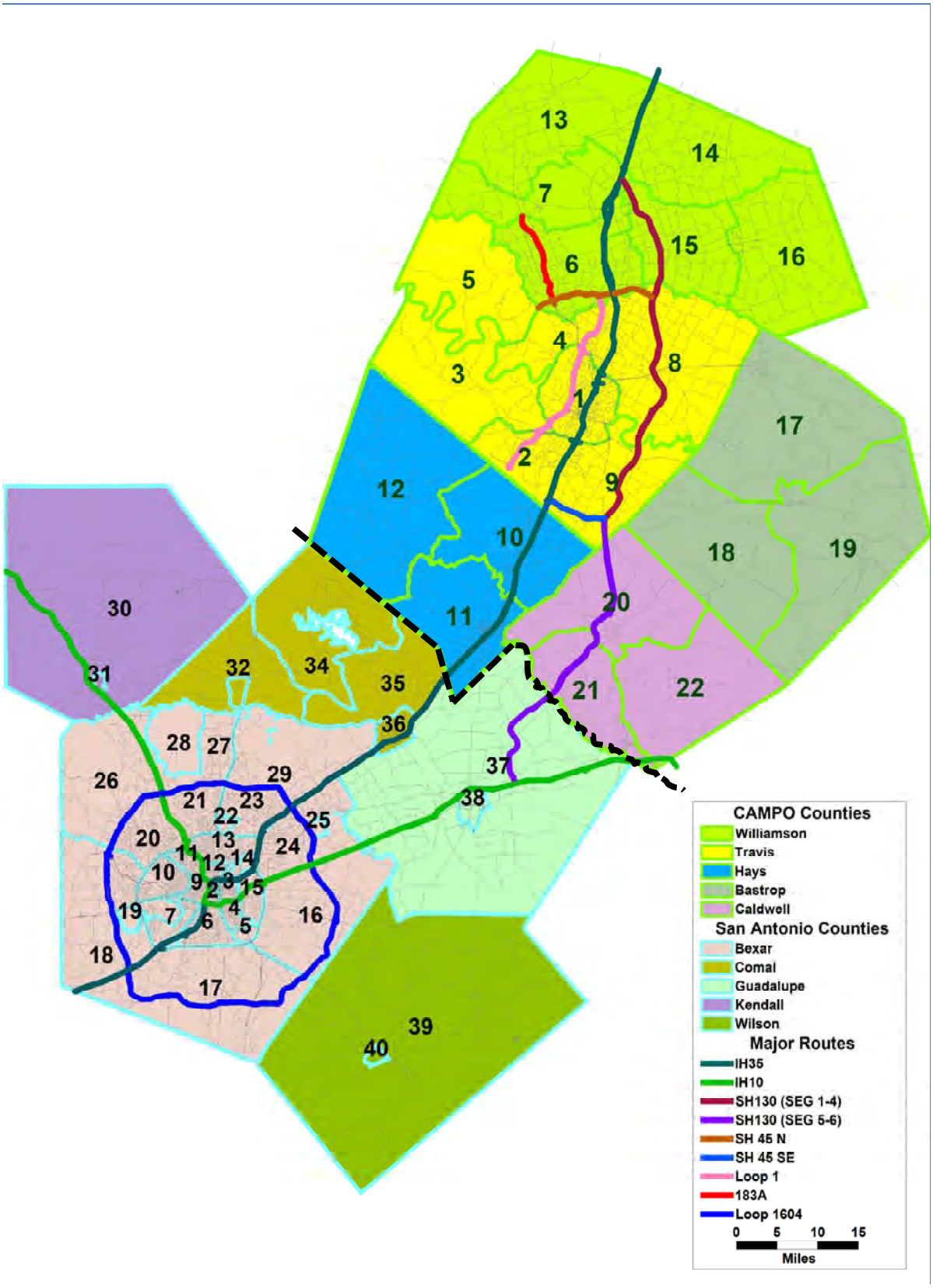
A key element of the model development was the expansion of the modeled region to encompass areas and facilities that would influence traffic volumes on the various CTTS roadways. The expanded region included two additional counties east of Austin (Bastrop and Caldwell) that were recently added to the CAMPO, the Austin MPO, and a significant extension south of Austin by incorporating the area within the San Antonio regional model. The expanded area south of Austin was included primarily to reflect the anticipated growth in the I-35 corridor southward towards San Antonio and impacts of growing congestion that would influence diversion to the planned extension of the SH 130 Toll Road southward towards Seguin. This extension includes SH 130 Segments 5 and 6 which are now under construction with anticipated completion date in early 2013. While this extension is not part of the CTTS, it is anticipated that these new segments would provide some additional traffic to the CTTS, particularly the southern segments of existing SH 130.

In addition to the expansion of the modeled region, the toll diversion modeling techniques were also updated to reflect new aspects of the tolling policy including the option of video tolling. The toll diversion model was updated to provide for greater flexibility in representing the variations in toll policy utilized by TTA and CTRMA both in terms of discounts and the integration of configuration-based tolls for newer facilities such as SH 45 Southeast. The modeling process was also enhanced to provide variation in the methods of payments by individual subregions. Lastly, the toll diversion models were further enhanced to improve the representation of several planned toll facilities that will be operated as managed lanes with variable pricing. The effect of all of these enhancements is the creation of improved modeling process that is capable of supporting forecasting in the growing region surrounding Austin. These enhancements will enable the modeling process to be responsive to a wide range of potential changes in toll policies as well as specific conditions that will influence traffic diversion for the next generation of toll facilities.

3.1 TRAVEL DEMAND MODEL DEVELOPMENT

The model development effort was designed specifically to take advantage of the existing regional models that encompass the expanded study area and to refine the toll diversion process that was originally developed for the 2002 CTTS Financing Study. The expanded study area encompassing both the Austin and San Antonio regional models is shown in Figure 3-1. Note that regional models share a common boundary along the Hays-Comal and Caldwell-Guadalupe county lines.

Figure 3-1: Austin - San Antonio Integrated Model



In order to integrate the individual regional models into single unified modeling process, it was necessary to merge the network and vehicle trip tables. As with the original model development for the 2002 study, the regional models are utilized to estimate total vehicle trips in the study. Each of the regional models is executed from trip generation, through trip distribution and mode choice using the revised socioeconomic data described in Chapter 4 to create vehicle trips by trip purpose and vehicle type (SOV, HOV, and Truck). The networks from each regional model were compared and a decision was made to adopt the network facility type –area type definitions as well the speeds and capacities from the Austin Model. Similarly the resulting vehicle trip tables from the execution of both regional models were integrated using the trip purpose designations from the Austin Model. The use of the Austin Model network parameters and trip purposes for the final integrated model reflect the fact the CTTS is entirely within the Austin modeled region and the Austin model represents a more advanced modeling process.

As part of the model development, it was recognized that several specific issues would influence the approach to model calibration. In contrast to the model development for the original 2002 financing study, the current model calibration would need to replicate volumes across the entire study area and traffic on the recently completed toll facilities. A further complication was the fact that the speed run data and traffic count data for this study would reflect the impact of several recently completed improvement projects such as SH 45 Southeast. Since the latest available socioeconomic data available for both regions was for the year 2008, a decision was made to set 2008 as the calibration year. As a result of this decision, it was necessary to factor the traffic count data collected for this study back to 2008, but to utilize a network that reflects the 2010 conditions, including the recent improvements, to be consistent with the speed and travel time data collected for this study. This approach required the estimation of traffic counts for the year 2008 assuming that major projects such as SH 45 Southeast were in place at that time. These adjusted counts were created near the new facilities (primarily SH 45 Southeast) using the volumes reported for the toll facilities as well as counts performed on parallel roadways as part of this project.

The new model utilized the existing toll diversion process as the basis for estimating tolled traffic. Several refinements were incorporated into the toll diversion modeling to account for both for new tolling technologies, such as video tolling pilot program being evaluated by TTA and dynamic pricing for managed lane facilities that are planned for the Austin region. In addition to these refinements, the new toll diversion model provides for variation by sub region in setting parameters, such as transponder usage, rather than using a single, regional value for all toll facilities. Similarly parameters reflecting the tolling policies of each agency (TTA and CTRMA) and the tolling plans for trucks (either axle-based or vehicle configuration-based) are now established at each tolling pay point, rather than regional averages. This enhancement permits variation in the tolling plans for each agency as well the transition to newer toll collection technologies.

Toll diversion equations were established for each of six trip purposes, including:

- Home Based Work (HBW)
- Home Based Shop (HBS)
- Home Based School (HBSch)
- Home Based Other (HBO)
- Work Based Other (WBO)
- Other Based Other (OBO)

As noted above, the new toll diversion process utilized the existing toll diversion equations as the basis for the forecasts. The formula is a basic binary logit equation and is defined as follows:

$$\text{Toll Share} = 1 / (1 + e^{U})$$

where:

Toll Share	=	Probability of selecting a toll road
e	=	Base of natural logarithm (ln)
U (work)	=	$a * (Time_{TR} - Time_{FR}) + b * (Cost)/\ln(Inc) + C_{TR} + C_{ETC}$
U (nonwork)	=	$a * (Time_{TR} - Time_{FR}) + b * (Cost) + C_{TR} + C_{ETC}$
$Time_{TR}$	=	Toll road travel time in minutes
$Time_{FR}$	=	Nontoll road travel time in minutes
Cost	=	Toll in dollars
Inc	=	Annual income / 1000
C_{TR}	=	Constant for toll road bias
C_{ETC}	=	Constant for ETC bias
a,b	=	Coefficients

Several adjustments to the existing procedures were implemented as part of the development process. As an initial step, the value of time for each purpose was increased to reflect the increased household incomes in the Austin region from 1997 to 2008. While the values of time were increased, the resulting weighted average of all trip purposes ($16.67 per hour) is 59.8 % of Austin's 2008 median household income $57,973 per year, nearly identical the percentage for the 1997 calibration year of the original 2002 financing study. Table 3-1 lists the coefficients for each trip purpose as well as the bias terms and equivalent minute values for the negative toll bias term applicable to all payment method and the positive bias term for payment by transponder

Table 3-1: Toll Diversion Coefficients

TRIP PURPOSE	(ALPHA) TIME (MIN)	PEAK (BETA) COST ($) (1)	PEAK VOT ($/HR)	OFF-PEAK (BETA) COST ($) (1)	OFF-PEAK VOT ($/HR)	BIAS TERMS VALUES TOLL (2)	BIAS TERMS VALUES ETC (3)	BIAS TERMS EQUIVALENT MINUTES TOLL	BIAS TERMS EQUIVALENT MINUTES ETC
HBW	0.1053	1.3821	$ 18.56	2.0732	$ 12.37	0.0000	-0.2960	0.0	-2.8
HBS	0.0754	0.4049	$ 11.17	0.6074	$ 7.45	0.1872	-0.2423	2.5	-3.2
HBSCH	0.0777	0.4536	$ 10.28	0.6804	$ 6.85	0.1632	-0.2226	2.1	-2.9
HBO	0.0441	0.1672	$ 15.83	0.2508	$ 10.55	0.1716	-0.1650	3.9	-3.7
WBO	0.1396	1.9066	$ 17.84	2.8599	$ 11.89	0.0000	-0.3400	0.0	-2.4
OBO	0.0872	0.2408	$ 21.72	0.3613	$ 14.48	0.2667	-0.2980	3.1	-3.4
TRUCK	0.0884	0.1111	$ 47.73	0.1111	$ 47.73	0.3375	-0.2652	3.8	-3.0

Notes:
(1) HBW and WBO purposes use toll costs divided by LN(income/1000)

All cost coefficients scaled from the 1997 values in the original CTTP 2002 financing study to the year 2008.
All time coefficients and bias constants retained as in the original CTTP 2002 financing study, except:
(2) *Toll Bias terms for HBW and WBO are reduced to zero as trip makers for these purposes assumed familiar with tradeoffs*
(3) *Truck has a positive bias for payment by transponders*

As part of the original model development, the trips in the region were partitioned into those trips with transponder equipped vehicles and those trips that elected to pay tolls via traditional cash payments. In order to estimate the conditions of trips being assessed toll with the pilot program for video billing, it was necessary to create a third market segment in addition to the market segments for cash and transponder payment options. For the video tolling market segment, these trips had the relevant surcharge applied to the base tolls at each pay point, but also utilized the positive bias term associated with transponder payments since these trips have the convenience of not needing to stop to pay tolls as they would have if paying by cash.

A final set of refinements were included in the model. In order to be conservative, a decision was made to retain the lower value of time for each trip purpose during the off-peak period. The value of time was reduced by 33.3 percent and was applied to trips in each toll corridor. The toll diversion share estimates were also reduced for all trips where time savings were less than 2 minutes. For these trips with under 2 minutes of time savings, as the time savings transitioned towards zero, the toll shares were reduced from the shares predicted by the logit equations towards zero. This ensured that the toll traffic and revenue stream had a lower contribution from trips with minimal time savings. Lastly, since the individual toll facilities have now been in operation for several years, it is anticipated that those trips that have the highest frequency and are work-related would no longer incorporate a general bias against toll roads in the choice evaluation. These travelers, due to their frequency of travel, now are assumed to have an accurate assessment of the benefits and costs associated with the toll road options and no longer incorporate the biases in their decision making process. These trips elect to use or avoid the toll road based strictly on the time savings and associated costs. Due the large proportion of trucks using transponders, a decision was made to incorporate a bias term for truck transponder usage. This term is worth approximately 3 minutes of equivalent time.

The final toll shares by purpose as a function of time savings for $2.00 toll are shown in Figure 3-2 through Figure 3-8. In each graph, two lines are shown depicting the shares for trips paying with cash and those trips using transponders for payment.

Figure 3-2: Toll Diversion for Home Based Work (Auto) - $2.00 Toll

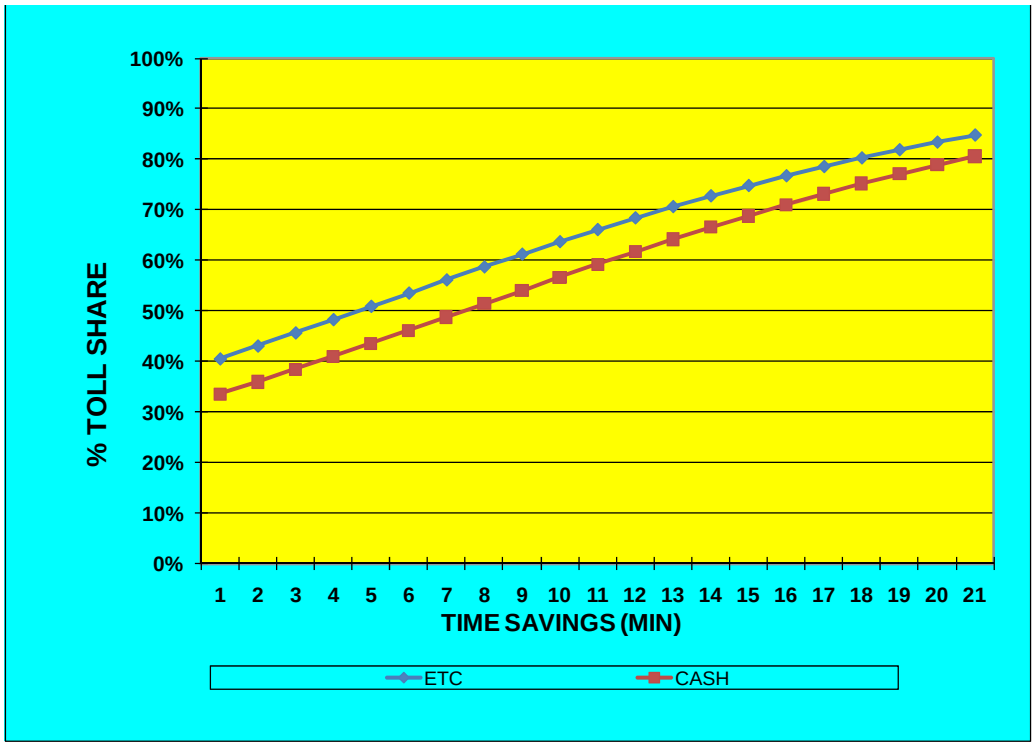


Figure 3-3: Toll Diversion for Home Based Shop (Auto) - $2.00 Toll

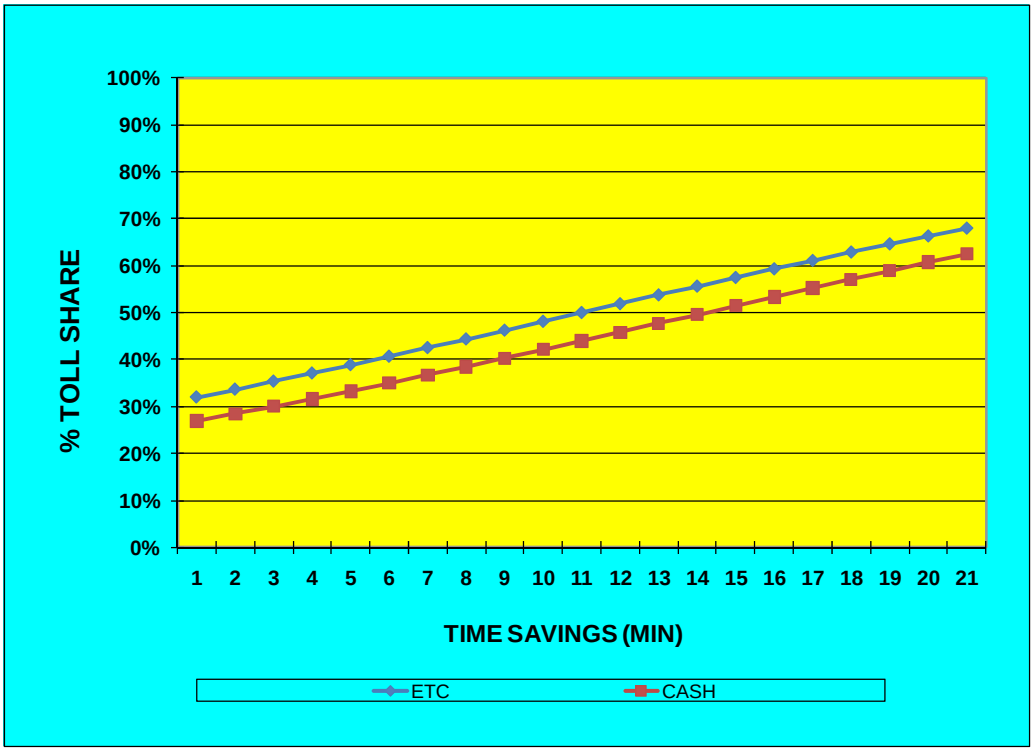


Figure 3-4: Toll Diversion for Home Based School (Auto) - $2.00 Toll

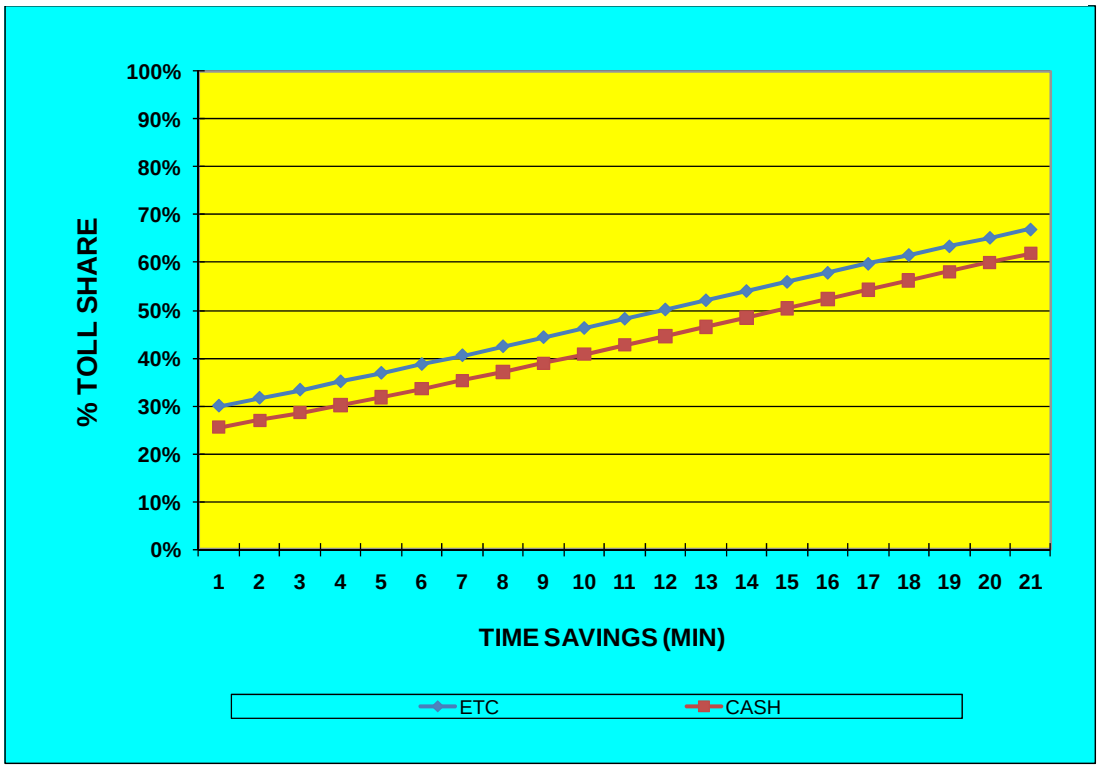


Figure 3-5: Toll Diversion for Home Based Other (Auto) - $2.00 Toll

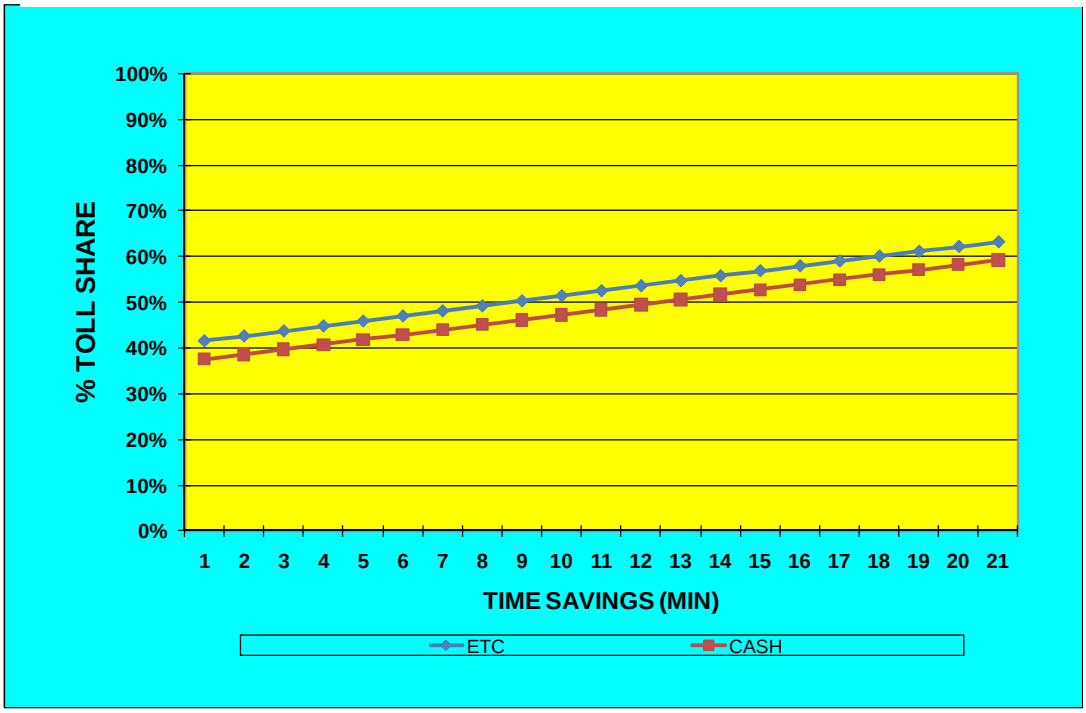


Figure 3-6: Toll Diversion for Work Based Other (Auto) - $2.00 Toll

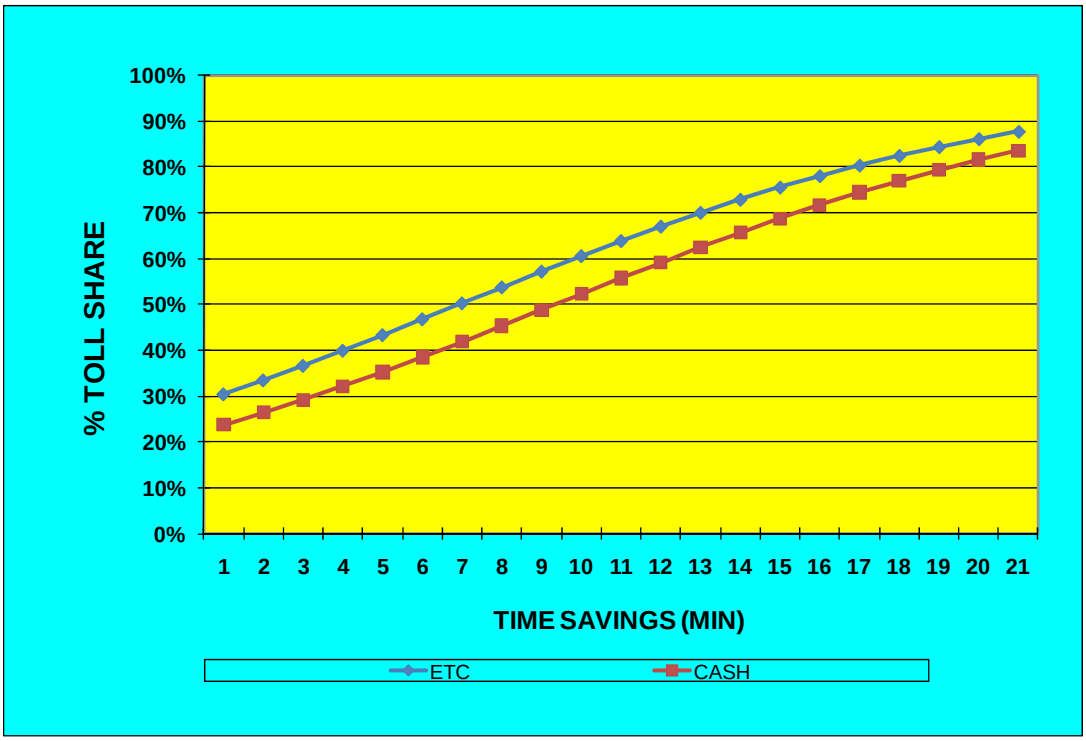


Figure 3-7: Toll Diversion for Other Based Other (Auto) - $2.00 Toll

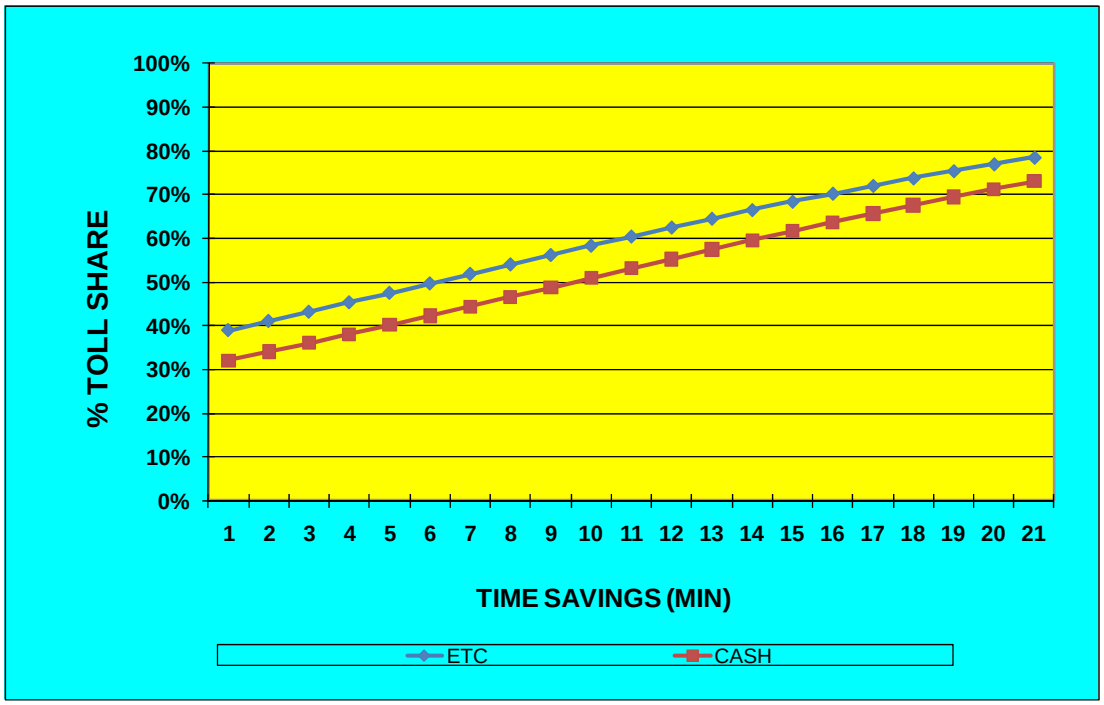
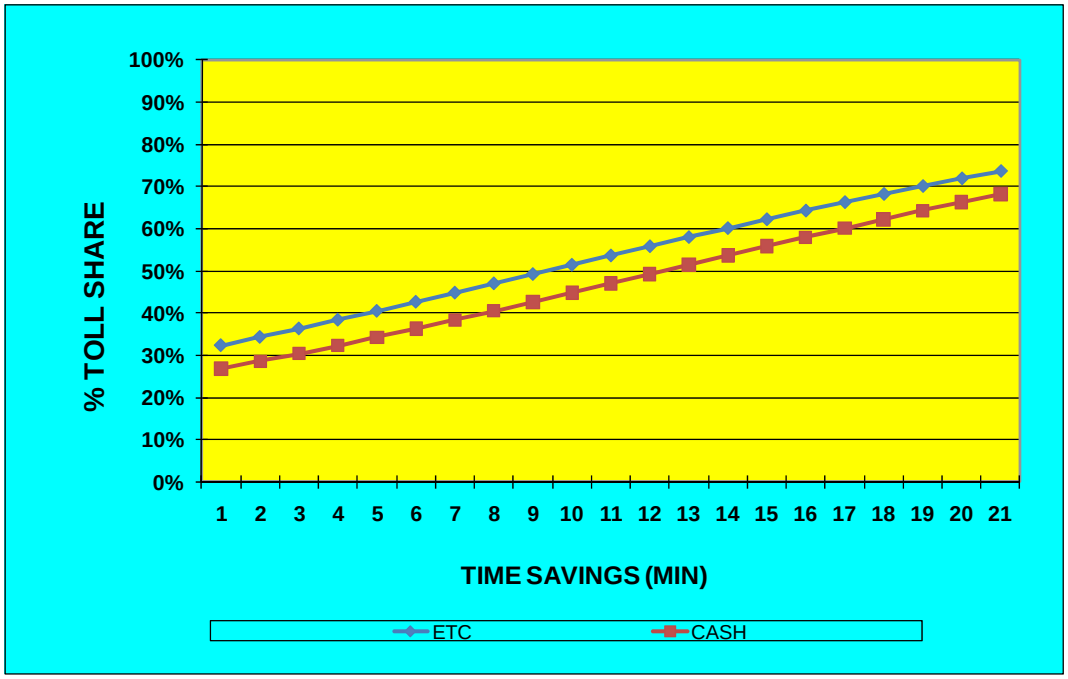


Figure 3-8: Toll Diversion for Trucks - $6.00 Toll



3.1.1 Highway Assignment Process Modifications

Consistent with the existing highway assignment process, trips are assigned to the network for three specific time-of-day conditions. The hours within each of these three periods are as follows:

- AM Peak (2-hour)– 7:00 AM to 9:00 AM
- PM Peak (2-hour)– 5:00 PM to 7:00 PM
- Off Peak (20 hours) – the remaining hours

The CAMPO Regional Model's current volume delay functions (VDFs) were adopted for the assignment and were augmented with routine to estimate queuing at roadway intersections and merge points on limited access roadways. The queuing formula estimates the additional time encountered when traffic volumes exceed the physical capacity of a roadway segment. This modification is only enabled on a roadway segment if a traffic control device (signals, stop signs, or yield signs) is present and the roadway segment's volume/capacity ratio exceeds a value of 1.0. As part of the model calibration, the 'free flow' speeds, link capacities, and queuing routines were refined as necessary to ensure that the model adequately replicated both peak and off-peak speeds for the primary roadway facilities in each toll road corridor.

3.2 MODEL CALIBRATION

The objective of the model calibration was to ensure that the modeling process adequately replicates both the observed traffic volumes and the observed speeds by time of day for each of the project corridors. The calibration was also structured to replicate the traffic and transactions by payment method to the extent feasible for each toll road by pay point. It should be noted that the calibration was performed solely on the integrated model highway assignment process and toll diversion routines and no adjustments were made to the individual regional models.

The initial element of the calibration was to adjust the assignment procedures to ensure that estimated speeds in both the peak and off-peak periods were adequately replicating the observed speed data collected for this project. The assumed free flow speeds were adjusted as necessary to replicate the off-peak speeds which reflect generally uncongested conditions. Peak speeds were adjusted in an iterative process including refinements to the capacity and the queuing formula to ensure that estimated congested speeds replicated the observed values and that the overall traffic assigned to the roadways replicated the observed volumes on a daily basis. This approach for calibration of peak speeds was adopted since period specific traffic counts were available only at limited locations throughout the region. Volumes and vehicle-miles of travel (VMT) were also summarized on a regional basis to evaluate the assignment process on an aggregate level.

After the speeds and regional calibration analysis was completed, the calibration of traffic within each corridor was performed. This process included the replication of traffic by screenline total and individual roadways as well as by vehicle type. This analysis included the use of in-house trip table adjustment routine to ensure that the aggregate travel across each screenline replicated the observed traffic by vehicle type.

The final element of the calibration was to adjust the toll diversion model equations to replicate the observed traffic by vehicle type and payment method across each of the toll corridors. This analysis resulted in adjustments to the assumed market segments by payment type in each subarea as well as minor adjustments to the toll bias constants and ETC bias constants.

3.2.1 Speed Calibration

As part of the speed calibration effort, Stantec, assisted by Brown and Gay, Associates, collected the observed speed data on for corridors across the study region. The speed data was collected for both directions across three different time-of-day period. Table 3-2 shows the results of the speed calibration by corridor and by time-of-day. These corridors were depicted earlier in Chapter 2 in Figure 2-3. Note that the top section of roadways is located primarily in the Austin region within the corridors of the individual roadways. The final four roadway segments are south of Austin and include facilities that generally parallel the proposed alignment of SH 130 Segments 5 and 6.

Table 3-2: Speed Calibration Summary

ROADWAY CORRIDOR	DIR	DIST (MILE)	AM				PM				OP			
			TIME(MIN)		SPEED (MPH)		TIME (MIN)		SPEED (MPH)		TIME (MIN)		SPEED (MPH)	
			OBS	EST	OBS	EST	OBS	EST	OBS	EST	Time (Min)	Time (Min)	Speed (MPH)	Speed (MPH)
IH 35	NB	30.0	26.9	27.0	66.8	65.3	38.6	37.3	46.6	47.2	26.6	28.0	67.7	62.9
(From SH 130 to MLK Blvd.)	SB	29.9	51.3	42.6	35.0	41.5	39.3	28.9	45.6	61.3	26.3	29.0	68.1	61.0
IH 35	NB	30.1	52.5	39.3	34.4	45.3	34.8	28.6	51.9	62.3	29.0	28.7	62.3	61.9
(From MLK Blvd. to SH 80)	SB	30.1	26.8	27.3	67.5	65.0	40.3	37.6	44.8	47.2	25.9	27.0	69.7	65.9
Loop 1	NB	19.9	22.0	31.8	54.1	37.1	32.7	29.5	36.4	40.0	18.9	18.9	63.0	62.5
(From SH 45N to US 290W)	SB	19.9	34.9	27.6	34.1	42.8	32.2	29.8	37.0	39.7	18.3	18.9	65.0	62.7
SH 130	NB	46.9	38.4	38.5	73.3	73.6	39.0	38.6	72.1	73.4	39.6	38.4	71.1	73.7
(From IH-35 to US 183S)	SB	46.9	38.9	38.3	72.4	73.6	39.2	38.2	71.8	73.7	39.7	38.2	70.9	73.8
SH 45N	EB	12.8	11.7	11.1	66.0	69.1	11.3	11.1	68.2	69.4	10.8	11.0	71.2	69.6
(From US 183 to SH 130)	WB	12.8	11.4	11.0	67.6	69.4	11.6	11.0	66.2	69.6	10.4	11.0	74.1	69.7
US 183	NB	14.3	13.1	13.0	65.9	64.9	18.9	16.4	45.5	51.5	13.3	13.2	64.6	64.2
(From SH 45N to Manor Rd.)	SB	14.3	24.9	19.7	34.5	42.6	13.1	13.2	65.8	63.7	12.9	13.3	66.9	63.3
US 183	NB	17.1	27.0	30.8	38.0	33.4	22.4	25.0	45.6	41.3	20.1	21.0	51.0	49.1
(From Manor Rd. to SH 130)	SB	17.1	23.0	21.6	44.5	48.1	27.6	28.3	37.1	36.7	20.4	20.7	50.1	50.0
SH 21	NB	17.0	18.0	17.8	56.7	57.2	17.5	18.3	58.3	55.4	17.0	17.8	60.0	57.2
(From US 80 to US 183)	SB	17.0	17.1	21.0	59.6	48.5	17.7	17.8	57.6	57.1	16.8	17.7	60.6	57.2
SH 360	NB	12.7	21.1	22.5	36.1	33.7	32.3	23.5	23.6	32.2	16.5	16.5	46.2	46.0
(From Loop 1 to US 183)	SB	12.7	25.8	19.5	29.5	39.1	22.3	24.1	34.2	31.6	16.8	16.3	45.4	46.7
US 79	EB	6.9	10.5	10.5	39.7	38.9	11.2	11.7	37.2	34.9	10.5	10.5	39.6	39.0
(From IH 35 to SH 130))	WB	6.9	13.6	12.1	30.6	33.7	13.6	10.6	30.6	38.4	12.6	10.4	33.1	39.5
FM 973	NB	19.5	28.7	31.4	40.8	37.4	29.1	31.7	40.2	37.0	27.2	25.9	43.1	45.2
(From US 183S to US 290E)	SB	19.5	26.9	31.4	43.6	37.3	27.6	31.5	42.5	37.2	26.6	25.9	44.0	45.2
FM 685	NB	12.5	21.8	19.2	34.5	39.1	27.5	26.6	27.3	28.2	22.2	19.9	33.9	37.5
(From SH45N/Kelly Ln. to US 290E)	SB	12.5	30.9	28.9	24.3	25.9	23.6	19.5	31.8	38.4	20.3	19.6	36.9	38.2
RM 620	EB	7.8	14.2	17.3	32.9	27.0	15.7	19.4	29.7	24.1	13.1	13.8	35.8	33.8
(From US 183 to IH 35)	WB	7.8	15.3	16.3	30.4	28.5	15.7	17.0	29.8	27.3	11.9	13.7	39.2	33.7
GATTIS SCHOOL	EB	5.4	12.0	12.1	27.3	28.4	13.0	14.2	25.1	24.2	11.0	12.4	29.8	27.8
(from S. May St. to SH 130)	WB	5.4	13.3	13.6	24.5	25.3	13.2	12.0	24.7	28.6	11.2	11.8	29.0	29.1
PARMER LN.	NB	9.9	15.8	13.3	37.7	44.8	15.2	20.4	39.2	29.1	12.5	13.6	47.5	43.9
(From FM 1431 to Loop 1)	SB	9.9	17.5	20.2	34.0	29.4	18.8	13.7	31.7	43.3	15.7	13.6	38.0	43.7
US 183	NB	32.3	36.1	35.6	53.6	54.5	36.9	35.0	52.5	55.5	36.3	35.0	53.5	55.5
(From IH 10 to SH 130)	SB	32.3	37.6	34.9	51.6	55.6	38.2	35.3	50.7	54.9	37.6	34.9	51.6	55.5
IH 35	NB	33.7	27.7	29.1	73.1	70.3	28.5	31.2	71.1	65.5	28.8	29.3	70.2	69.7
(From SH 80 to Loop 1604)	SB	33.7	32.3	31.9	62.6	64.3	28.3	29.2	71.6	70.1	28.5	29.3	71.1	70.0
IH 10	EB	29.1	24.5	23.7	71.3	73.4	24.1	24.6	72.5	70.8	24.8	23.8	70.4	73.3
(From Loop 410 to SH 123)	WB	29.1	25.9	25.2	67.2	69.5	24.6	23.8	71.0	73.3	24.3	23.9	71.9	73.3
SH 123	NB	19.2	21.3	22.4	54.3	51.0	21.9	22.9	52.7	50.0	22.6	22.4	51.0	51.0
(From IH-35 to IH 10)	SB	19.2	21.8	23.3	52.9	49.0	22.3	22.5	51.9	50.8	22.1	22.4	52.1	51.0

Note: AM = Morning Peak Period (7AM – 9 AM)
PM = Afternoon Peak Period (5PM – 7PM)
OP = Off-Peak period (the remaining hours)
OBS = Observed Data
EST = Model Estimated Values

The results indicated that the estimated speed replicated the observed speed reasonably well in the off-peak period. In the peak periods, while the replication of speed for most roadways is adequate there are a few corridors where the difference between the estimated speed and the observed speed is approximately 10 mph or higher, such as the southbound direction of IH-35 (Northern Section), and the northbound direction of IH-35 (Southern Section). In these cases, it appears that excessive congestion in a short segment of the roadway is causing excessive delays in the observed speeds.

3.2.2 Aggregate Calibration by Facility Type and Area Type

The aggregate calibration by facility type and area type was performed for both traffic volumes as well as vehicle-miles travelled (VMT). This calibration utilized more than 1,300 link-counts that were collected from several different sources. These data included the TxDOT 2008 AADT Traffic Maps and a limited set of classification counts provided by TxDOT, as well as other existing counts from previous Stantec studies in the Austin region. Traffic counts along the screenlines were also performed by Stantec's subconsultant, ATG to provide estimates where 2008 counts were not available. These counts were factored back to 2008 estimates using a reduction factor of 2 percent per year. Stantec also obtained the transactions by pay point for all toll facilities in the region, including SH 45 Southeast and 183A. These data were also adjusted, where necessary, to represent assumed conditions in 2008 in response to the completion of several new roadways that have occurred since 2008. In situations where multiple counts were available for an individual roadway segment, the most reliable count data was determined using a hierarchy which used TTA transaction data first, then classification counts collected for this project, and then lastly either counts from previous studies or TxDOT counts.

The comparison summaries are listed in Table 3-3 and Table 3-4. Table 3-3 lists the aggregate comparison of volume and VMT by facility for the entire region. Table 3-4 provides a similar summary by area type. While this calibration includes the entire modeled area, the results by facility type are generally consistent with CAMPO's results although slightly lower. The regional ratio of estimated to observed VMT is 0.97, slightly lower than CAMPO's model at just under 1.00. Recent calibrations statistics for the San Antonio Model are not currently available.

Table 3-3: Volume and VMT Comparison by Facility Type

FACILITY TYPE	NUMBER OF COUNTS	VOLUME			VMT		
		OBSERVED	ESTIMATED	EST/OBS	OBSERVED	ESTIMATED	EST/OBS
Limited-Access Facility	295	15,398,784	14,840,409	0.96	7,398,912	7,189,168	0.97
Expressway	36	924,000	867,091	0.94	423,113	402,548	0.95
Principal Arterial Divided	270	3,427,414	3,564,573	1.04	1,327,660	1,382,730	1.04
Principal Arterial Undivided	169	1,127,900	1,226,408	1.09	580,011	651,840	1.12
Minor Arterial Divided	68	709,374	492,186	0.69	326,297	243,537	0.75
Minor Arterial Undivided	363	1,166,318	1,023,155	0.88	726,785	620,903	0.85
Frontage Road	24	215,030	206,044	0.96	55,345	53,066	0.96
Collector/Local	56	55,649	56,843	1.02	85,509	90,917	1.06
Ramp	65	174,838	152,220	0.87	53,841	49,257	0.91
TOTAL	**1346**	**23,199,307**	**22,428,929**	**0.97**	**10,977,473**	**10,683,966**	**0.97**

Table 3-4: Volume Comparison by Area Type

AREA TYPE	NUMBER OF COUNTS	VOLUME			VMT		
		OBSERVED	ESTIMATED	EST/OBS	OBSERVED	ESTIMATED	EST/OBS
CBD	12	559,885	572,947	1.02	99,408	100,390	1.01
CBD Fringe	61	2,575,748	2,621,208	1.02	621,831	658,980	1.06
Urban	367	11,667,239	10,642,475	0.91	4,952,435	4,493,911	0.91
Suburban	551	6,655,258	6,634,386	1.00	3,534,770	3,507,027	0.99
Rural	355	1,741,177	1,957,913	1.12	1,769,029	1,923,658	1.09
TOTAL	**1346**	**23,199,307**	**22,428,929**	**0.97**	**10,977,473**	**10,683,966**	**0.97**

3.2.3 Screenline Calibration

The screenline calibration was performed to ensure that the aggregate demand within each toll road corridor replicates the observed traffic. As part of this calibration, an in-house routine was applied to minimize any variation between estimated and observed demand across each of the screenline. The adjustment provides a matrix of 'base year' trip changes (either increases or reductions) that is then retained for application in each of the horizon years. Since these trips are stored as a matrix, these additional trips are not tied to specific roadways and can be diverted to different routes in exactly the same manner as the trips estimated directly by the model. As a result of the screenline calibration, for origin-destination zonal pairs where trip changes were provided by the adjustment routine, the net increase change in trips was less than 1 percent with an increase in autos being offset by a reduction in truck trips. Note that since the magnitude of the additional trips is held constant for all future years, their contribution to the overall assignment results are further minimized in each successive horizon year as the underlying model trip tables continue to increase due to growth in the region's population and employment.

A series of screenlines were developed within each of the toll road corridors to intersect each of the mainline toll plazas and similar locations on the adjacent non-tolled roads. Four screenlines were created for SH 130 and three for the Northwest Elements. Additional screenlines were also created to quantify demand for the remaining toll facilities, 183A and SH 45 Southeast. Figure 3-9 shows the screenline locations within each toll road corridor. Table 3-5 and Table 3-6 list the screenline calibration results for total traffic and by mode, respectively.

The total traffic of each screenline is generally within reasonable tolerance of the total counts. The distribution of traffic encompassing roadway corridors in the same screenlines is also within reasonable tolerance. However, traffic along IH-35 is generally underestimated with respect to the observed counts from TxDOT. The traffic volumes at the mainline plazas on the toll facilities are also estimated adequately. Total traffic on SH 130 is slightly overassigned while Loop 1 is nearly identical to the observed volume and SH 45 N is underassigned.

Figure 3-9: Screenline Locations

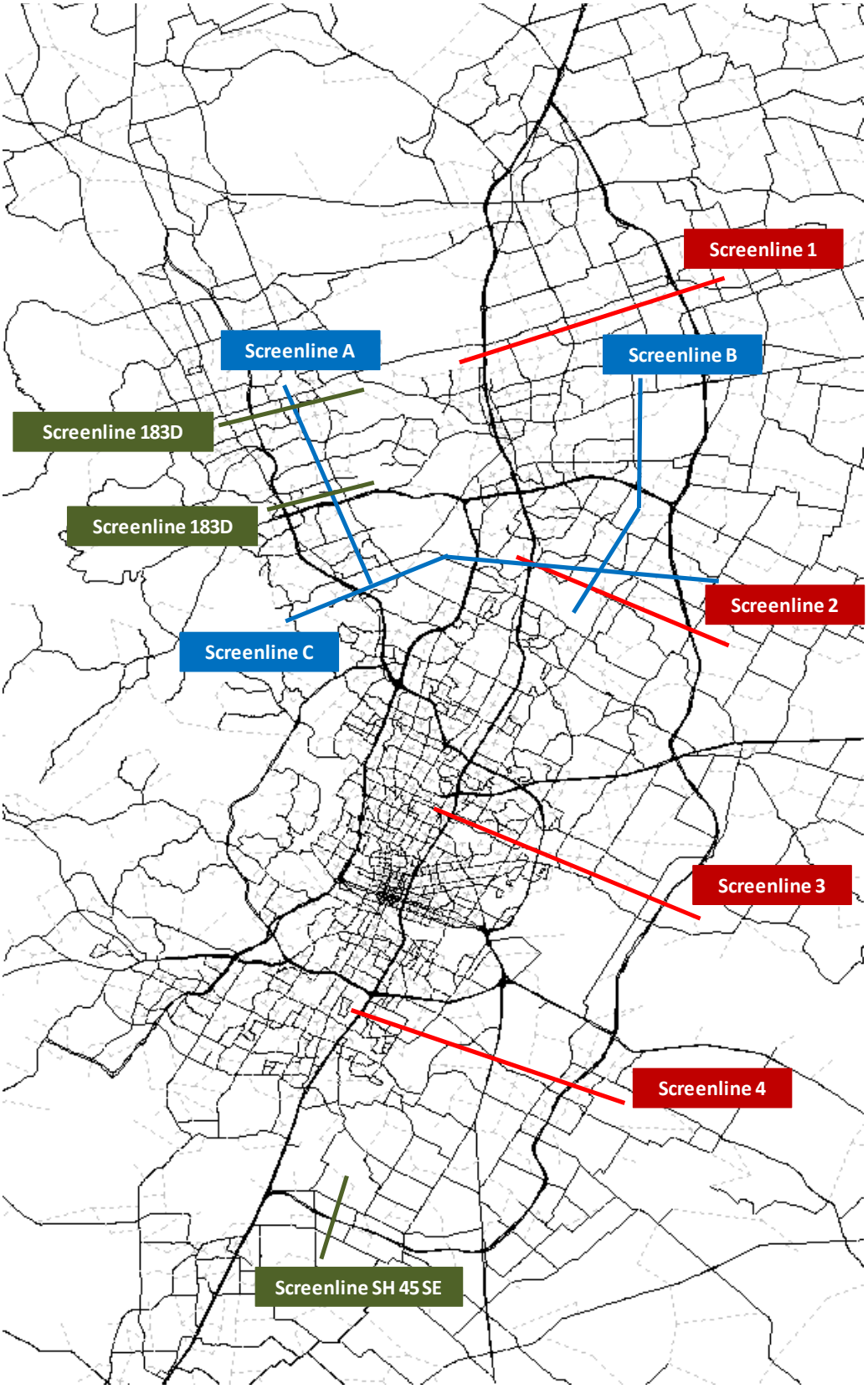


Table 3-5: Screenline Comparison for Total Traffic

		Counts	Estimated
Screenline 1	IH 35	139,650	134,433
	CR 115	11,189	11,685
	FM 1460	7,776	6,727
	CR 110	2,767	4,913
	SH 130	11,395	11,892
	CR 100	448	818
	FM 1660	2,205	1,624
	TOTAL	175,430	172,093
Screenline 2	IH 35	173,250	158,404
	Heatherwilde Blvd	8,039	9,663
	Dessau / FM 685	18,445	12,896
	Immanuel	2,991	3,446
	SH 130	21,518	23,297
	Cameron Rd	2,245	5,281
	Fuchs Grove	1,729	5,245
	TOTAL	228,217	218,232
Screenline 3	IH 35	256,200	236,254
	Cameron Rd.	15,915	17,316
	Berkman Dr.	7,718	7,961
	Manor Rd.	9,159	13,017
	Springdale Rd.	10,108	15,130
	US 183	66,150	62,735
	Johnny Morris Rd.	4,852	6,483
	FM 3177	8,371	12,759
	FM 973	5,734	4,131
	SH 130	17,587	18,635
	FM 969	4,935	4,978
	TOTAL	406,729	399,400
Screenline 4	IH 35	182,700	171,445
	Todd Ln.	9,776	10,527
	Stassney Ln.	19,437	26,602
	US 183	32,550	29,709
	FM 973	8,505	6,363
	SH 130	9,495	8,268
	Ross Rd.	3,075	4,336
	TOTAL	265,538	257,250
Screenline 183C	Lakeline Blvd	21,741	21,893
	US 183	42,465	45,237
	183A ML	30,500	28,289
	Vista Ridge Blvd	6,033	14,995
	Parmer Ln	28,334	31,096
	TOTAL	129,073	141,510
Screenline 183D	Pecan Park Blvd	6,249	8,763
	US 183	70,760	54,768
	183A ML	30,200	26,739
	US 183/SH 45 DC	10,553	13,069
	Lake Creek Pkwy	5,514	9,197
	Parmer Ln	39,780	42,830
	TOTAL	163,056	155,366

		Counts	Estimated
Screenline A	FM 1431	36,709	37,561
	Colonial Parkway	3,931	8,400
	Brushy Creek Rd.	10,794	11,850
	Avery Ranch Blvd.	11,902	12,531
	Lakeline Blvd.	7,938	9,592
	SH 45 NW ML	31,900	30,163
	SH 45 NW Frontage	28,890	32,614
	Anderson Mill Rd.	15,457	17,858
	McNeil Dr.	27,596	29,436
	TOTAL	175,117	190,006
Screenline B	US 79	22,161	19,666
	CR 168/Gattis School Rd.	12,763	9,264
	SH 45 NE ML	27,100	23,745
	SH 45 NE Frontage	7,604	12,691
	Pflugerville Loop Rd.	9,257	10,370
	FM 1825/Pecan St.	20,475	17,579
	Howard Lane	19,675	21,406
	TOTAL	119,035	114,721
Screenline C	US 183	162,750	156,859
	Parmer Lane	32,550	41,002
	Howard Lane	14,484	17,500
	FM 1325/Loop 1 SR	16,012	13,143
	Loop 1 Mainline Plaza	52,000	52,400
	Bratton Lane	6,450	4,429
	IH 35	173,250	158,404
	Heatherwilde	14,375	13,988
	N Railroad Rd	4,690	5,475
	FM 685	21,000	17,727
	SH 130	21,518	23,297
	TOTAL	519,079	504,224
SH 45 SE	FM 1327	8,639	10,045
	SH 45 SE ML	7,400	7,358
	Turnersville Rd.	334	940
	TOTAL	16,373	18,343

Note: Toll facilities are highlighted in yellow

The distribution of the traffic by vehicle type (auto and truck), provides an adequate replication of the observed data. At an aggregate level, the estimated truck percentage across screenlines is within 1% of the observed percentage. The estimated truck percentages at the toll facilities were also estimated reasonably well. Note that the truck traffic presented in these summaries includes 2-axle 6-tire trucks, consistent with the definition of trucks in the individual regional models.

Table 3-6: Screenline Comparison by Vehicle Type

		AUTO		TRUCK		TOTAL		% TRUCK	
		Counts	Volume	Counts	Volume	Counts	Volume	Counts	Volume
	SH 130								
Screenline 1	IH 35	116,468	112,867	23,182	21,566	139,650	134,433	16.6%	16.0%
	CR 115	10,783	11,129	406	556	11,189	11,685	3.6%	4.8%
	FM 1460	7,448	6,508	328	219	7,776	6,727	4.2%	3.3%
	CR 110	2,510	4,551	257	362	2,767	4,913	9.3%	7.4%
	SH 130	10,347	10,714	1,048	1,178	11,395	11,892	9.2%	9.9%
	CR 100	396	809	52	9	448	818	11.6%	1.1%
	FM 1660	2,095	1,597	110	27	2,205	1,624	5.0%	1.7%
	TOTAL	**150,046**	**148,175**	**25,384**	**23,918**	**175,430**	**172,093**	**14.5%**	**13.9%**
Screenline 2	IH 35	150,382	138,791	22,868	19,613	173,250	158,404	13.2%	12.4%
	Heatherwilde Blvd	7,810	9,384	229	279	8,039	9,663	2.8%	2.9%
	Dessau / FM 685	17,557	12,505	888	390	18,445	12,896	4.8%	3.0%
	Immanuel	2,586	3,359	405	87	2,991	3,446	13.5%	2.5%
	SH 130	19,755	21,343	1,763	1,953	21,518	23,297	8.2%	8.4%
	Cameron Rd	1,994	5,019	251	262	2,245	5,281	11.2%	5.0%
	Fuchs Grove	1,578	5,029	151	216	1,729	5,245	8.7%	4.1%
	TOTAL	**201,662**	**195,431**	**26,555**	**22,801**	**228,217**	**218,232**	**11.6%**	**10.4%**
Screenline 3	IH 35	230,580	213,266	25,620	22,988	256,200	236,254	10.0%	9.7%
	Cameron Rd.	15,342	16,709	573	607	15,915	17,316	3.6%	3.5%
	Berkman Dr.	7,379	7,651	339	310	7,718	7,961	4.4%	3.9%
	Manor Rd.	8,765	12,558	394	459	9,159	13,017	4.3%	3.5%
	Springdale Rd.	9,622	14,367	486	764	10,108	15,130	4.8%	5.0%
	US 183	59,535	56,059	6,615	6,676	66,150	62,735	10.0%	10.6%
	Johnny Morris Rd.	4,534	6,024	318	459	4,852	6,483	6.6%	7.1%
	FM 3177	7,569	11,784	802	976	8,371	12,759	9.6%	7.6%
	FM 973	5,070	3,967	664	164	5,734	4,131	11.6%	4.0%
	SH 130	15,985	16,519	1,602	2,117	17,587	18,635	9.1%	11.4%
	FM 969	4,688	4,812	247	166	4,935	4,978	5.0%	3.3%
	TOTAL	**369,070**	**363,713**	**37,659**	**35,687**	**406,729**	**399,400**	**9.3%**	**8.9%**
Screenline 4	IH 35	153,834	144,579	28,866	26,865	182,700	171,445	15.8%	15.7%
	Todd Ln.	9,238	9,876	538	651	9,776	10,527	5.5%	6.2%
	Stassney Ln.	17,807	24,311	1,630	2,291	19,437	26,602	8.4%	8.6%
	US 183	29,295	27,047	3,255	2,661	32,550	29,709	10.0%	9.0%
	FM 973	8,080	6,010	425	353	8,505	6,363	5.0%	5.5%
	SH 130	8,378	7,244	1,117	1,025	9,495	8,268	11.8%	12.4%
	Ross Rd.	2,949	4,050	126	286	3,075	4,336	4.1%	6.6%
	TOTAL	**229,580**	**223,117**	**35,958**	**34,133**	**265,538**	**257,250**	**13.5%**	**13.3%**

Table 3-6 Continued

		AUTO		TRUCK		TOTAL		% TRUCK	
		Counts	Volume	Counts	Volume	Counts	Volume	Counts	Volume
	NORTHWEST ELEMENT								
Screenline A	FM 1431	34,874	35,580	1,835	1,981	36,709	37,561	5.0%	5.3%
	Colonial Parkway	3,816	8,045	115	356	3,931	8,400	2.9%	4.2%
	Brushy Creek Rd.	10,418	11,529	376	321	10,794	11,850	3.5%	2.7%
	Avery Ranch Blvd.	11,365	12,054	537	477	11,902	12,531	4.5%	3.8%
	Lakeline Blvd.	7,854	9,274	84	318	7,938	9,592	1.1%	3.3%
	SH 45 NW ML	30,856	28,894	1,044	1,269	31,900	30,163	3.3%	4.2%
	SH 45 NW Frontage	27,916	31,311	974	1,303	28,890	32,614	3.4%	4.0%
	Anderson Mill Rd.	14,815	17,093	642	765	15,457	17,858	4.2%	4.3%
	McNeil Dr.	26,470	28,280	1,126	1,156	27,596	29,436	4.1%	3.9%
	TOTAL	168,383	182,060	6,734	7,947	175,117	190,006	3.8%	4.2%
Screenline B	US 79	20,245	18,339	1,916	1,327	22,161	19,666	8.6%	6.7%
	CR 168/Gattis School Rd.	12,300	9,101	463	162	12,763	9,264	3.6%	1.8%
	SH 45 NE ML	26,214	22,727	886	1,019	27,100	23,745	3.3%	4.3%
	SH 45 NE Frontage	7,303	12,146	301	546	7,604	12,691	4.0%	4.3%
	Pflugerville Loop Rd.	8,844	10,033	413	336	9,257	10,370	4.5%	3.2%
	FM 1825/Pecan St.	19,451	16,408	1,024	1,171	20,475	17,579	5.0%	6.7%
	Howard Lane	18,430	19,767	1,245	1,639	19,675	21,406	6.3%	7.7%
	TOTAL	112,787	108,520	6,248	6,201	119,035	114,721	5.2%	5.4%
Screenline C	US 183	154,613	147,775	8,138	9,084	162,750	156,859	5.0%	5.8%
	Parmer Lane	30,923	39,049	1,628	1,953	32,550	41,002	5.0%	4.8%
	Howard Lane	13,734	16,949	750	551	14,484	17,500	5.2%	3.1%
	FM 1325/Loop 1 SR	15,280	12,635	732	508	16,012	13,143	4.6%	3.9%
	Loop 1 Mainline Plaza	50,298	50,626	1,702	1,774	52,000	52,400	3.3%	3.4%
	Bratton Lane	6,191	4,298	259	131	6,450	4,429	4.0%	3.0%
	IH 35	150,382	138,791	22,868	19,613	173,250	158,404	13.2%	12.4%
	Heatherwilde	13,986	13,385	389	604	14,375	13,988	2.7%	4.3%
	N Railroad Rd	4,546	5,221	144	254	4,690	5,475	3.1%	4.6%
	FM 685	19,950	17,074	1,050	653	21,000	17,727	5.0%	3.7%
	SH 130	19,755	21,343	1,763	1,953	21,518	23,297	8.2%	8.4%
	TOTAL	479,656	467,147	39,423	37,077	519,079	504,224	7.6%	7.4%
	US 183A								
Screenline 183C	Lakeline Blvd	20,654	20,909	1,087	984	21,741	21,893	5.0%	4.5%
	US 183	40,342	42,837	2,123	2,400	42,465	45,237	5.0%	5.3%
	183A ML	29,350	26,632	1,150	1,657	30,500	28,289	3.8%	5.9%
	Vista Ridge Blvd	5,731	14,474	302	521	6,033	14,995	5.0%	3.5%
	Parmer Ln	26,917	29,257	1,417	1,838	28,334	31,096	5.0%	5.9%
	TOTAL	122,994	134,110	6,079	7,401	129,073	141,510	4.7%	5.2%
Screenline 183D	Pecan Park Blvd	5,937	8,168	312	595	6,249	8,763	5.0%	6.8%
	US 183	16,151	13,215	850	1,028	17,001	14,243	5.0%	7.2%
	183A ML	28,690	25,440	1,510	1,299	30,200	26,739	5.0%	4.9%
	US 183 Frontage	51,071	37,569	2,688	2,956	53,759	40,525	5.0%	7.3%
	US 183/SH 45 DC	10,025	12,384	528	685	10,553	13,069	5.0%	5.2%
	Lake Creek Pkwy	5,238	8,708	276	489	5,514	9,197	5.0%	5.3%
	Parmer Ln	37,791	40,738	1,989	2,093	39,780	42,830	5.0%	4.9%
	TOTAL	154,903	146,222	8,153	9,144	163,056	155,366	5.0%	5.9%
	SH 45 SOUTHEAST								
SH 45 SE	FM 1327	7,275	8,153	1,364	1,892	8,639	10,045	15.8%	18.8%
	SH 45 SE ML	6,619	6,190	781	1,168	7,400	7,358	10.6%	15.9%
	Turnersville Rd.	303	903	31	38	334	940	9.3%	4.0%
	TOTAL	14,197	15,245	2,176	3,098	16,373	18,343	13.3%	16.9%

3.2.4 Toll Diversion by Mode and by Payment Method

The final element of the calibration was focused on the replicating toll transactions by both vehicle type and payment method. For this analysis, Stantec obtained the transaction data by paypoint, vehicle type and payment method. Table 3-7 provides a comparison of the transactions by vehicle type at each pay point in the CTTS. The toll transactions along SH 130 and Loop 1 are approximately 4% and 7% higher than observed transactions, respectively, while transactions on SH 45 N is approximately 13% lower than the observed data. While the total transactions for each toll road vary from the observed totals, the transactions by vehicle type on a percentage basis demonstrate a good replication of the observed data.

In general the model provides a much closer replication of transactions by mainline paypoints than the ramp paypoints. For SH130 there is only minor variation by paypoint type when compared to the total variation of 4.4 percent. Similarly, the variation of paypoint type For SH 45 N approximates the overall variation of 13 percent. In contrast, Loop 1 has minimal variation in the mainline transactions but significant variation at the ramp plazas, which contribute to the overall 7.3% over assignment.

Table 3-8 provides a summary of total transactions by vehicle type and payment method as well as a separate summary by vehicle type. As shown in the top section of the table, the overall replication of transactions by payment method for SH 130 is nearly identical to the observed data. For the Northwest Elements, the replication of transactions for cash payments is adequate, but the model slightly underestimates ETC transactions and overestimates video transactions.

In the middle section of Table 3-8, the replication of transactions by payment type for auto trips is provided. The model provides an adequate replication by payment type. For the Northwest elements, the model underestimates the share of auto transactions via ETC and overestimates the share of video transactions. For Loop 1 the share of auto transactions by payment type at the ramps has a significant increase in the share of payment by ETC with a corresponding reduction in cash and video shares.

The last section of Table 3-8 has the share of truck transactions by payment type. For each of the CTTS toll roads, the model is generally underestimating the share ETC and cash transactions while over-estimating the share of video transactions. This is mostly likely related the toll surcharge associated with the video payment option or other issues associated with relating those charges to specific trips or customers that are not reflected properly in the truck toll bias terms.

During the calibration process Stantec refined both the assumed market shares by payment type and the bias terms for selected trip purposes and trucks. Toll bias terms for Home-Based Work and Work-Based Other trips were reduced to zero as trip makers for these purposes assumed to be familiar with the tradeoff between toll and free roads. Truck trips have a favorable bias constant equivalent of 3 minutes penalty for payment by transponders. The final toll diversion constants were shown in Table 3-1 in a previous section of this chapter.

Table 3-7: Toll Diversion Comparison by Pay Point and Vehicle Type

	CROSSROAD	TYPE	VEHICLE TYPE						TOTAL		
			AUTO			TRUCK					
			OBS	EST	%DIFF	OBS	EST	%DIFF	OBS	EST	%DIFF
SH 130	SH 29	Ramp	1,239	1,070	-13.6%	92	20	-78.4%	1,331	1,090	-18.1%
	FM 104	Ramp	86	289	235.5%	5	11	114.2%	91	299	228.9%
	Chandler Rd	Ramp	491	413	-16.0%	42	15	-65.4%	533	427	-19.9%
	N. of CR 109	Mainline	10,348	10,714	3.5%	1,047	1,178	12.5%	11,395	11,892	4.4%
	US 79	Ramp	8,029	7,569	-5.7%	447	475	6.2%	8,476	8,044	-5.1%
	CR 138	Ramp	6,024	5,333	-11.5%	274	61	-77.8%	6,298	5,394	-14.4%
	Pecan St	Ramp	1,444	903	-37.5%	67	44	-34.0%	1,511	947	-37.3%
	N. of Cameron Rd	Mainline	19,755	21,343	8.0%	1,763	1,953	10.8%	21,518	23,297	8.3%
	Howard Ln / Gregg Manor	Ramp	321	632	96.9%	39	26	-33.5%	360	658	82.7%
	Blue Bluff Rd.	Ramp	79	384	386.1%	5	16	218.6%	84	400	376.1%
	Bloor Rd / FM 973	Ramp	325	222	-31.6%	25	3	-86.3%	350	226	-35.6%
	N. of FM 969	Mainline	15,986	16,519	3.3%	1,602	2,117	32.1%	17,588	18,635	6.0%
	FM 969	Ramp	2,320	3,079	32.7%	128	584	356.4%	2,448	3,664	49.7%
	Harold Green Rd	Ramp	96	22	-77.4%	102	0	-100.0%	198	22	-89.0%
	Pearce Ln.	Ramp	657	1,796	173.3%	38	72	90.0%	695	1,868	168.8%
	N. of Elroy Rd	Mainline	8,378	7,244	-13.5%	1,117	1,025	-8.2%	9,495	8,268	-12.9%
	Elroy Rd	Ramp	283	771	172.5%	17	67	295.5%	300	838	179.5%
	FM 812	Ramp	174	51	-70.8%	21	5	-74.4%	195	56	-71.2%
	Moore Rd	Ramp	62	518	736.0%	5	40	706.4%	67	559	733.8%
	MAINLINE	Total	54,467	55,819	2.5%	5,529	6,273	13.5%	59,996	62,093	3.5%
		%Share	90.8%	89.9%		9.2%	10.1%		100.0%	100.0%	
	RAMPS	Total	21,630	23,052	6.6%	1,307	1,439	10.1%	22,937	24,491	6.8%
		%Share	94.3%	94.1%		5.7%	5.9%		100.0%	100.0%	
	TOTAL	Total	76,097	78,871	3.6%	6,836	7,713	12.8%	82,933	86,584	4.4%
		%Share	91.8%	91.1%		8.2%	8.9%		100.0%	100.0%	
SH 45 N	W. ML Plaza	Mainline	30,856	28,894	-6.4%	1,044	1,269	21.6%	31,900	30,163	-5.4%
	Parmer Ln.	Ramp	7,351	9,817	33.6%	249	609	144.7%	7,600	10,427	37.2%
	Howard Ln.	Ramp	7,449	8,385	12.6%	251	162	-35.4%	7,700	8,547	11.0%
	Greenlawn	Ramp	7,158	2,631	-63.2%	242	139	-42.8%	7,400	2,769	-62.6%
	CR 170	Ramp	8,318	5,602	-32.7%	282	218	-22.5%	8,600	5,820	-32.3%
	Arterial A	Ramp	4,934	2,948	-40.2%	166	84	-49.4%	5,100	3,032	-40.5%
	Heatherwilde	Ramp	5,418	2,874	-47.0%	182	48	-73.8%	5,600	2,921	-47.8%
	E. ML Plaza	Mainline	26,214	22,727	-13.3%	886	1,019	15.0%	27,100	23,745	-12.4%
	MAINLINE	Total	57,070	51,621	-9.5%	1,930	2,288	18.6%	59,000	53,909	-8.6%
		%Share	96.7%	95.8%		3.3%	4.2%		100.0%	100.0%	
	RAMPS	Total	40,628	32,257	-20.6%	1,372	1,260	-8.2%	42,000	33,517	-20.2%
		%Share	96.7%	96.2%		3.3%	3.8%		100.0%	100.0%	
	TOTAL	Total	97,698	83,878	-14.1%	3,302	3,548	7.4%	101,000	87,426	-13.4%
		%Share	96.7%	95.9%		3.3%	4.1%		100.0%	100.0%	
Loop 1 N	Shoreline Dr	Ramp	484	765	58.1%	16	32	97.7%	500	797	59.3%
	ML Plaza	Mainline	50,298	50,626	0.7%	1,702	1,774	4.2%	52,000	52,400	0.8%
	Howard	Ramp	3,773	7,120	88.7%	127	189	49.2%	3,900	7,310	87.4%
	MAINLINE	Total	50,298	50,626	0.7%	1,702	1,774	4.2%	52,000	52,400	0.8%
		%Share	96.7%	96.6%		3.3%	3.4%		100.0%	100.0%	
	RAMPS	Total	4,257	7,885	85.2%	143	221	54.6%	4,400	8,106	84.2%
		%Share	96.8%	97.3%		3.3%	2.7%		100.0%	100.0%	
	TOTAL	Total	54,555	58,511	7.3%	1,845	1,995	8.1%	56,400	60,506	7.3%
		%Share	96.7%	96.7%		3.3%	3.3%		100.0%	100.0%	

NOTE:
% SHARE = % Share by vehicle type

Table 3-8: Toll Diversion Comparison by Payment Method

	LOCATION	TYPE	PAYMENT METHODS								
			ETC			CASH			VIDEO		
			OBS	EST	%DIFF	OBS	EST	%DIFF	OBS	EST	%DIFF
	TOTAL TRANSACTIONS										
SH 130	MAINLINE	Total	37,618	38,685	2.8%	5,461	5,636	3.2%	16,917	17,772	5.1%
		%Share	62.7%	62.3%		9.1%	9.1%		28.2%	28.6%	
	RAMPS	RAMPS	14,917	16,463	10.4%	1,914	1,806	-5.6%	6,107	6,222	1.9%
			65.0%	67.2%		8.3%	7.4%		26.6%	25.4%	
	TOTAL	Total	52,534	55,148	5.0%	7,375	7,441	0.9%	23,024	23,994	4.2%
		%Share	63.3%	63.7%		8.9%	8.6%		27.8%	27.7%	
SH 45N	MAINLINE	Total	44,250	37,498	-15.3%	4,130	3,705	-10.3%	10,620	12,706	19.6%
		%Share	75.0%	69.6%		7.0%	6.9%		18.0%	23.6%	
	RAMPS	RAMPS	31,499	24,115	-23.4%	2,940	2,380	-19.0%	7,561	7,021	-7.1%
			75.0%	72.0%		7.0%	7.1%		18.0%	20.9%	
	TOTAL	Total	75,749	61,614	-18.7%	7,071	6,085	-13.9%	18,181	19,727	8.5%
		%Share	75.0%	70.5%		7.0%	7.0%		18.0%	22.6%	
Loop 1 N	MAINLINE	Total	39,000	36,550	-6.3%	3,640	3,730	2.5%	9,360	12,120	29.5%
		%Share	75.0%	69.8%		7.0%	7.1%		18.0%	23.1%	
	RAMPS	RAMPS	3,300	6,921	109.7%	308	266	-13.6%	792	919	16.0%
			75.0%	85.4%		7.0%	3.3%		18.0%	11.3%	
	TOTAL	Total	42,300	43,471	2.8%	3,948	3,996	1.2%	10,152	13,039	28.4%
		%Share	75.0%	71.8%		7.0%	6.6%		18.0%	21.6%	
	AUTO TRANSACTIONS										
SH 130	MAINLINE	Total	33,862	34,758	2.6%	5,265	5,274	0.2%	15,340	15,787	2.9%
		% Share	62.2%	62.3%		9.7%	9.4%		28.2%	28.3%	
	RAMPS	RAMPS	14,007	15,564	11.1%	1,867	1,744	-6.6%	5,756	5,744	-0.2%
			64.8%	67.5%		8.6%	7.6%		26.6%	24.9%	
	TOTAL	Total	47,869	50,322	5.1%	7,131	7,018	-1.6%	21,096	21,531	2.1%
		%Share	62.9%	63.8%		9.4%	8.9%		27.7%	27.3%	
SH 45N	MAINLINE	Total	42,803	35,931	-16.1%	3,994	3,614	-9.5%	10,273	12,076	17.6%
		% Share	75.0%	69.6%		7.0%	7.0%		18.0%	23.4%	
	RAMPS	RAMPS	30,473	23,212	-23.8%	2,844	2,330	-18.1%	7,312	6,715	-8.2%
			75.0%	72.0%		7.0%	7.2%		18.0%	20.8%	
	TOTAL	Total	73,275	59,142	-19.3%	6,838	5,944	-13.1%	17,585	18,791	6.9%
		%Share	75.0%	70.5%		7.0%	7.1%		18.0%	22.4%	
Loop 1 N	MAINLINE	Total	37,724	35,322	-6.4%	3,521	3,664	4.1%	9,054	11,641	28.6%
		% Share	75.0%	69.8%		7.0%	7.2%		18.0%	23.0%	
	RAMPS	RAMPS	3,193	6,758	111.6%	298	259	-13.0%	766	868	13.3%
			75.0%	85.7%		7.0%	3.3%		18.0%	11.0%	
	TOTAL	TOTAL	40,916	42,079	2.8%	3,819	3,923	2.7%	9,820	12,508	27.4%
			75.0%	71.9%		7.0%	6.7%		18.0%	21.4%	
	TRUCK TRANSACTIONS										
SH 130	MAINLINE	Total	3,755	3,927	4.6%	197	361	83.6%	1,577	1,985	25.9%
		% Share	67.9%	62.6%		3.6%	5.8%		28.5%	31.6%	
	RAMPS	RAMPS	909	899	-1.1%	47	62	30.6%	350	478	36.6%
			69.6%	62.5%		3.6%	4.3%		26.8%	33.2%	
	TOTAL	Total	4,665	4,826	3.5%	244	423	73.4%	1,927	2,464	27.8%
		%Share	68.2%	62.6%		3.6%	5.5%		28.2%	31.9%	
SH 45N	MAINLINE	Total	1,447	1,568	8.3%	136	91	-33.1%	347	630	81.4%
		% Share	75.0%	68.5%		7.0%	4.0%		18.0%	27.5%	
	RAMPS	RAMPS	1,026	903	-12.0%	97	51	-47.8%	249	306	22.8%
			74.8%	71.7%		7.0%	4.0%		18.2%	24.3%	
	TOTAL	Total	2,473	2,471	-0.1%	233	141	-39.2%	596	936	56.9%
		%Share	74.9%	69.6%		7.0%	4.0%		18.1%	26.4%	
Loop 1 N	MAINLINE	Total	1,277	1,229	-3.7%	119	66	-45.0%	306	479	56.6%
		% Share	75.0%	69.3%		7.0%	3.7%		18.0%	27.0%	
	RAMPS	RAMPS	107	163	52.5%	10	7	-30.7%	26	51	95.4%
			74.7%	73.7%		6.9%	3.1%		18.4%	23.2%	
	TOTAL	Total	1,383	1,392	0.6%	129	73	-43.9%	332	531	59.7%
		%Share	75.0%	69.8%		7.0%	3.6%		18.0%	26.6%	

3.3 ELASTICITY ANALYSIS

Using the final adjusted toll coefficients listed in Table 3-1, a range of toll values above and below the existing toll rates were tested. As a check on the reasonableness of the model outputs, tests were conducted on all three CTTS elements, separately. The elasticity tests were performed for the base year scenario (2008). Note that these elasticity estimates are a function of both the overall travel demand and network options in the 2008 network. In order to develop toll elasticity curves, scenarios with a number of alternate tolls expressed as multiples of the base tolls were run. The multiples range from 0.5 to 7.0 and reveal how traffic and revenues change at various multiples. The results were plotted for the three facilities as shown in Figures Figure 3-10 to Figure 3-12.

As expected, Loop 1 has the lowest elasticity at approximately -0.16, while SH 130 has the highest at approximately -0.39. SH 45 N's elasticity falls between the other two facilities at approximately -0.22. These trends are consistent with the previous studies, including the 2002 CTTS Project and the latest 2008 CTTS Review Study. As seen from these graphs, SH 130 revenue will peak at approximately two times the base toll, and SH 45 N revenue will peak at five times the base toll. Loop 1, being the most inelastic among the three, will peak at approximately seven times the base toll. The inelasticity of Loop 1 North can be attributed primarily to the level of congestion on the competing roads, such as US 183 North, Parmer Lanes, and IH-35. Note that no observed elasticity data is available for the Austin Region that can be used to gauge the reasonableness of the elasticity estimated by the model as toll rates has not been increased since the opening of the facilities. The elasticity rates estimated by the model appear to be reasonable based on Stantec's experience with similar analysis for toll facilities in other regions.

Figure 3-10: Toll Sensitivity for SH 130

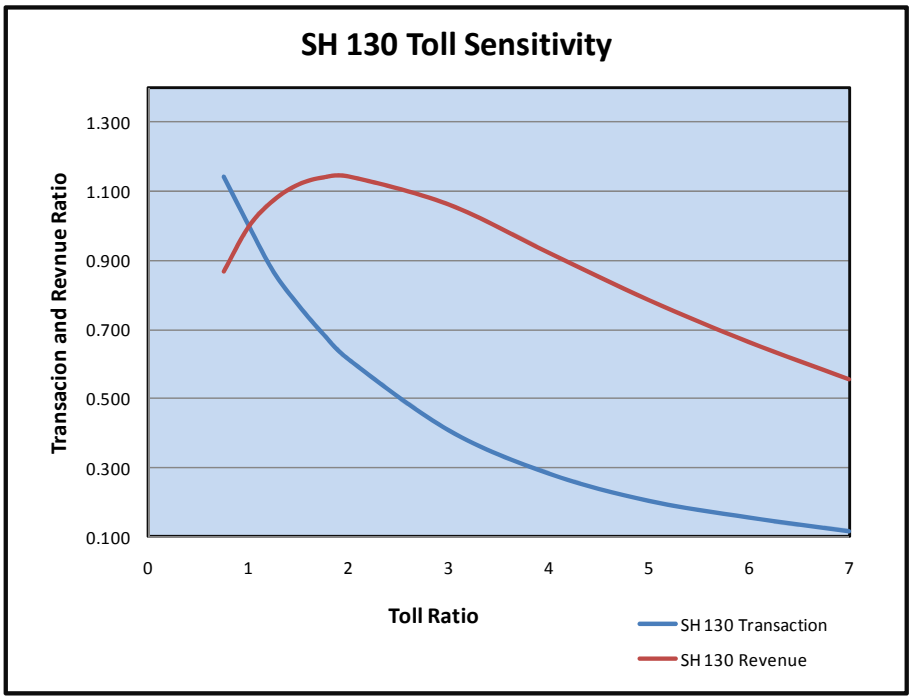


Figure 3-11: Toll Sensitivity for SH 45 N

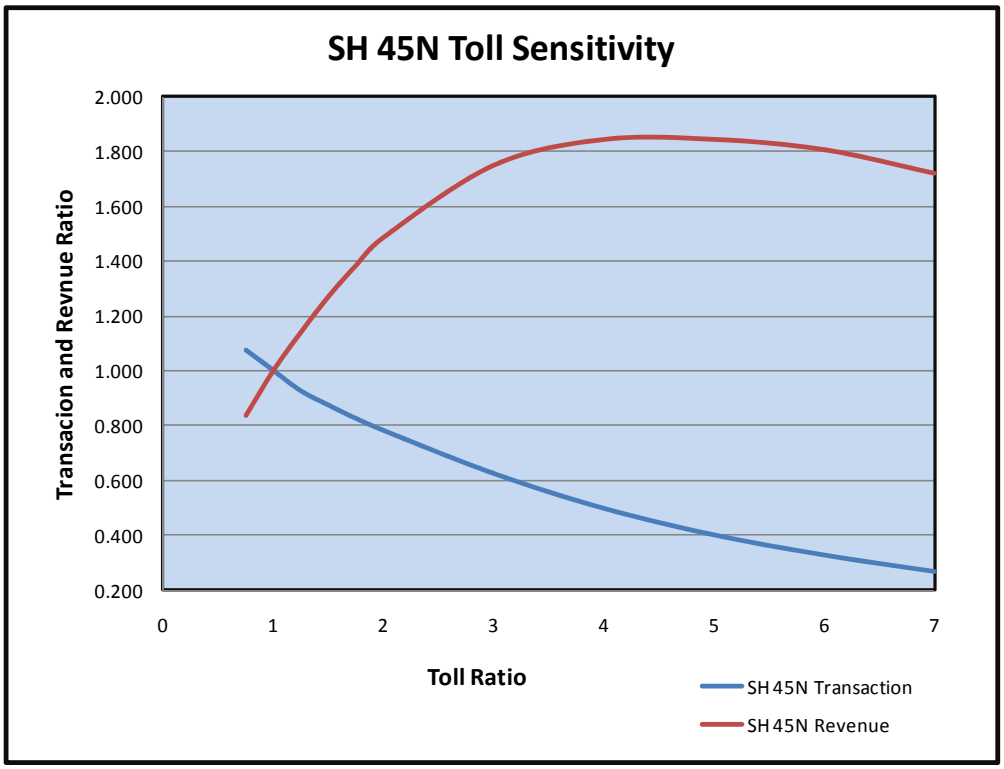
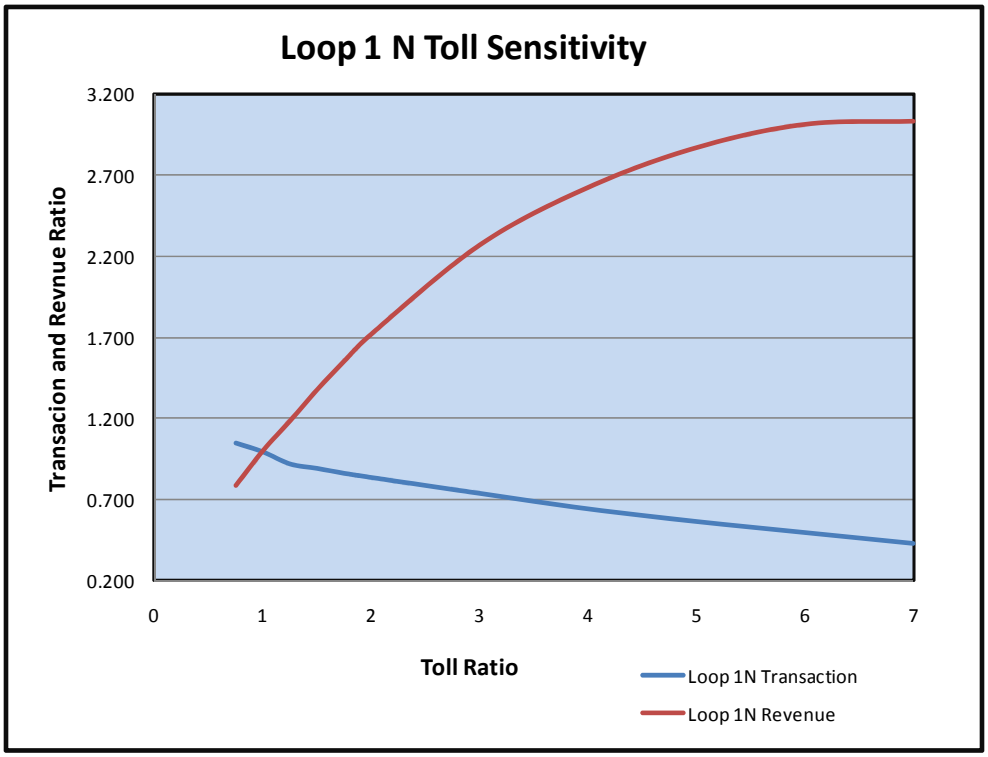


Figure 3-12: Toll Sensitivity for Loop 1



4.0 Socioeconomic Review

Socioeoconomic indicators were used to identify current demographic and economic trends in the Austin, Texas and San Antonio, Texas Metropolitan Statistical Areas (MSAs). These trends were reviewed and adjustments were applied to the Capital Area Metropolitan Planning Organization's (CAMPO's) and the San Antonio/Bexar County Metropolitan Planning Organization's (SABC's) socioeconomic forecasts for the CTTS 2010 Update study area. This section also discusses the methodology used to assess and adjust the MPOs' socioeconomic forecasts. It compares the revised county control total figures for the overall CAMPO and SABC study areas to the county control totals from the recently updated Metropolitan Transportation Plans (MTPs), and provides a brief description of the methodology used to assess and adjust the socioeconomic data at the Traffic Serial Zone (TSZ) level.

4.1 REGIONAL POPULATION AND EMPLOYMENT TRENDS

4.1.1 Population Trends

The state of Texas's population has grown rapidly since 1970, increasing from 11.2 million residents to more than 20.8 million residents during the 2000 Census. Since 2000, the population has added another 3.9 million residents, making it the fastest growing U.S. state, in terms of total population. Population figures from the U.S. Census Bureau also show that Texas had the second highest total net migration (superseded only by Florida) and, within this, strong domestic and international migration growth rates. The state's positive net migration was encouraged by its robust economy, pro-business environment, and reasonable cost-of-living. Most of Texas's population increase during this period has been in the urbanized areas of the state, namely Dallas-Fort Worth, Houston, Austin, and San Antonio, in addition to the counties along the Texas-Mexico border.

The total population of the five counties that make up the CAMPO study area (Travis, Williamson, Hays, Bastrop, and Caldwell Counties) grew by 213 percent between 1970 and 2000 from 398,938 to 1,249,763 persons or more than 850,000 new residents (See Table 4-1). In terms of total population, Travis County grew the most, from 295,516 residents in 1970 to 812,280 residents in 2000 or an increase of 175 percent. Williamson County grew at a more rapid rate between 1970 and 2000, from 37,305 residents to 249,967 residents or an increase of 570 percent. During the same period, Hays County's population grew by almost 70,000 residents or 253 percent, increasing to 97,589 residents. Bastrop County's population also increased significantly between 1970 and 2000, closely resembling the growth patterns of Hays County. However, its population is still relatively small and totaled 57,733 residents in 2000. Caldwell County, despite its proximity to rapid growth, has been mostly unaffected. Its population growth rate did accelerate to a CAGR of 2.01 percent between 1990 and 2000, but lagged the region's growth by almost one-half.

Table 4-1: Historic Population Trends for CAMPO Counties, 1970 to 2000

COUNTY POPULATION						
Year	**Travis**	**Williamson**	**Hays**	**Bastrop**	**Caldwell**	**Total**
1970	295,516	37,305	27,642	17,297	21,178	398,938
1980	419,573	76,521	40,594	24,726	23,637	585,051
1990	576,407	139,551	65,614	38,263	26,392	846,227
2000	812,280	249,967	97,589	57,733	32,194	1,249,763
AVERAGE ANNUAL CHANGE						
Year	**Travis**	**Williamson**	**Hays**	**Bastrop**	**Caldwell**	**Total**
1970-1980	12,406	3,922	1,295	743	246	18,611
1980-1990	15,683	6,303	2,502	1,354	276	26,118
1990-2000	23,587	11,042	3,198	1,947	580	40,354
COMPOUNDED ANNUAL GROWTH RATE						
Year	**Travis**	**Williamson**	**Hays**	**Bastrop**	**Caldwell**	**Total**
1970-1980	3.57%	7.45%	3.92%	3.64%	1.10%	3.90%
1980-1990	3.23%	6.19%	4.92%	4.46%	1.11%	3.76%
1990-2000	3.49%	6.00%	4.05%	4.20%	2.01%	3.98%

Source: U.S. Census Bureau, 2010

Despite its larger size, the population in the SABC study area has grown at roughly half the rate of the Austin MSA, a CAGR of slightly less than 2 percent a year. The SABC study area is made up of Bexar, Guadalupe, Comal, Wilson, and Kendall Counties. The region's total population in 2000 was 1,616,126 residents, an increase of 78 percent from its 1970 population of 908,184 residents. Most persons in the MSA lived in Bexar County, which had a population of 1,392,931 residents in 2000, which has grown by 68 percent since 1970. The remaining counties of the MSA were significantly smaller: Guadalupe County (89,023 residents); Comal County (78,021 residents); Wilson County (32,408 residents); and Kendall County (23,743 residents). Each of these four surrounding counties had high population growth rates between 1990 and 2000, but Guadalupe and Comal Counties have experienced the most substantive growth, due to their location along the IH 35 corridor between Austin and San Antonio, as well as their proximity to each of the two cities. Comal County's population has increased by 223 percent between 1970 and 2000, while Guadalupe County's population is 165 percent higher. During the same period, Wilson County grew by 149 percent and Kendall County's population increased 241 percent.

Table 4-2: Historic Population Trends for SABC Counties, 1970 - 2000

COUNTY POPULATION						
Year	**Bexar**	**Guadalupe**	**Comal**	**Wilson**	**Kendall**	**Total**
1970	830,460	33,554	24,165	13,041	6,964	908,184
1980	988,800	46,708	36,446	16,756	10,635	1,099,345
1990	1,185,394	64,873	51,832	22,650	14,589	1,339,338
2000	1,392,931	89,023	78,021	32,408	23,743	1,616,126
AVERAGE ANNUAL CHANGE						
Year	**Bexar**	**Guadalupe**	**Comal**	**Wilson**	**Kendall**	**Total**
1970-1980	15,834	1,315	1,228	372	367	19,116
1980-1990	19,659	1,817	1,539	589	395	23,999
1990-2000	20,754	2,415	2,619	976	915	27,679
COMPOUNDED ANNUAL GROWTH RATE						
Year	**Bexar**	**Guadalupe**	**Comal**	**Wilson**	**Kendall**	**Total**
1970-1980	1.76%	3.36%	4.19%	2.54%	4.32%	1.93%
1980-1990	1.83%	3.34%	3.58%	3.06%	3.21%	1.99%
1990-2000	1.63%	3.22%	4.17%	3.65%	4.99%	1.90%

Source: U.S. Census Bureau, 2010

Recent population estimates produced by the Texas State Data Center (TxSDC) and the U.S. Census Bureau suggest that the total number of residents has increased significantly in the five-county CAMPO study area since the 2000 U.S. Census (see Table 4-2). The most recent population estimates from the TxSDC are for July 1, 2009 and are considered the most accurate measures of population, since the TxSDC employs multiple techniques to produce its figures, as opposed to the U.S. Census Bureau which only uses one of these three techniques. The TxSDC's July 1, 2009 population estimates show the five-county CAMPO region grew by more than 437,000 residents or approximately 47,300 new residents per year since the 2000 U.S. Census (See Table 4-3). This growth increased the region's total population by 35 percent or by a CAGR of 3.30 percent. During this period, Travis County added approximately 200,500 new residents and grew at a CAGR of 2.41 percent. Williamson and Hays Counties grew at even faster CAGRs of 5.44 percent and 5.08 percent, respectively. Williamson County was estimated to have added approximately 158,000 new residents during this period, while Hays County was estimated to have grown by almost 57,000 new residents. Bastrop and Caldwell Counties added 17,000 and 5,000 residents, respectively, or at CAGRs of 2.86 percent and 1.59 percent, respectively.

Between 2000 and 2009, the five-county SABC region grew by 343,000 residents or a CAGR of 2.11 percent. Bexar County's population grew the most in absolute terms, by approximately 257,000 residents or a CAGR of 1.85 percent (See Table 4-4). Comal County had the second largest increase with approximately 35,800 new residents and a CAGR of 4.17 percent. Guadalupe County grew at a similar rate with 32,100 new residents and a CAGR of 3.39 percent. Wilson and Kendall Counties grew by 8,600 and 10,300 residents, respectively. The CAGR of their population growth during the 2000 to 2009 period was 2.58 percent and 3.93 percent, respectively.

Table 4-3: 2008 and 2009 Population Estimates for Counties in the CAMPO Study Area

	COUNTY					
	Travis	Williamson	Hays	Bastrop	Caldwell	Total
April 1, 2000 Census Count	812,280	249,967	97,589	57,733	32,194	1,249,763
TxSDC Estimate – Jul. 1, 2008	988,312	392,043	147,555	73,382	36,644	1,637,936
U.S. Census Estimate – Jul. 1, 2008	998,561	395,146	149,424	73,346	37,533	1,654,010
TxSDC Estimate – Jul. 1, 2009	1,012,789	408,128	154,354	74,912	37,253	1,687,436
U.S. Census Estimate – Jul. 1, 2009	1,026,158	410,686	155,545	74,876	37,810	1,705,075
Difference 2000 Census - 2008 TxSDC	176,032	142,076	49,966	15,649	4,450	388,173
Annual Change 2000 Census – 2008 TxSDC	21,339	17,223	6,057	1,897	539	47,055
Compounded Annual Growth Rate	2.41%	5.61%	5.14%	2.95%	1.58%	3.33%
Difference U.S. Census 2000-2008	186,281	145,179	51,835	15,613	5,339	404,247
Annual Change U.S. Census 2000-2008	22,581	17,599	6,284	1,893	647	49,004
Compounded Annual Growth Rate	2.53%	5.71%	5.30%	2.94%	1.88%	3.46%
Difference 2000 Census - 2009 TxSDC	200,509	158,161	56,765	17,179	5,059	437,673
Annual Change 2000 Census – 2009 TxSDC	21,678	17,100	6,137	1,857	547	47,320
Compounded Annual Growth Rate	2.41%	5.44%	5.08%	2.86%	1.59%	3.30%
Difference U.S. Census 2000-2009	213,878	160,719	57,956	17,143	5,616	455,312
Annual Change U.S. Census 2000-2009	23,124	17,376	6,266	1,853	607	49,227
Compounded Annual Growth Rate	2.56%	5.51%	5.17%	2.85%	1.75%	3.42%

Note: All growth rates are calculated based upon the specific date of the figures. For example, the period between the April 1, 2000 Census and the July 1, 2007 U.S. Census estimate is 7.25 years rather than 7.0 years.

Source: Texas State Data Center, 2009 and 2010 and U.S. Census Bureau, 2010.

Table 4-4: 2008 and 2009 Population Estimates for Counties in the SABC Study Area

	COUNTY					
	Bexar	Guadalupe	Comal	Wilson	Kendall	Total
April 1, 2000 Census Count	1,392,931	89,023	78,021	32,408	23,743	1,616,126
TxSDC Estimate – Jul. 1, 2008	1,618,284	118,101	110,105	40,979	32,832	
U.S. Census Estimate – Jul. 1, 2008	1,621,304	117,341	110,119	40,350	32,923	
TxSDC Estimate – Jul. 1, 2009	1,649,956	121,172	113,819	41,023	33,916	1,959,886
U.S. Census Estimate – Jul. 1, 2009	1,651,448	121,432	114,525	40,479	34,053	1,961,937
Difference 2000 Census - 2009 TxSDC	225,353	29,078	32,084	8,571	9,089	304,175
Annual Change 2000 Census – 2009 TxSDC	27,318	3,525	3,889	1,039	1102	36,873
Compounded Annual Growth Rate	1.83%	3.49%	4.26%	2.89%	4.01%	2.11%
Difference U.S. Census 2000-2009	228,373	28,318	32,098	7,942	9,180	305,911
Annual Change U.S. Census 2000-2009	27,684	3,433	3,891	963	1113	37,083
Compounded Annual Growth Rate	1.86%	3.40%	4.27%	2.69%	4.04%	2.12%
Difference 2000 Census - 2009 TxSDC	257,025	32,149	35,798	8,615	10,173	343,760
Annual Change 2000 Census – 2009 TxSDC	27,789	3,476	3,870	931	1100	37,166
Compounded Annual Growth Rate	1.85%	3.39%	4.17%	2.58%	3.93%	2.11%
Difference U.S. Census 2000-2009	258,517	32,409	36,504	8,071	10,310	345,811
Annual Change U.S. Census 2000-2009	27,950	3,504	3,947	873	1115	37,388
Compounded Annual Growth Rate	1.86%	3.41%	4.24%	2.43%	3.98%	2.12%

Note: All growth rates are calculated based upon the specific date of the figures. For example, the period between the April 1, 2000 Census and the July 1, 2007 U.S. Census estimate is 7.25 years rather than 7.0 years.

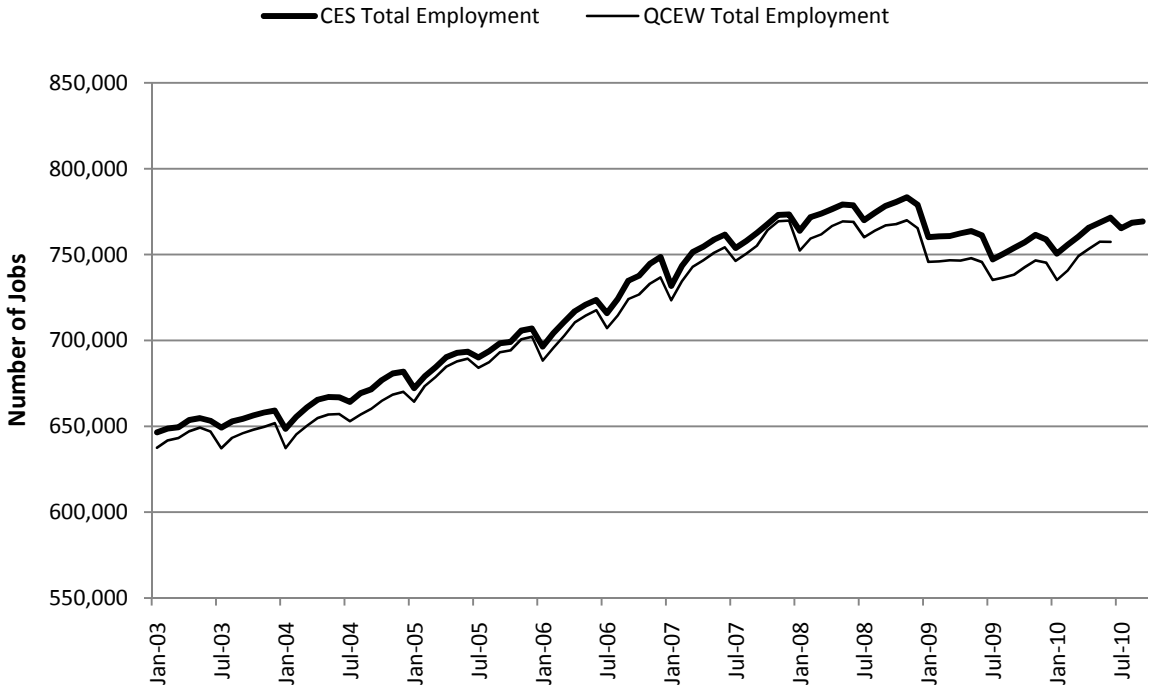
Source: Texas State Data Center, 2009 and 2010 and U.S. Census Bureau, 2010.

4.1.2 Employment

Figure 4-1 and Figure 4-2 graph two different employment counts for the Austin and San Antonio MSAs. The Current Employment Statistics (CES) report the results of a monthly survey of non-farm business establishments conducted by state and federal agencies. The Quarterly Census of Employment and Wages Program (QCEW) collects and complies employment data on the number of workers with unemployment insurance. The public is most familiar with the CES data, since it is produced with a short lag time (usually less than one month) and it gives a reasonably accurate snapshot of local, state and national labor market. It is commonly used by various news media to report the condition of national and regional economies. However, the QCEW data are the more accurate of the two, in terms of comprehensively accounting for workers. While these data do have some shortcomings, for example some employees (like railroad workers) are not covered by unemployment insurance and therefore are not counted; they are probably the most reasonable dataset for transportation modeling purposes because they reflect individuals in traditional employment arrangements. Two drawbacks to the QCEW data are that there is usually a six-month lag before it is released and it is only available from January 2003. Despite their differences, this discussion will make use of both datasets to provide a more comprehensive picture of the regional job markets in the Austin and San Antonio MSAs.

Total employment in the Austin MSA has grown substantially between January 2003 and October 2010, although it has not grown consistently. During January 2003, the total QCEW employment for the Austin MSA was 637,493 workers. Total employment rose consistently from this point to its peak in November 2007, when it reached 769,979 workers or an increase of approximately 132,500 new jobs. However, as the national recession began to take its toll on the local economy, job losses continued through July 2009 when total employment fell to 735,265 workers. Since then, the general trend has been upward and total employment during June 2010 was 757,383 workers or an increase of 22,000 new jobs. It should be noted that the CES employment estimate for June 2010 is 771,500 jobs, which is 14,000 more jobs than the QCEW estimate. Despite the recent improvements, during June 2010, the local job market was still more than 12,000 jobs lower than its November 2007 peak (and more than 24,000 jobs lower than the CES peak).

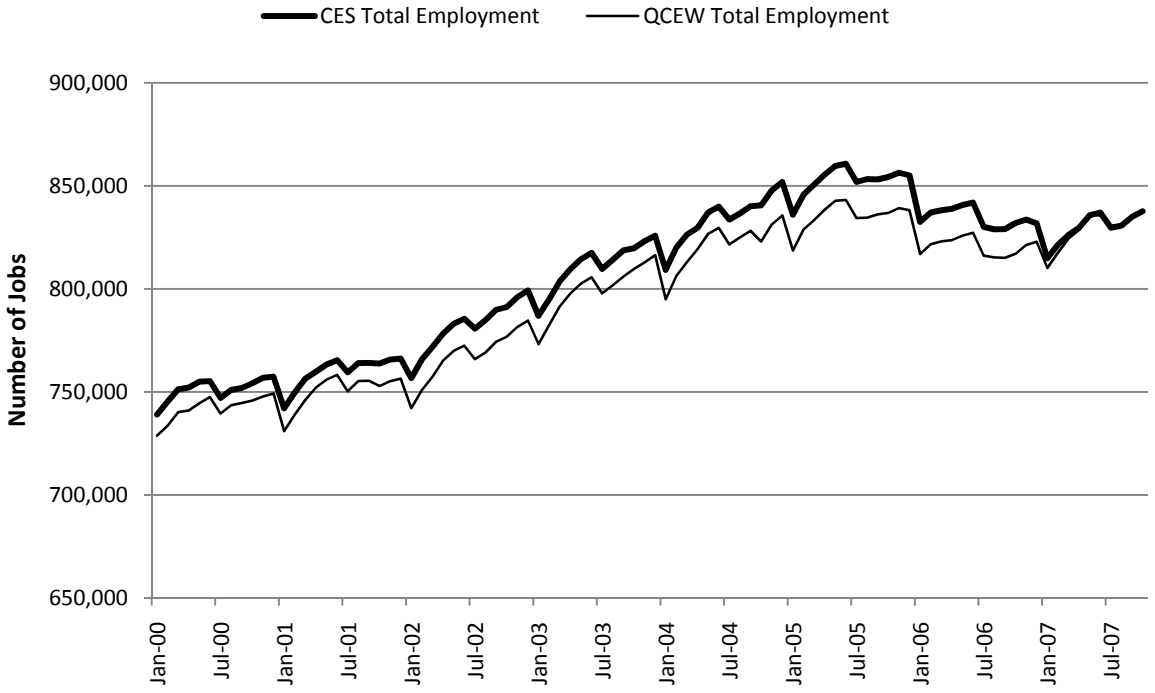
Figure 4-1: Total Employment in the Austin, TX MSA – Jan 2008 to Oct 2010



Source: Texas Workforce Commission, 2010.

Total employment in the San Antonio MSA also grew strongly between 2003 and 2010, increasing from 728,749 jobs in January 2003 to a peak of 843,167 workers during June 2008 or an increase of almost 114,500 jobs. From that peak, which occurred substantially later than the national economy's dip into severe recession (as well as the Austin economy's) total employment began to fall and reached its nadir during January 2010 at 810,199 jobs. Following that point, the number of employed began to expand once again and there were 835,554 jobs as of June 2010. Yet, the total number of employed was still roughly 7,600 fewer workers than June 2008.

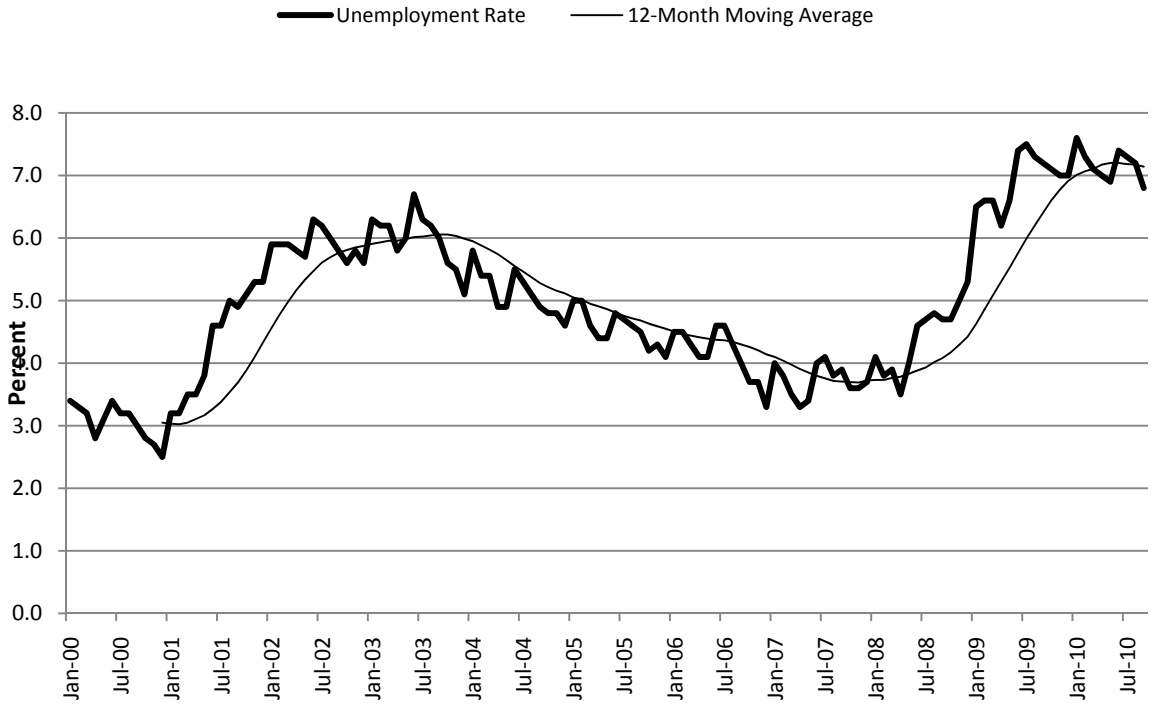
Figure 4-2: Total Employment in the San Antonio, TX MSA – Jan 2008 to Oct 2010



Source: Texas Workforce Commission, 2010.

Figure 4-3 shows that during the Austin region's previous economic expansion, local unemployment rates fell to impressive levels; well below 3.0 percent. However, there was a substantial increase in the number of unemployed beginning in January 2001. The unemployment rate moved upward until reaching a peak level of 6.7 percent during June 2003. After that, unemployment rates in the Austin MSA began to fall and local unemployment stood at 3.3 percent during April 2008. The unemployment rate then began to rise again, reaching a high of 7.6 percent in January 2010. As of September 2010, the situation had improved somewhat and the Austin MSA had an unemployment rate of 6.8 percent. The unemployment rate's 12-month moving average also showed signs of leveling out and perhaps the start of a decline. Regardless, the Austin region's unemployment rate is considerably lower than the national rate of 9.2 percent and also lower than Texas's rate of 7.9 percent (September 2010). While recent declines in unemployment rates are, to some degree, the result of job growth, the declining rates also may reflect a certain segment of the unemployed who have given up on finding a job and who are no longer counted as unemployed.

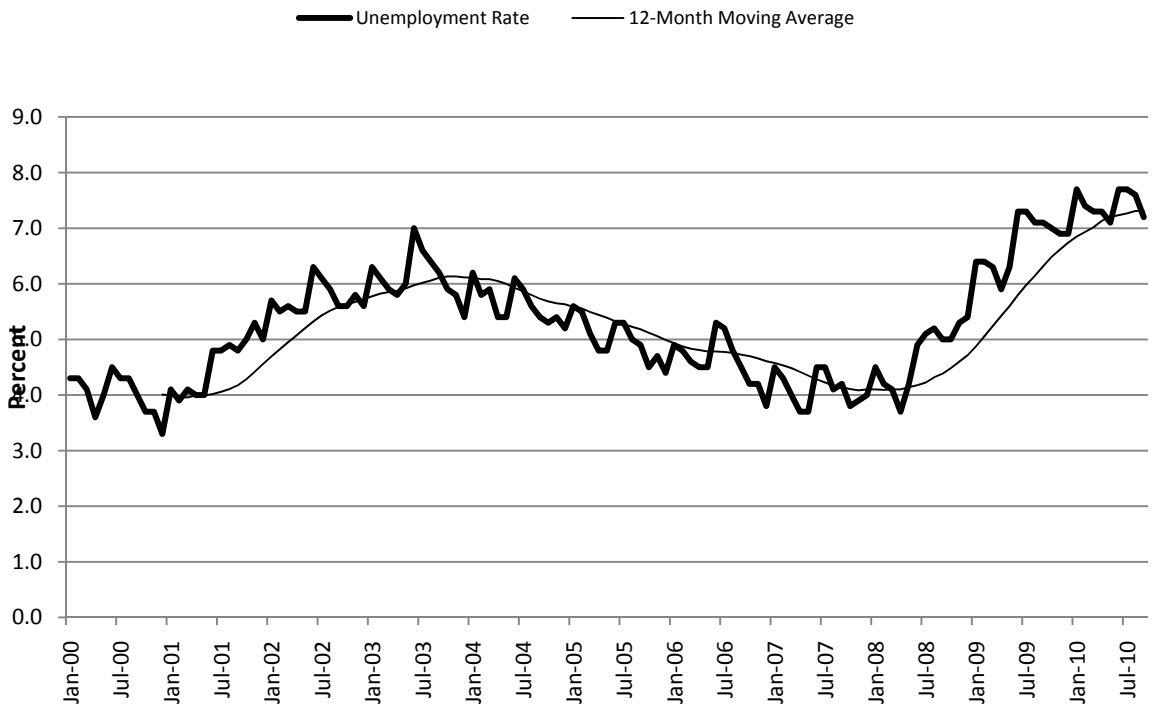
Figure 4-3: Unadjusted Unemployment Rate - Austin, TX MSA - Jan 2000 - Sept 2010



Source: Local Area Unemployment Statistics. Texas Workforce Commission, 2010.

The unemployment rate in the San Antonio MSA has shown a very similar trend, although it was somewhat higher throughout this period (See Figure 4-4). During 2000, at the peak of the previous expansion, the San Antonio MSA's unemployment rate reached a low of 3.3 percent during December 2000. As the subsequent recession ensued, the region's unemployment rate grew to a high of 7.0 percent during June 2003. This was followed by a period of slow decline until a new low of 3.7 percent was reached during April 2008. The region's unemployment rate then began to rise very quickly, as the national recession deepened and an unemployment rate of 7.7 percent was reached three times during 2010. The unemployment rate during September 2010 was 7.2 percent. The 12-month moving average of the MSA's unemployment rate shows that it is still on a slight upward trend but may be close to leveling out.

Figure 4-4: Unadjusted Unemployment Rate - San Antonio, TX MSA - Jan 2000 - Apr 2010



Source: Texas Workforce Commission, 2010.

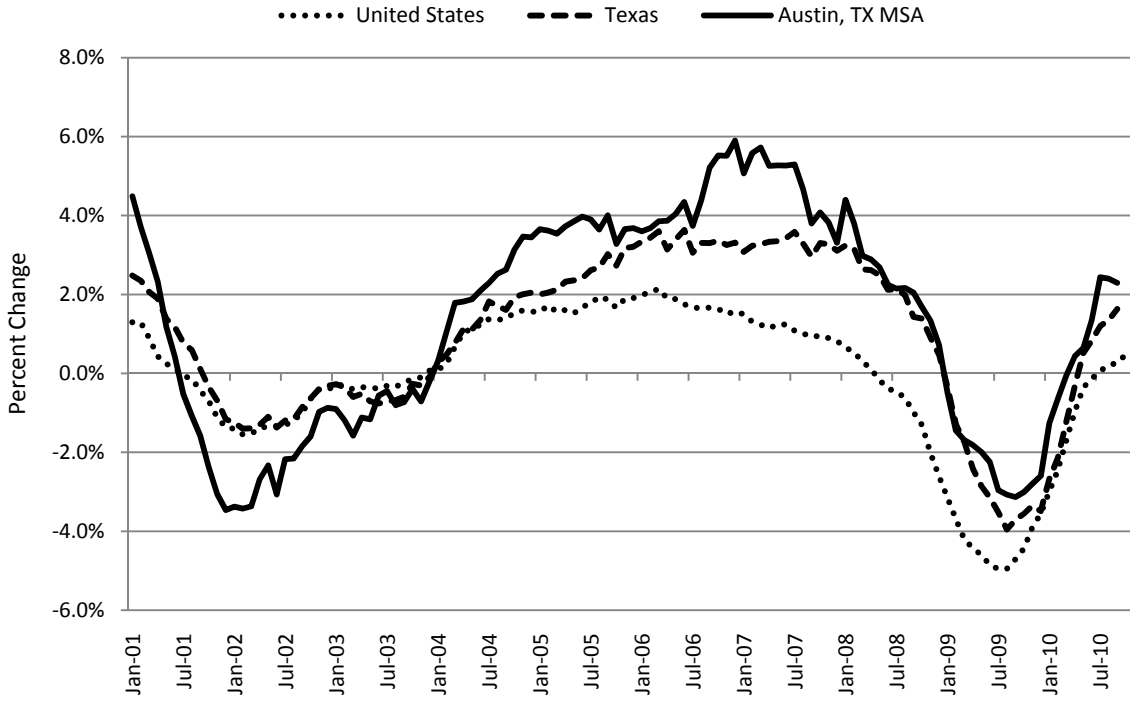
The Nation's Lingering Economic Difficulties and Their Local Impacts

The State of Texas's economy and the Austin and San Antonio MSA economies (in particular) have proven to be surprisingly resilient during the current economic downturn. While the state and the region have not been untouched by the nation's economic troubles, they have avoided some of the job losses that have affected other fast growing areas of the country. The Austin MSA even had the envious position of being the only major city in the nation to have a net job gain for four consecutive months during early 2009. However, by early 2009, the Austin MSA began to experience employment loss, as national economic conditions finally began taking a toll.

Figure 4-5 provides a year-on-year comparison of monthly employment data for the United States, Texas, and the Austin MSA. These data show that Texas and, particularly the Austin MSA, experienced more significant employment loss during the last recession than did the nation overall. This is not surprising since the Austin MSA's economy and the Texas economy were disproportionately affected by their large technology sector. During the subsequent economic rebound between 2004 and 2007, employment growth in Texas and the Austin MSA surpassed national levels. In fact, during this period, the rate of employment growth in the Austin MSA was significantly greater than the state of Texas. Year-on-year employment change during 2009 was also less negative in Texas and the Austin MSA than it was at the national level. During the period of improvement that has occurred since early 2010, employment growth in all three economies has improved markedly. Among them, the Austin

MSA's economy has performed the best and showed positive year-over-year employment growth during most of 2010, while the national economy just barely achieved positive job growth.

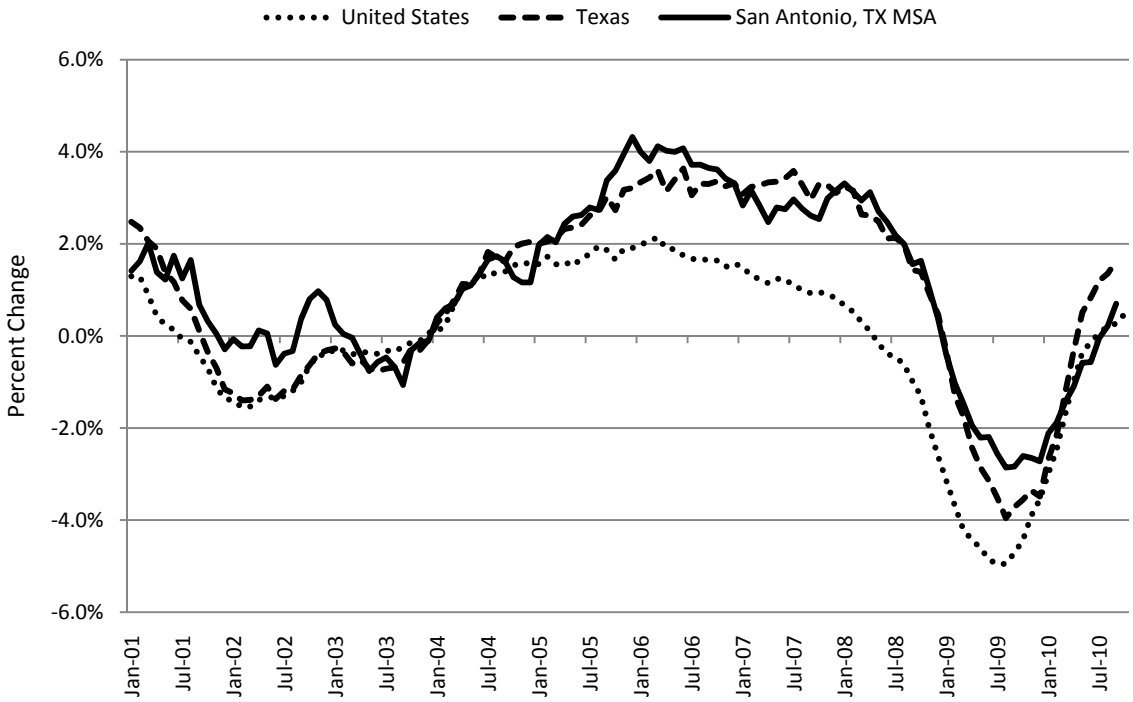
Figure 4-5: Year-on Year CES Monthly Employment Change, Jan 2001 - Sept 2010



Source: Current Employment Estimates. Texas Workforce Commission, 2010.

The San Antonio MSA's year-over-year employment change again showed a similar pattern, although the periods of growth and retraction, were likely buffered by the large number of federal government jobs in the region, particularly at its multiple military installations. The data show that the San Antonio MSA, unlike nearby Austin, escaped with relatively little job loss during the 2001 to 2003 recession. During the subsequent period of recovery, the region's job growth was robust but lower than in the Austin MSA. During the most recent downturn, the San Antonio MSA has experienced greater job loss, although still outperforming the state of Texas overall and the United States as a whole. However, starting in early 2010, the San Antonio MSA's performance slipped and the region has lagged even the nation's slow pace of job growth. As of September 2010, the region's year-over-year rate of job growth was only slightly higher than the national rate but lower than Texas overall.

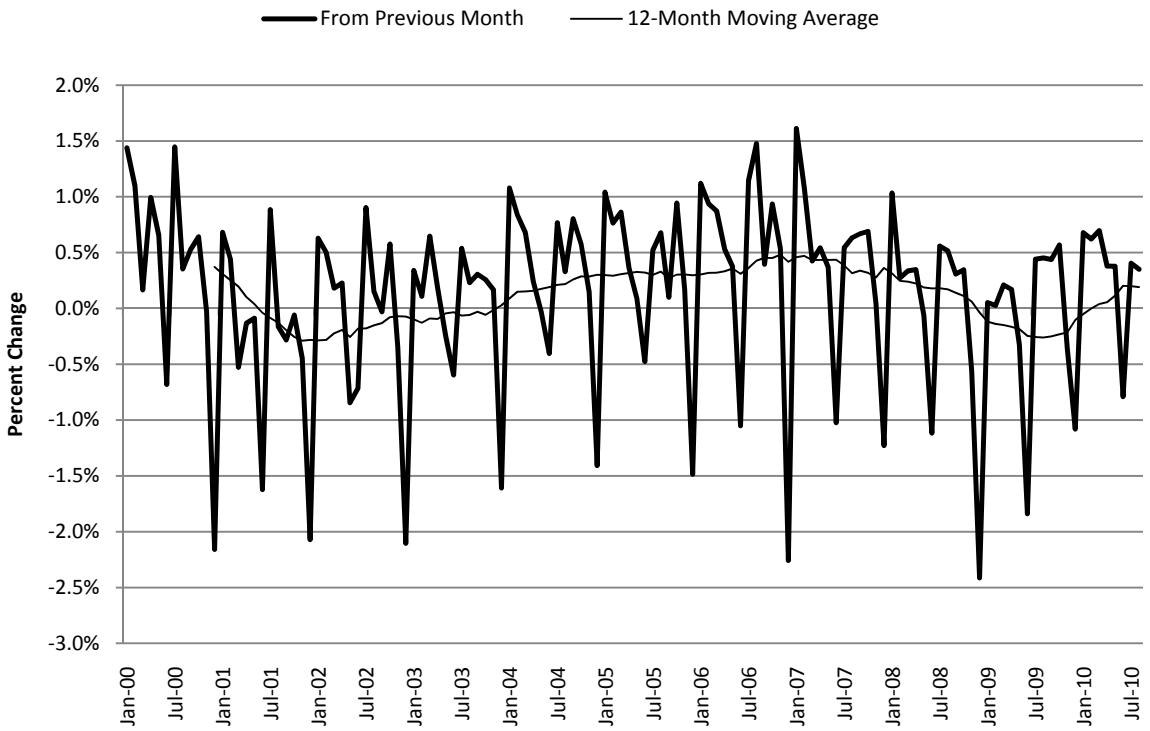
Figure 4-6: Year-on-Year CES Monthly Employment Change, Jan 2001 - Sept 2010



Source: Current Employment Estimates. Texas Workforce Commission, 2010.

Figure 4-7 shows the percent change of employment in the Austin MSA between each month from January 2000 through September 2010. While there is a vaguely discernible trend when these data are graphed, a more useful metric for identifying a pattern is the 12-month moving average. This measure produces a smoothed trend line by averaging values over a 12-month period and then graphing these points on the chart. The 12-month moving average of monthly employment change clearly shows that employment growth in the Austin region slowed throughout 2008 and was negative during much of 2009. However, during late-2009, the trend turned towards very modest growth.

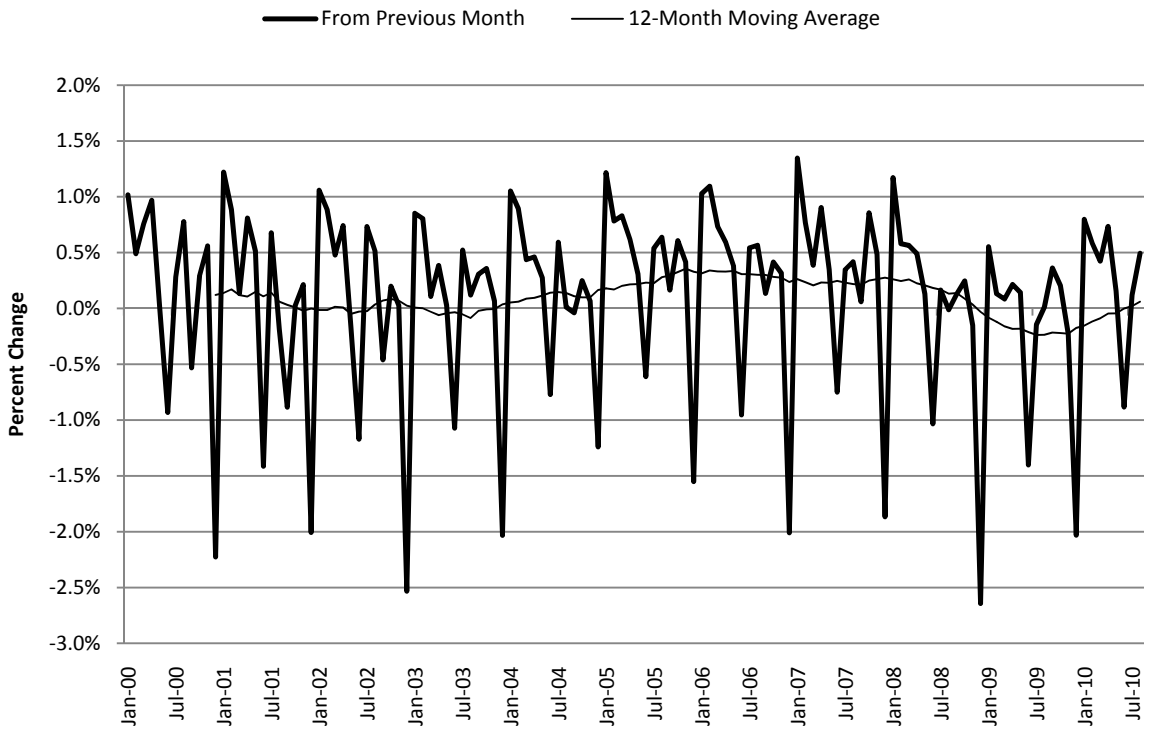
Figure 4-7: Austin, TX MSA CES Percent Monthly Employment Change, Jan 2000 - Sept 2010



Source: Current Employment Estimates. Texas Workforce Commission, 2010.

The San Antonio MSA has shown a similar pattern of growth and shrinkage of the labor market, although less extreme than the Austin MSA. Most notably, the 12-month moving average of month-over-month employment change in the San Antonio MSA was negative during all of 2009 and the first half of 2010. Only during mid-2010 did it become slightly positive. As with Figure 4-6, these data suggests that the San Antonio MSA's economy is emerging from the current downturn at a slower pace than the state of Texas and the Austin MSA. It also suggests that it could be more susceptible to any short-term economic shocks.

Figure 4-8: San Antonio, TX MSA CES Percent Monthly Employment Change, Jan 2000 - Sept 2010



Source: Current Employment Estimates. Texas Workforce Commission, 2010.

Employment Trends by Sector

Examining employment change by industry reveals that certain sectors have played an important role in the region's economic growth during the past seven years. Table 4-4 provides data showing employment change in each employment sector between June 2003 and June 2010, as well as between June 2007 and June 2010 (the current economic downturn). The data in Table 4-5 show that more than 110,000 net jobs were created in the Austin MSA between June 2003 and 2010. However, Table 4-5 also shows that the region has only grown by 3,125 jobs between June 2007 and June 2010.

While job growth occurred in most of the Austin MSA's employment sectors between 2003 and 2010, the education and health services sector led the region with 38,200 new jobs. In fact, even during the economic contraction between June 2007 and June 2010, the sector added more than 20,300 jobs. The employment increase in health services was a factor of population growth and supported by the opening of several major medical facilities in the Austin region, including the Dell Children's Medical Center and hospitals in Round Rock, Cedar Park, and Kyle. Employment in the education sector also grew steadily; since the region's rapid population growth requires the construction of new elementary and secondary schools. The trade, transportation, and utilities sector added more than 22,800 jobs between 2003 and 2010, although more than 1,300 jobs were lost between 2007 and 2010. The retail industry accounts

for most of the employment in this sector (about 58 percent) and for most of the new job growth (approximately 64 percent). Employment in the retail subsector grew by 14,686 jobs between 2003 and 2010 or 22 percent. However, given the retail trade subsector's cyclical nature and temporary hiring practices, it is difficult to determine precise trends. The sector's employment growth has been driven by a number of new retail developments, including: expansions to the outlet mall in San Marcos; the construction of an outlet mall in Round Rock and nearby stores (e.g. IKEA and JC Penney); the retail center at Southpark Meadows in South Austin; The Domain, a high-end (e.g. Neiman-Marcus, Tiffany's, Louis Vuitton, etc.) retail center in North Austin; La Frontera retail center in Round Rock; and the Wolf Ranch and Rivery retail centers in Georgetown. The professional and business services sector added almost 22,800 jobs between 2003 and 2010, although approximately 1,300 jobs were lost between 2007 and 2010. Another local employment growth sector has been the hospitality and leisure industry, which increased by almost 20,700 jobs between 2003 and 2010 (including more than 6,000 jobs since 2007). The industry has expanded as Austin's population has increased but also because the city has become a popular travel destination, especially during events such as the SXSW Music, Film, and Interactive Conference and the Austin City Limits Music Festival each year, as well as college sporting events.

The data in Table 4-5 also show that employment in the manufacturing sector (which consists almost entirely of computer, semiconductor, and electronics production) has experienced the steepest decline with almost 13,600 jobs lost between 2007 and 2010. In addition to reduced demand from the national recession, job losses have also occurred as outdated facilities are closed and as jobs are sent offshore. The region's manufacturing sector, which at one time peaked at more than 85,000 jobs in 2000, is unlikely to recover from its subsequent 45 percent loss of jobs. Likewise, although at a smaller scale, the information sector was a net employment loser, shedding more than 3,000 jobs between 2007 and 2010. The construction sector, which is more cyclical and tends to lag employment changes in the economy as a whole, has lost most of its gains between 2003 and 2010, shedding more than 11,000 jobs between 2007 and 2010, as housing demand sharply contracted. The financial activities sector also lost almost 1,300 jobs between 2007 and 2010, although the industry still had a net increase of 4,600 jobs between 2003 and 2010.

Table 4-5: QCEW Employment Change – Austin, TX MSA by Sector

	Change 06/03-06/10		Change 06/07-06/10	
Employment Sector	**Employment**	**CAGR**	**Employment**	**CAGR**
Manufacturing	-10,933	-2.92%	-13,590	-8.06%
Construction	1,044	0.36%	-11,090	-7.55%
Information	-1,838	-1.23%	-3,030	-4.55%
Trade, Transportation and Utilities	22,817	2.54%	-1,362	-0.32%
Professional and Business Services	22,793	3.38%	-1,294	-0.39%
Financial Activities	4,655	1.58%	-648	-0.48%
Unclassified	-418	-9.14%	-436	-20.60%
Natural Resources and Mining	1,505	7.95%	-158	-1.41%
Other Services	5,837	3.41%	1,718	2.14%
Leisure and Hospitality	20,683	3.85%	6,044	2.37%
Public Administration	6,136	1.53%	6,642	3.94%
Education and Health Services	38,243	3.70%	20,329	4.33%
TOTAL	**110,524**	**2.28%**	**3,125**	**0.14%**

Source: Texas Workforce Commission, 2010.

Overall industry employment trends in the San Antonio MSA show a similar pattern to the Austin MSA, relatively strong growth between 2003 and 2007, followed by an abrupt slowdown between 2007 and 2010 (See Table 4-6). Total job growth between June 2003 and June 2010 was more than 88,000 jobs. However, job growth between 2007 and 2010 was less than 6,000 jobs. Most of the job growth in the San Antonio MSA during this period was in the Education and Health Services sector, which added 20,300 workers. The San Antonio MSA serves as a regional health center and is an important military medical center. The Public Administration sector increased by almost 6,500 jobs and the Leisure and Hospitality sector added 4,200 workers. Surprisingly, total employment in the Financial Services sector grew by 1,600 jobs. Job losses between 2007 and 2010 were most significant in the Trade, Transportation, and Utilities sector and the Construction sector, which lost 7,200 and 7,100 jobs, respectively. The manufacturing sector in the San Antonio MSA was not as hard hit as in the Austin MSA, but there was still an employment loss of 5,200 jobs. The Professional and Business Services sector cut 4,300 jobs and the Information sector pared 3,200 workers.

Table 4-6: QCEW Employment Change - San Antonio, TX MSA by Sector

	Change 06/03-06/10		Change 06/07-06/10	
Employment Sector	**Employment**	**CAGR**	**Employment**	**CAGR**
Trade, Transportation and Utilities	5,694	0.54%	-7,215	-1.50%
Construction	1,212	0.39%	-7,138	-4.74%
Manufacturing	-4,747	-1.46%	-5,234	-3.69%
Professional and Business Services	13,556	2.03%	-4,365	-1.37%
Information	-5,255	-3.40%	-3,242	-5.07%
Unclassified	-144	-6.43%	-237	-20.30%
Natural Resources and Mining	351	0.92%	123	0.74%
Other Services	2,029	1.14%	1129	1.46%
Financial Activities	5,496	1.24%	1,616	0.83%
Leisure and Hospitality	17,900	2.58%	4,327	1.35%
Public Administration	9,532	3.58%	6,484	5.50%
Education and Health Services	42,401	3.16%	19,636	3.22%
TOTAL	**88,025**	**1.60%**	**5,884**	**0.24%**

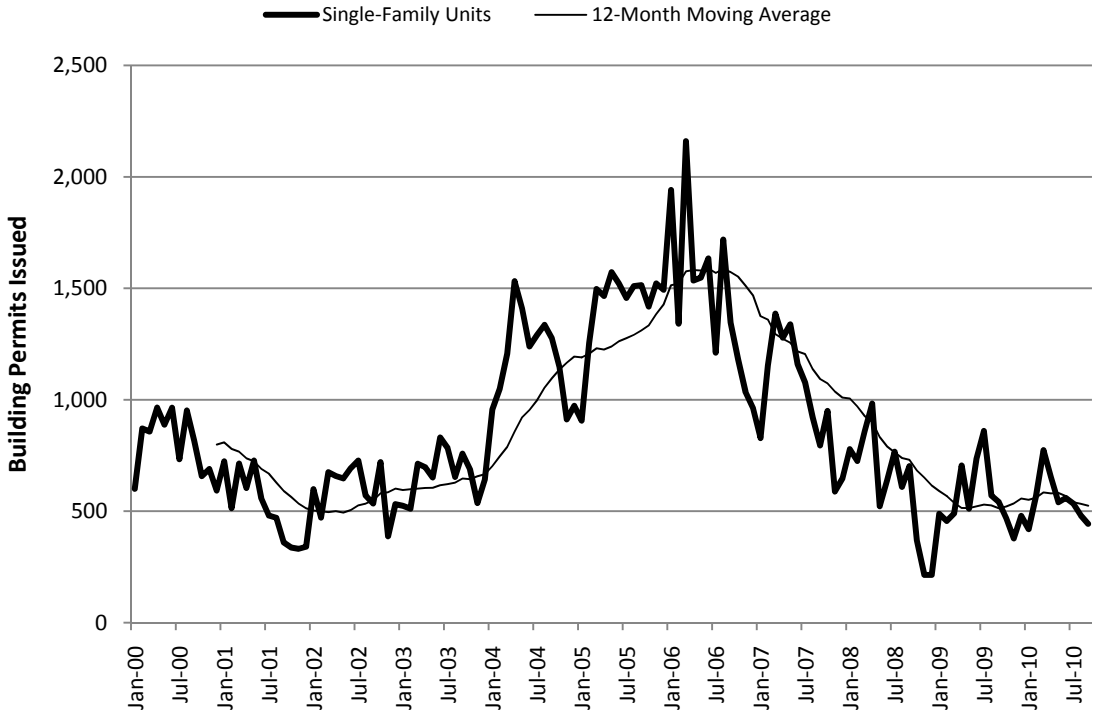
Source: Texas Workforce Commission, 2010.

4.2 REGIONAL REAL ESTATE TRENDS

Single-family

The number of single-family residential building permits issued within the Austin MSA has declined significantly since early 2006. Figure 9 shows that the number of permits issued has fallen from an average of approximately 1,600 per month (12-month moving average) to approximately 500 per month during mid-2010. During mid-2009, the amount of construction activity in the single-family housing sector was similar to the level experienced during low point of the 2001-2003 recession (12-month moving average). Since reaching this most recent nadir, there was a slight uptick in the number of permits issued during early 2010, but the number of permits issued has returned near its previously low levels.

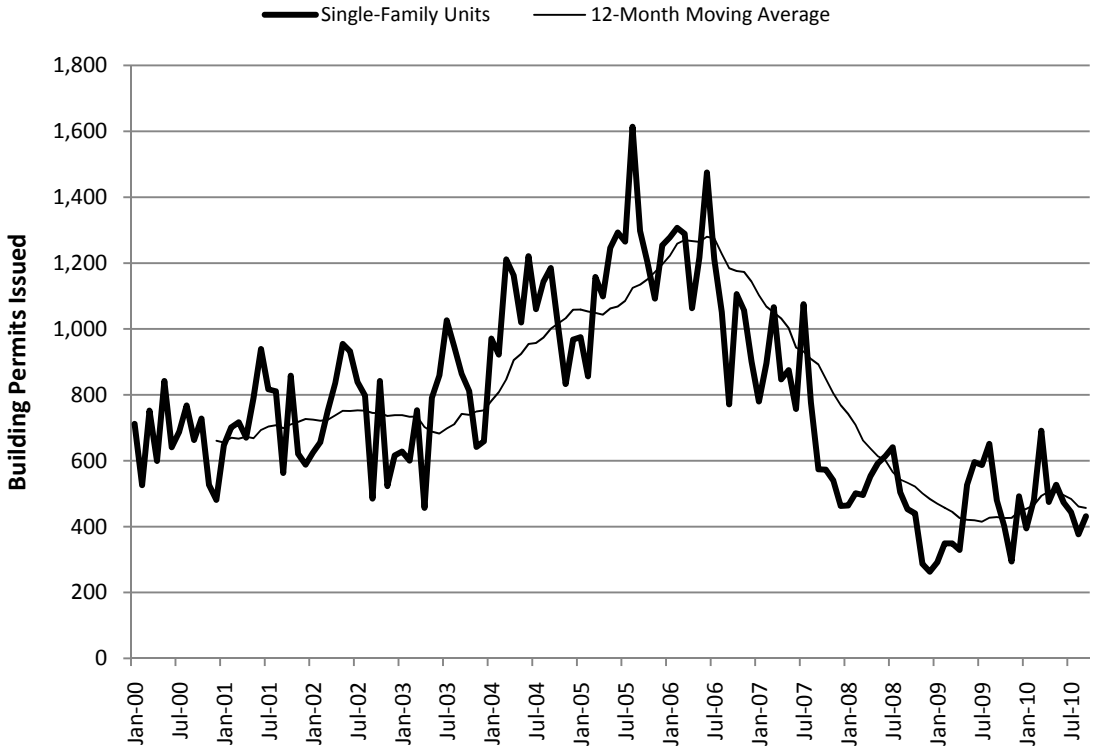
Figure 4-9: Single-Family Building Permits Issued - Austin, TX MSA, Jan 2000 - Sept 2010



Source: Texas A&M University Real Estate Center, 2010.

The pattern of issued single-family building permits in the San Antonio MSA was similar to the Austin MSA, with the notable exception that there was not a downturn during the 2001-2003 recession (See Figure 4-10). The region's peak activity was in early 2006, when roughly 1,300 monthly housing permits were issued (12-month moving average). After that point, the volume dropped steeply to slightly more than 400 residential building permits per month during late 2009. There was a slight uptick in the market during early 2010, but number of building permits again fell near their previously low levels.

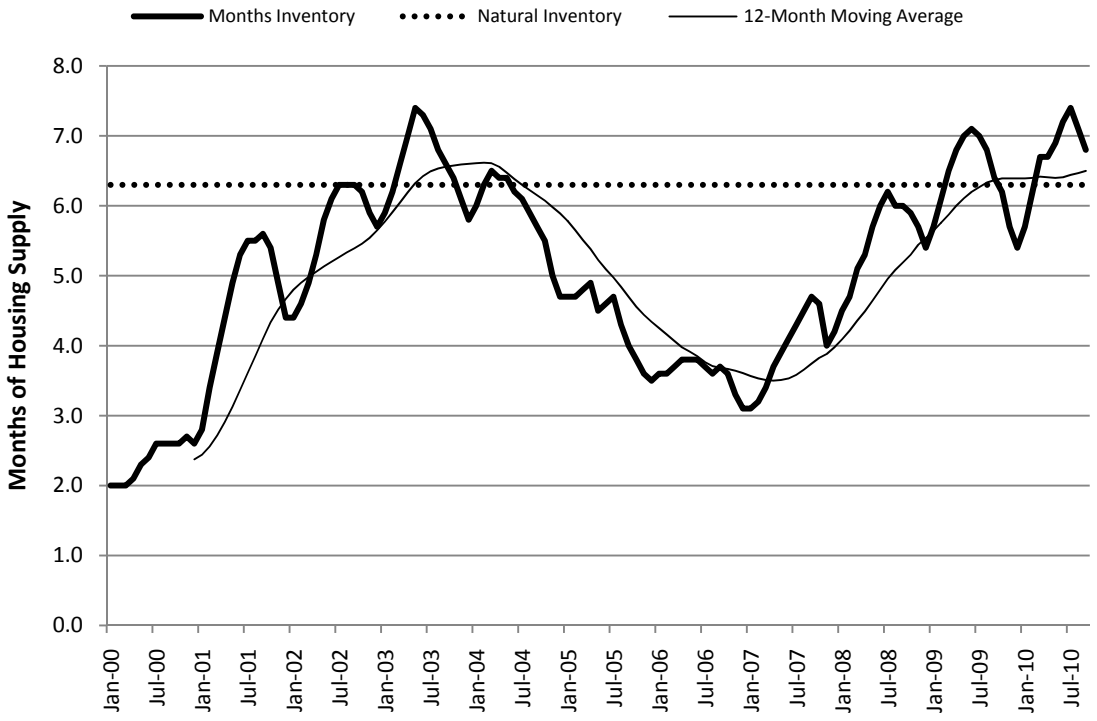
Figure 4-10: Single-Family Building Permits - San Antonio, TX MSA, Jan 2010 - Sept 2010



Source: Texas A&M University Real Estate Center, 2010.

Another gauge of the housing crisis' effect on the local economy is the inventory of unsold homes. According to a 2008 study by researchers at the Real Estate Center at Texas A&M University, the Austin MSA has a "natural" homes-for-sale inventory of 6.3 months. This value is said to show that when there is fewer than 6.3 months of housing inventory on the market, home prices appreciate, and when there is more than 6.3 months area, home prices fall. Figure 4-11 shows the Austin MSA had 6.8 months of housing inventory during September 2010. This level of inventory was a substantial increase over the January 2007 level, when there was just over a 3-month supply. It should be noted that even during the height of the most recent housing boom, the region's inventory of single-family homes was still not as constrained as it was during January 2000, when the region had only a 2-month supply of homes nor has it had as many homes on the market as during May 2003 when there was a 7.4 month supply.

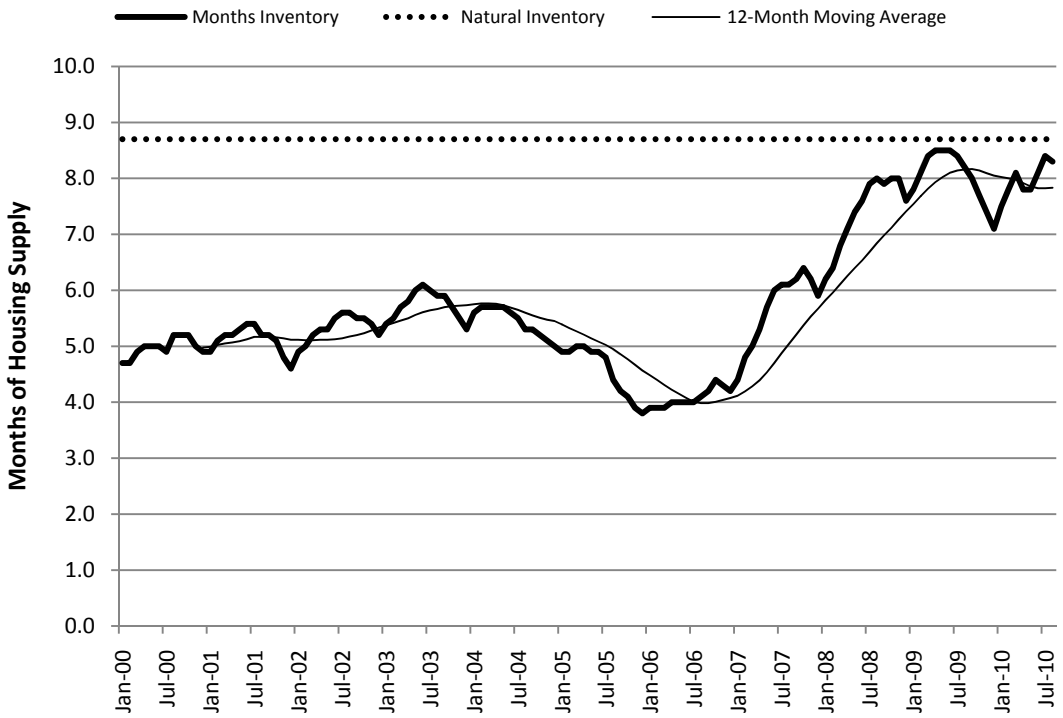
Figure 4-11: Months of Housing Supply in the Austin, TX MSA Market, Jan 2000 - Apr 2010



Source: Texas A&M University Real Estate Center, 2010.

A similar measure of natural inventory for the San Antonio MSA is not available, but Figure 4-12 shows the region's housing inventory compared to the natural inventory for the state of Texas. The data show that the region has maintained a somewhat constrained housing market between 2000 and 2006. Beginning in 2007, the market became less constrained and, assumedly, housing prices began to fall.

Figure 4-12: Months of Housing Supply in the San Antonio, TX MSA Market, Jan 2000 - Apr 2010



Source: Texas A&M University Real Estate Center, 2010.

Multifamily

Apartment vacancy rates in the Austin region trended upward between 2007 and 2008 but have declined during 2009 and 2010. Yet, nationally, household formation has slowed dramatically since 2009, which has constrained the demand for new apartments. Between 2007 and 2008, for example, 1.17 million new households were formed. Between 2008 and 2009, household formation had fallen to 357,000 households (U.S. Census Bureau, 2010). The slowing rate of household formation, coupled with the large supply of housing on the market, means there is significantly less market demand for new housing construction than there has been in the recent past. Young adults, for example, are continuing to live with family members rather than moving into their own home. Other unrelated individuals are sharing dwelling units to reduce their housing costs or to conserve income. However, the Austin region has also received a large amount of in-migration of job-seekers from the rest of the nation, which has created new demand for housing. Even with these countervailing trends, the apartment vacancy rate for the Austin region, as a whole, was 8.2 percent during the third quarter of 2010 which is high by historic standards. Table 4-7 provides a submarket review of apartment vacancy rates during the third quarter of 2010.

Table 4-7: Apartment Vacancy Conditions in the Austin Area - Third Quarter 2010

Rank	Submarket	Vacancy Rate	Year-on-Year Change
1	North Travis	5.80%	1.50%
2	Ranch Road 620 N./FM 2222	6.90%	2.00%
3	Far Northwest	7.10%	1.10%
4	Near Northwest	7.30%	1.10%
5	US 183/Cedar Park/Leander	8.20%	2.00%
6	Central	8.70%	1.80%
7	San Marcos/North Hays County	8.80%	-0.10%
8	Round Rock/Georgetown/Hutto	9.80%	0.00%
9	Southeast	10.10%	-1.80%
10	East	11.10%	1.80%

Source: Marcus & Millichap, 2010.

Data for a similar description of San Antonio's apartment submarkets were not readily available. However, summary data for the region from ALN Apartment Data show that the occupancy rate was 91.1 percent during October 2010. Over a 12-month period, the region absorbed 3,877 units or an increase of 3.3 percent.

Office

The Austin MSA office rental market is under considerable pressure due to the current economic downturn. Overall, the region's office vacancy rate was 22.9 percent during the third quarter of 2010 (See Table 4-8). The Austin MSA's net absorption of office space improved during this period by 527,213 square feet. Although the SH 130 study area contributes relatively little to the overall supply of the region's office space, the Round Rock and East Austin submarkets had the highest vacancy rates. Table 4-8 also shows that none of the submarkets in the region were adding new office space because, for obvious reasons, builders have stopped supplying space to the market.

Table 4-8: Office Rental Market Conditions in the Austin Area - Third Quarter 2010

Submarket	Rentable Area (SF)	Total Vacancy	Net Absorption (SF)	Under Construction (SF)
CBD	9,031,715	15.10%	64,078	0
Northwest	15,351,933	27.10%	174,682	0
North Central	3,302,421	28.60%	112,389	0
Round Rock	964,611	46.80%	-2,337	0
East	1,534,677	32.40%	25,553	0
South	1,712,674	25.60%	-3,948	0
Southwest	9,259,675	16.70%	156,796	0
TOTAL	**41,157,706**	**22.90%**	**527,213**	**0**

Source: CB Richard Ellis, 2010.

The San Antonio office market, although with considerably less supply than the Austin market, is performing relatively well under the current economic environment. Total vacancy for the region was 17.6 percent with 47,065 feet of space being returned to the market during the third quarter of 2010 (See Table 4-9). No new office space was under construction during this period.

Table 4-9: Office Rental Market Conditions in the San Antonio Area - Third Quarter 2010

Submarket	Rentable Area (SF)	Total Vacancy	Net Absorption (SF)	Under Construction (SF)
CBD	4,939,798	22.90%	-49,182	0
North Central	9,438,579	15.80%	23,505	0
Northeast	1,699,722	11.90%	18,525	0
Northwest	8,493,359	17.90%	-39,013	0
South	305,063	12.30%	-900	0
TOTAL	**24,876,521**	**17.60%**	**-47,065**	**0**

Source: CB Richard Ellis, 2010.

Retail

According to a 2010 study by Marcus & Millichap, the Austin region's market for retail space remains depressed, but its second quarter 2010 vacancy rate was 9.3 percent, which was an improvement from the fourth quarter of 2009 rate of 9.6 percent. A listing of select retail rental submarkets is provided in Table 4-10. Retail construction is still occurring at a slow pace and there are several projects underway that will add approximately 400,000 square feet of space to the local market. More than twenty times that amount of space is still being planned for the region, but these projects will trickle into the market as demand dictates (Marcus & Millichap, 2010).

Table 4-10: Retail Rental Market Conditions in the Austin Area - Second Quarter 2010

Submarket	Vacancy Rate	Year-on-Year Change
South Austin	6.40%	-3.40%
Central/Downtown Austin	8.20%	-3.20%
Round Rock/Williamson County	14.60%	-4.10%

Source: Marcus & Millichap, 2010.

A study of San Antonio's retail market by NAI REOC San Antonio found a similar retail vacancy rate of 14.0 percent (See Table 4-11). Vacancy rates were lower in San Antonio's CBD and the south part of the city at 13.3 percent than its northern side with 14.1 percent. However, more than 85 percent of the region's retail space is located north of the CBD, which had a net absorption of 66,972 square feet during the second quarter of 2010.

Table 4-11: Retail Rental Market Conditions in the Austin Area - Second Quarter 2010

Submarket	Rentable Area	Vacancy Rate	2Q Absorption
CBD/South	5,516,414	13.30%	-5,022
Non-CBD/North	39,304,903	14.10%	66,972
Citywide	**44,821,317**	**14.00%**	**61,950**

Source: NAI REOC San Antonio, 2010.

Industrial

Table 4-12 provides an overview of the industrial real estate market in the Austin region during the third quarter of 2010. The data show that the overall vacancy rate for industrial real estate in the region was 21.3 percent. The data also show that no new industrial space was under construction. During the past quarter, a modest amount of industrial space has returned to the market. A significant share of the region's industrial space is located in the CTTS study area along the SH 130 and IH 35 corridors.

Table 4-12: Industrial Rental Market Conditions in the Austin Area - Third Quarter 2010

Submarket	Rentable Area (SF)	Vacancy Rate	Net Absorption (SF)	Under Construction (SF)
CBD	41,626	8.90%	0	0
Central	1,366,893	12.20%	8,009	0
East	3,641,742	28.30%	-70,549	0
Far Northeast	2,208,328	33.60%	-5,543	0
Far Northwest	524,790	14.80%	-18,779	0
Georgetown	1,213,215	2.90%	26,454	0
Hays County	565,549	26.00%	0	0
North	14,097,769	19.10%	-27,859	0
Northeast	7,648,102	23.50%	-13,579	0
Northwest	2,759,300	11.00%	-36,796	0
Round Rock	3,506,367	34.90%	-29,503	0
South	1,962,886	5.40%	42,860	0
Southeast	10,355,028	22.30%	-40,059	0
Southwest	414,928	14.50%	-15,751	0
TOTAL	**50,310,943**	**21.30%**	**-181,113**	**0**

Source: CB Richard Ellis, 2010.

The San Antonio industrial market is smaller than the Austin market and also has a lower overall vacancy rate of 17.2 percent (See Table 4-13). During the third quarter of 2010, a modest amount (188,029 square feet) of industrial space was absorbed. No new industrial space was under construction during this period.

Table 4-13: Industrial Rental Market Conditions in the San Antonio Area - Third Quarter 2010

Submarket	Rentable Area (SF)	Vacancy Rate	Net Absorption (SF)	Under Construction (SF)
CBD	522,081	28.10%	13,009	0
North Central	5,350,636	12.90%	61,973	0
Northeast	17,723,068	15.70%	-5,640	0
Northwest	6,043,352	17.80%	59,757	0
South	1,770,529	40.40%	58,930	0
TOTAL	**31,409,666**	**17.20%**	**188,029**	**0**

Source: CB Richard Ellis, 2010.

4.3 ADJUSTMENTS TO POPULATION AND EMPLOYMENT FOR 2010 CTTS UPDATE FORECASTS

4.3.1 Control Total Assessments and Adjustments

The population and employment control totals used for this study anticipate reasonably strong growth for the CAMPO and SABC study areas through the year 2035 (See through Table 4-17). However, the revised forecast figures also account for greater than anticipated population growth during the early forecasts years in the CAMPO counties (with the exceptions of Bastrop and Caldwell Counties), based upon the current population growth trends, and slower than forecasted (with few exceptions) population growth in the SABC counties. The employment forecast control totals for each county in the CAMPO and SABC study areas were reduced to more reasonable figures that reflect the current economic situation and the uncertainty that remains over the long term. Yet, overall, the revised population and employment forecasts anticipate strong, yet measured, growth throughout the forecast horizon.

Table 4-14: Adjustments to the CAMPO Counties Population Control Totals

TRAVIS COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Population Forecast	Compounded Annual Growth Rate		Population Forecast	Compounded Annual Growth Rate		
2008	966,138	--		988,304	--		22,166
2010	1,038,595	3.68%	(+36,229)	1,047,634	2.96%	(+29,665)	9,039
2015	1,105,083	1.25%	(+13,298)	1,163,665	2.12%	(+23,206)	58,582
2025	1,318,041	1.78%	(+21,296)	1,356,840	1.55%	(+19,318)	38,799
2035	1,555,281	1.67%	(+23,724)	1,553,170	1.36%	(+19,633)	-2,111

WILLIAMSON COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Population Forecast	Compounded Annual Growth Rate		Population Forecast	Compounded Annual Growth Rate		
2008	385,570	--		392,034	--		6,464
2010	418,000	4.12%	(+16,215)	427,922	4.48%	(+17,944)	9,922
2015	473,316	2.52%	(+11,063)	516,462	3.83%	(+17,708)	43,146
2025	702,694	4.03%	(+22,938)	697,820	3.06%	(+18,136)	-4,874
2035	1,026,484	3.86%	(+32,379)	915,534	2.75%	(+21,771)	-110,950

HAYS COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Population Forecast	Compounded Annual Growth Rate		Population Forecast	Compounded Annual Growth Rate		
2008	144,759	--		147,552	--		2,793
2010	152,180	2.53%	(+3,711)	159,941	4.11%	(+6,195)	7,761
2015	189,153	4.45%	(+7,395)	190,920	3.60%	(+6,196)	1,767
2025	271,593	3.68%	(+8,244)	262,223	3.22%	(+7,130)	-9,370
2035	371,245	3.17%	(+9,965)	334,063	2.45%	(+7,184)	-37,182

BASTROP COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Population Forecast	Compounded Annual Growth Rate		Population Forecast	Compounded Annual Growth Rate		
2008	73,372	--		73,372	--		0
2010	77,485	2.76%	(+2,057)	77,490	2.77%	(+2,059)	5
2015	102,289	5.71%	(+4,961)	91,050	3.28%	(+2,712)	-11,239
2025	149,185	3.85%	(+4,690)	123,201	3.07%	(+3,215)	-25,984
2035	215,452	3.74%	(+6,627)	161,348	2.73%	(+3,815)	-54,104

CALDWELL COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Population Forecast	Compounded Annual Growth Rate		Population Forecast	Compounded Annual Growth Rate		
2008	35,880	--		36,649	--		769
2010	39,000	4.26%	(+1,560)	37,822	1.59%	(+587)	-1,178
2015	50,127	5.15%	(+2,225)	41,299	1.77%	(+695)	-8,828
2025	65,321	2.68%	(+1,519)	47,569	1.42%	(+627)	-17,752
2035	82,069	2.31%	(+1,675)	52,599	1.01%	(+503)	-29,470

Table 4-15: Adjustments to the CAMPO Counties Employment Control Totals

TRAVIS COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Employment Forecast	Compounded Annual Growth Rate		Employment Forecast	Compounded Annual Growth Rate		
2008	611,085	--		581,572	--		-29,513
2010	654,433	3.49%	(+21,674)	567,136	-1.25%	-(7,218)	-87,297
2015	707,253	1.56%	(+10,564)	596,438	1.01%	(+5,860)	-110,815
2025	843,546	1.78%	(+13,629)	718,554	1.88%	(+12,212)	-124,992
2035	1,026,485	1.98%	(+18,294)	855,278	1.76%	(+13,672)	-171,207

WILLIAMSON COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Employment Forecast	Compounded Annual Growth Rate		Employment Forecast	Compounded Annual Growth Rate		
2008	130,516	--		115,690	--		-14,826
2010	146,313	5.88%	(+7,899)	120,500	2.06%	(+2,405)	-25,813
2015	165,661	2.52%	(+3,870)	134,194	2.18%	(+2,739)	-31,467
2025	252,970	4.32%	(+8,731)	183,043	3.15%	(+4,885)	-69,927
2035	400,329	4.70%	(+14,736)	239,062	2.71%	(+5,602)	-161,267

HAYS COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Employment Forecast	Compounded Annual Growth Rate		Employment Forecast	Compounded Annual Growth Rate		
2008	52,137	--		46,843	--		-5,294
2010	56,330	3.94%	(+2,097)	48,000	1.23%	(+579)	-8,330
2015	71,878	5.00%	(+3,110)	54,162	2.44%	(+1,232)	-17,716
2025	104,563	3.82%	(+3,269)	74,728	3.27%	(+2,057)	-29,835
2035	144,786	3.31%	(+4,022)	98,778	2.83%	(+2,405)	-46,008

BASTROP COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Employment Forecast	Compounded Annual Growth Rate		Employment Forecast	Compounded Annual Growth Rate		
2008	16,274	--		13,865	--		-2,409
2010	17,047	2.35%	(+387)	14,250	1.38%	(+193)	-2,797
2015	23,526	6.65%	(+1,296)	16,079	2.44%	(+366)	-7,447
2025	37,296	4.72%	(+1,377)	22,185	3.27%	(+611)	-15,111
2035	58,172	4.55%	(+2,088)	29,325	2.83%	(+714)	-28,847

CALDWELL COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Employment Forecast	Compounded Annual Growth Rate		Employment Forecast	Compounded Annual Growth Rate		
2008	8,588	--		6,887	--		-1,701
2010	9,360	4.40%	(+386)	6,850	-0.27%	-(+19)	-2,510
2015	12,030	5.15%	(+534)	7,729	2.44%	(+176)	-4,301
2025	16,330	3.10%	(+430)	10,664	3.27%	(+294)	-5,666
2035	20,517	2.31%	(+419)	14,096	2.83%	(+343)	-6,421

Table 4-16: Adjustments to the San Antonio Counties Population Control Totals

BEXAR COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Population Forecast	Compounded Annual Growth Rate		Population Forecast	Compounded Annual Growth Rate		
2008	1,630,520	--		1,618,295	--		-12,225
2015	1,767,648	1.16%	(+19,590)	1,685,845	0.59%	(+9,650)	-81,803
2025	1,944,729	0.96%	(+17,708)	1,846,066	0.91%	(+16,022)	-98,663
2035	2,149,142	1.00%	(+20,441)	1,971,897	0.66%	(+12,583)	-177,245

GUADALUPE COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Population Forecast	Compounded Annual Growth Rate		Population Forecast	Compounded Annual Growth Rate		
2008	112,110	--		118,110	--		6,000
2015	140,286	3.25%	(+4,025)	130,383	1.42%	(+1,753)	-9,903
2025	184,586	2.78%	(+4,430)	163,714	2.30%	(+3,333)	-20,872
2035	228,911	2.18%	(+4,433)	197,133	1.87%	(+3,342)	-31,778

COMAL COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Population Forecast	Compounded Annual Growth Rate		Population Forecast	Compounded Annual Growth Rate		
2008	109,145	--		110,105	--		960
2015	144,767	4.12%	(+5,089)	127,074	2.07%	(+2,424)	-17,693
2025	206,338	3.61%	(+6,157)	169,767	2.94%	(+4,269)	-36,571
2035	267,876	2.64%	(+6,154)	214,842	2.38%	(+4,508)	-53,034

KENDALL COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Population Forecast	Compounded Annual Growth Rate		Population Forecast	Compounded Annual Growth Rate		
2008	32,310	--		40,979	--		8,669
2015	44,289	4.61%	(+1,711)	42,352	0.47%	(+196)	-1,937
2025	62,181	3.45%	(+1,789)	56,225	2.87%	(+1,387)	-5,956
2035	79,580	2.50%	(+1,740)	68,828	2.04%	(+1,260)	-10,752

WILSON COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Population Forecast	Compounded Annual Growth Rate		Population Forecast	Compounded Annual Growth Rate		
2008	41,820	--		32,833	--		-8,987
2015	57,209	4.58%	(+2,198)	42,352	3.70%	(+1,360)	-14,857
2025	78,801	3.25%	(+2,159)	55,762	2.79%	(+1,341)	-23,039
2035	101,821	2.60%	(+2,302)	65,306	1.59%	(+954)	-36,515

Table 4-17: Adjustments to the San Antonio Counties Employment Control Totals

BEXAR COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Employment Forecast	Compounded Annual Growth Rate		Employment Forecast	Compounded Annual Growth Rate		
2008	782,328	--		728,338	--		-53,990
2015	902,923	2.07%	(+17,228)	812,242	1.57%	(+11,986)	-90,681
2025	1,022,573	1.25%	(+11,965)	919,888	1.25%	(+10,765)	-102,685
2035	1,162,044	1.29%	(+13,947)	1,045,353	1.29%	(+12,547)	-116,691

GUADALUPE COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Employment Forecast	Compounded Annual Growth Rate		Employment Forecast	Compounded Annual Growth Rate		
2008	29,902	--		29,810	--		-92
2015	38,020	3.49%	(+1,160)	36,641	2.99%	(+976)	-1,379
2025	52,372	3.25%	(+1,435)	48,056	2.75%	(+1,142)	-4,316
2035	66,625	2.44%	(+1,425)	58,237	1.94%	(+1,018)	-8,388

COMAL COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Employment Forecast	Compounded Annual Growth Rate		Employment Forecast	Compounded Annual Growth Rate		
2008	38,958	--		38,962	--		4
2015	49,993	3.63%	(+1,576)	48,016	3.03%	(+1,293)	-1,977
2025	206,338	15.23%	(+15,635)	67,924	3.53%	(+1,991)	-138,414
2035	267,876	2.64%	(+6,154)	85,688	2.35%	(+1,776)	-182,188

KENDALL COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Employment Forecast	Compounded Annual Growth Rate		Employment Forecast	Compounded Annual Growth Rate		
2008	10,727	--		10,681	--		-46
2015	14,760	4.66%	(+576)	12,835	2.66%	(+308)	-1,925
2025	20,357	3.27%	(+560)	16,068	2.27%	(+323)	-4,289
2035	27,261	2.96%	(+690)	19,507	1.96%	(+344)	-7,754

WILSON COUNTY							
Year	2010 CAMPO			2010 CTTS Update			Difference (2010 Update - Campo)
	Employment Forecast	Compounded Annual Growth Rate		Employment Forecast	Compounded Annual Growth Rate		
2008	7,382	--		6,539	--		-843
2015	9,719	4.01%	(+334)	7,517	2.01%	(+140)	-2,202
2025	13,446	3.30%	(+373)	9,436	2.30%	(+192)	-4,010
2035	16,985	2.36%	(+354)	10,800	1.36%	(+136)	-6,185

Assessment and Adjustment at the TSZ level

An initial assessment of the baseline population and employment estimates within the SH 130 project study area found that most TSZs had reasonable values. In some cases, it was determined that adjustments were necessary so they would more accurately reflect 2008 conditions. On the other hand, a cursory review of the forecasts found that some TSZs had significant increases of population and employment that did not reflect most likely growth patterns, based upon the previously collected data. Since the project schedule did not permit a complete reconstruction of the zonal forecasts in the study area, the population and employment forecasts from the previous CTTS study were used. More specifically, using the 2010 CAMPO baseline population and employment estimates, the previously forecasted zonal changes was applied to each TSZ. This created a new, hybrid forecast that was based on the most recent baseline estimates but with forecast values that have been updated multiple times over the past few years. For TSZs outside of the CTTS study area, the original 2010 CAMPO zonal forecasts were used.

For some areas along the SH 130 and IH 35 corridors, outside of the original CTTS study area and in the SABC study area, the existing population and employment forecasts for each TSZ were assessed and adjustments were made when deemed necessary. It should be noted that a TSZ forecast was deemed “reasonable” if it was determined to have a reasonable likelihood of occurring. Hence, those forecasts that were determined to be unlikely to occur were adjusted to more appropriate values after reviewing several data sources including: windshield surveys, interviews with local planning agencies, digital aerial photography, and other relevant literature.

As the final step, all population and employment forecasts at the zonal level, in both models, were adjusted to conform to the countywide control totals, shown in Table 4-14 through Table 4-17.

Employment by Sector

A limited review of employment by sector was performed, primarily to ensure that schools and other special generators were accounted for in the forecasts within the CTTS study area. As county employment control totals were adjusted, a weighted proportional adjustment was made to the total zonal employment. Employment by sector was adjusted proportionately to the changes made to the total zonal employment.

Median Household Income

The assessment of median household income assumed that CAMPO’s and the SABC’s updated forecasts were reasonable. In a few instances, the adjusted population forecasts placed new households in TSZs that were previously assumed vacant. When this occurred, the median household income for an adjacent TSZ with similar housing characteristics was used.

Households

The assessment maintained CAMPO’s and the SABC’s estimates of persons per household. When population forecasts were adjusted at the zonal level, the original persons per household values were used to calculate the revised persons per household.

Adjustments to Forecasts Outside of the Study Area

The assessment and adjustments to the population and employment forecasts of TSZs outside of the project area occurred during the adjustments to the county population and employment control totals. The forecasts for individuals TSZs were not assessed.

4.3.2 Current and Future Risk to Growth

Problems in the national economy have introduced more uncertainty into the assessment of the region's population and employment forecasts than has existed during previous efforts. Generally, it is conventional wisdom that the nation's economic problems will not end within the next six months, but will continue for some unknown period of time before solid economic and employment growth returns. However, in addition to the immediate effects from the mortgage crisis, there are other risks to near-term and long-term economic growth that, if realized, could have some undetermined effect on local development patterns. The purpose of this section is to identify and acknowledge these risks, which were considered when assessing and adjusting the CAMPO and SABC population and employment forecasts for the SH 130 study area, particularly at the county control total level.

The residential mortgage crisis is expected to continue for another 2 to 3 years, although foreclosure delays or moratoriums (due to incorrect foreclosure procedures by banks) could extend this period and create other serious problems within the residential mortgage industry. There are also ongoing concerns about the commercial real estate industry. Some industry experts have anticipated that the inability of commercial real estate developers and property owners to refinance projects would lead to a growing number of foreclosures and bankruptcies. Commercial property owners' could be further stressed by tenants who go bankrupt or who scale back their operations as a result of depressed economic conditions. To date, these concerns have not been realized to the same extent as the housing crisis, but serious problems remain in the commercial real estate industry and they too are expected to continue for another 2 to 3 years. Tight credit markets in the commercial real estate industry could also affect the ability of developers to bring new projects to market. A third financial concern is further weakening of the unsecured consumer loan industry (primarily credit cards), which could further exacerbate the nation's consumer spending woes. High unemployment rates and lower salaries are making it more difficult for many households to service their consumer debt. Finally, some economists are concerned that recent efforts by the Federal Reserve to stimulate economic growth through monetary policy will have the unintentional effect of spurring inflation. Collectively, all of these financial issues, coupled with high rates of unemployment, will affect the spatial allocation of growth, since consumers, developers, and retailers have become reliant upon steady incomes, low interest rates, and easy access to credit to create and sustain cheap housing, high levels of consumption, and sprawling development patterns.

Although oil prices in November 2010 ($80-$90 per barrel) were significantly lower than they were during July 2008 (almost $150 per barrel), higher oil prices will likely return once the global economy recovers and the demand for oil returns. It is too soon to determine how future increases to the price of oil will precisely affect growth patterns in the Austin and San Antonio MSAs or the timing of changes to these patterns, but it is likely (over the long term) that these

new conditions will begin to curb the desire for exurban development. However, suburban development will likely continue for as long as it is affordable in the Austin MSA, because there are simply few alternatives for the average income household to purchase a single-family home in Austin's urban core, given the general population's current demands and expectations of living space and amenities. In the San Antonio MSA, suburban sprawl is an entrenched preference of the population and many of its past growth patterns and local government decisions reinforce the current practice and make a future revitalization of the urban core more difficult. Over the long-term, meaning a decade or more, as petroleum prices continue to rise, the pressure to reduce travel trips and household expenses will likely shift consumer preferences towards living closer to urbanized areas or in denser neighborhoods, with a reduced expectation of housing amenities and adjusted lifestyle choices. However, this will likely to be a slow transition, even if there are abrupt changes on the supply side, and it will not occur until there is an ultimate acknowledgement by consumers that past practices are no longer financially sustainable.

Despite the current and future economic risks that face the nation and the regions, population and employment growth in the Austin and San Antonio MSAs still appear sustainable, although employment growth will be at more modest rates than in the past. This slower growth is likely because national and global economic conditions will exert a greater influence on the local economy than they have previously. In addition to these aforementioned concerns, the Austin and San Antonio regions will continue to be susceptible to exogenous influences that could affect all regions in the United States, such as future economic recessions, global competition, shifts to offshore manufacturing, and outsourcing. Additionally, like all regions in the United States, the Austin and San Antonio MSAs will eventually be forced to respond to the consequences of climate change and any attempts to mitigate it. Fortunately, despite these many challenges, the Austin region's young and well-educated population, along with Texas's business-friendly climate and culture of entrepreneurship, will place it in a competitive advantage over many other regions in the United States. The San Antonio MSA will also be strongly positioned due to the state's business climate and entrepreneurship and the region's low cost of living and low labor costs. However, both regions must confront important challenges. In the Austin MSA, the decline of its manufacturing base is particularly troubling, because it is not convincingly being replaced by another emergent industry that will propel the region forward as the semiconductor and computer industries did. The San Antonio MSA must confront the poor level of educational attainment among its residents and concerns about future water availability. If these two key issues continue unaddressed, they will cripple the San Antonio MSA's future ability to prosper.

4.3.3 2010 CTTS Update Control Total Conclusion

Despite the relative strength of the two regions economies, the national recession and the difficulties of obtaining financing for homes and commercial projects has had an observable impact on the pace of the development along SH 130 and the competing IH 35 corridor. During the field surveys, residential construction continued at a modest pace and was concentrated in subdivisions that were already under development, with few new subdivisions. Over the near term, these trends are expected to continue. As existing subdivisions build out and the regions' overall housing inventory becomes more conducive to expanding supply, new subdivisions will

begin to be developed (although still subject to the constraints in the residential and commercial credit markets). It is also possible that as the economy improves, there will be a lag between the market demand and market supply of new housing. In terms of commercial projects, fewer sites were observed under construction and, among the commercial projects that were recently completed, it was not uncommon for these structures to be unfinished or partially or entirely vacant. However, this pattern was not uniform throughout the study area and some projects appeared to be doing very well.

The Austin and San Antonio MSAs are currently recovering from the effects of the severe downturn in the national economy and have likely entered into a period of prolonged, but modest growth. As they proceed through this period, the recovery will continue to be at risk from the effects of any new national economic downturns, a new global financial crisis, and energy price fluctuations. Although the fundamental elements of the two regional economies appear to be relatively strong, when compared to the national economy, national economic conditions are nonetheless continuing to have local impacts. At a minimum, barring a significant economic shock, most growth is expected to continue in the two regions for at least the next 12 to 24 months and could continue for an additional 1 to 2 years before regaining strength, if unanticipated events weaken the national economy. The rate of economic and population growth in the Austin MSA will outpace the San Antonio MSA but both regions will likely outperform national trends.

4.4 2002, 2005, 2008 AND 2010 UPDATE COMPARISON

The new updated 2010 CTTS Socioeconomic forecasts were compared to the original 2002 report, 2005 Update, and the 2008 review. Table 4-18 shows the total population and employment comparison for the CAMPO region between these four studies. While population is much higher in the 2010 CTTS Update study, the employment growth between the 2008 and 2015 model years is significantly lower.

Table 4-18: SED Comparison for Various CTTS Studies

Year	2002 CTTS (2)	2005 CTTS Update (2)	2008 CTTS Review (2)	2010 CTTS Update
	Population			
2008	1,286,283	1,354,084	1,411,370	1,527,890
2015	1,593,072	1,614,996	1,698,917	1,871,047
2025	2,020,370	1,998,326	2,099,054	2,316,883
2035				2,802,768
	Employment			
2008	639,445	679,947	707,048	744,105
2015	821,933	822,519	868,068	784,794
2025	1,061,625	1,006,654	1,103,389	976,325
2035				1,193,118
	Population AAGR			
08 - 15	3.1%	2.5%	2.7%	2.9%
15 - 25	2.4%	2.2%	2.1%	2.2%
25 - 35				1.9%
	Employment AAGR			
08 - 15	3.7%	2.8%	3.0%	0.8%
15 - 25	2.6%	2.0%	2.4%	2.2%
25 - 35				2.0%

Note: 2015, 2020, and 2025 SED for the 2005 Update, 2008 Review were interpolated from 2012, 2017, 2023 and 2030 SED.

5.0 Roadway Networks

Roadway networks were developed for 2008, 2015, 2025, and 2035. The latest roadway improvement plans were obtained from the CAMPO 2035 Regional Transportation Plan (dated May 24, 2010). Based on the degree of commitment (feasibility studies, funding, ROW status, and program inclusion) judgments were made as to whether or not to include project elements in future highway networks.

Other toll road projects currently contemplated for the Austin region have been incorporated into the background network. These projects were implemented based on information received from TxDOT and CTRMA.

5.1 BASE YEAR NETWORK CHANGES

There were only a few major network changes for the base year. SH 45 Southeast toll road from IH 35 to SH 130/US 183 is now assumed to be opened in the base case condition. The opening of SH 45 Southeast completes the “half-beltway” that provides an alternative route for through traffic going north-south in the region, as well as traffic traveling east of the region.

5.2 2008 – 2015 NETWORK CHANGES

The most important change to the highway network in 2015 is the opening of SH 130 Segments 5 and 6 scheduled to open late 2012. This will extend the existing SH 130 toll road to IH-10. Two new toll ramps will be added to the CTTS, O’Connor Dr. on SH 45 N and the new ramps on SH 130 to and from the south at Cameron Road for the Birds Nest Airport. Several other toll road improvements are likely to be completed during this time as well, including 183A Phase II, US 183 S, and US 290 E.

A number of other major network changes are expected during this period as well. These include the widening of existing roadways (US 79, US 183 N, FM 973, and RM 620) and building new sections of exiting roadways (Arterial A, Howard Ln., O’Connor Dr., and FM 734). Table 5-1 presents the significant network improvements that are expected to occur between 2008 and 2015. Another major network change was the addition of the proposed tolled ramps at Cameron Road to/from the south to provide access to the Birds Nest Airport on SH 130 roadway.

Table 5-1: Key Network Changes - 2008 - 2015

Roadway	Limits	Formerly	Improved Condition
Toll Road Network Improvements			
183A - Phase II	FM 1431 – RM 2243	Frontage Rd	6-lane toll facility
US 183 S	Springdale Rd. - N. of Boggy Creek	6-lane expressway	6-lane toll facility
SH 45 N	O'Connor Dr	Nonexistent	Tolled ramps
SH 130	Birds Nest Airport	Nonexistent	Tolled ramps
SH 130 - Segments 5 & 6	IH 10 - 45 SE	Nonexistent	4-lane toll facility with frontage roads
US 290 E	US 183 - FM 734	4-lane divided major arterial	6-lane toll facility with frontage roads
Non Tolled Network Improvements			
US 79	FM 685 - FM 3349	4-lane undivided arterial	4-lane divided arterial
US 79	IH 35 - SH 130	4-lane undivided arterial	4-lane divided arterial
US 183 N	SH 29 - 183A	4-lane undivided arterial	4-lane divided arterial
FM 973	South of SH 71 to Burleson Rd	4-lane undivided arterial	4-lane divided arterial
RM 620	SH 45 N - Deepwood Dr	4-lane divided major arterial	6-lane divided arterial
Brushy Creek	S Cougar Ln - Arrowhead Trail	2-lane undivided arterial	4-lane divided major arterial
Arterial A (Round Rock)	SH 45 N - US 79	Nonexistent	4-lane divided arterial
Howard Ln	Avery Ranch Rd - RM 620	Nonexistent	4-lane divided arterial
O'Connor Dr	RM 620 - SH 45 N	Nonexistent	4-lane divided arterial
FM 734	US 290E - SH 130	Nonexistent	4-lane divided arterial

5.3 2016 – 2025 NETWORK CHANGES

Managed lanes will be added on Loop 1 N from FM 734 to Lady Bird Lake and on 183 N from Pond Springs Rd to Loop 1 Mainline Plaza. SH 45 Southwest will also open a 4-lane toll facility from Loop 1 to FM 1626. US 290 W / SH 71 W will open a 6-lane toll facility with frontage roads from the Scenic Loop to Williamson Creek.

Several major routes will be widened from 2016 to 2025 which include, SH 29, SH 195, US 183 N, SH 71 E, Lakeline Boulevard, Blake-Manor Road, CR 110, Kelly Lane, E Pflugerville Parkway, and Plfuger Lane. Several of these projects represent the significant network improvements that are expected to occur between 2016 and 2025.

Table 5-2: Key Network Changes - 2016 - 2025

Roadway	Limits	Formerly	Improved Condition
Toll Road Network Improvements			
SH 45 SW	Loop 1 - FM 1626	Nonexistent	4-lane toll facility
Loop 1 N Managed Lanes	FM 734 - Cesar Chavez St	Nonexistent	Managed Lanes - 1/dir
183 N Managed Lanes	Pond Springs Rd - Loop 1 ML	Nonexistent	Managed Lanes - 1/dir
US 290W/SH 71W	Scenic Loop - Williamson Creek	Nonexistent	6-lane toll facility with frontage road
Non Tolled Network Improvements			
SH 29	Georgetown Inner Loop - SH 95	2-lane undivided arterial	4-lane divided arterial
SH 195	Northern Study Boundary - IH 35 N	2-lane divided arterial	4-lane divided arterial
US 183 N	FM 970 - SH 29	4 -lane divided major arterial	4-lane divided arterial
SH 71 E	Riverside Rd - e of Presidential Blvd	6-lane divided arterial	4-6 lane divided arterial with frontage road
Lakeline Blvd	Arterial A - Parmer Ln	2-lane undivided arterial	4-lane divided arterial
Blake-Manor Rd	FM 973 - Burleson Manor Rd	2-lane undivided arterial	4-lane divided arterial
CR 110/Southwestern Blvd	Westinghouse Rd - US 79	2-lane undivided arterial	4-lane divided arterial
Kelly Ln	E of SH 130 - Weiss Ln	2-lane undivided arterial	4-lane divided arterial
E Pflugerville Pkwy	E of SH 130 - Weiss Ln	2-lane undivided arterial	4-lane divided arterial
Pfluger Lane	Weiss Ln - Decker Ln/Cameron Rd	2-lane divided arterial	4-lane divided arterial

5.4 2026 - 2035 NETWORK CHANGES

High-occupancy vehicle (HOV) lanes will be added along Loop 1 S from Cesar Chavez St. to US 290 W. Several other major non tolled routes will be widened from 2026 to 2035 as well. These include, SH 21, FM 969, US 183, McNeil Drive, Ronald Reagan Boulevard, and FM 1660. Several of these projects represent the significant network improvements that are expected to occur between 2026 and 2035.

Table 5-3: Key Network Changes - 2026 - 2035

Roadway	Limits	Formerly	Improved Condition
Non Tolled Network Improvements			
Loop 1 S	Lady Bird Lake - US 290W	nonexistent	HOV lanes
SH 21	SH 80 - Valley Way Dr	4-lane undivided major arterial	4-lane divided major arterial
SH 21	Valley Way Dr - Williamson Rd	2-lane undivided major arterial	4-lane divided arterial
SH 21	FM 1854 - SH 71	2-lane undivided arterial	4-lane divided arterial
FM 969	SH 130 - SH 71	2 lane undivided arterial	4-lane divided arterial
US 183	SH 29 - S Gabriel Dr	4-lane divided arterial	6-lane divided arterial with frontage road
McNeil Dr	IH 35 - Anderson Mill Rd	4-lane divided arterial	6-lane divided arterial
Ronald Reagan Blvd	FM 2338 - n of SH 29	2 lane undivided arterial	6-lane divided arterial
FM 1660	SH 29 - Carl Stern Blvd	2 lane undivided arterial	4-lane divided arterial

While these projects have been identified in the current CAMPO 2035 Regional Transportation Plan, the level of anticipated socioeconomic growth in the region will increase demands on the anticipated network and result in overall lowered speeds on the non-tolled facilities. As this on-going growth causes conditions on the background network to deteriorate, the competitive aspects of the CTTS facilities are increased.

6.0 Traffic and Revenue Forecasts

This chapter presents the 2010 CTTS Update traffic and revenue forecasts for the Northwest Elements and SH 130. These forecasts are produced from the traffic model output and post-processing procedures which include: validated base model, demographic forecast, background highway network changes, project configuration, toll rate schedules, and ETC market share.

Within this chapter, all reference years are calendar years, unless otherwise noted as fiscal years (which begin September 1st of the previous year). The toll increases occur on September 1st of the year specified.

6.1 TOLL ROAD CONFIGURATION

The CTTS consists of three turnpike elements:

- SH 45 N and Loop 1 elements are collectively referred to as the Northwest Elements, and
- The third element being SH 130, extending from Georgetown in the north to US 183 south of the Austin-Bergstrom International Airport.

Figure 6-1 and Figure 6-6: Average Weekday Traffic SH 45 N and Loop 1 - 2035 Base Case are schematic drawings of the Northwest Elements and SH 130, respectively, with the frontages road, connections, and toll locations as they will exist in 2030. These schematics reflect the design changes to the CTTS Elements since the 2008 Review Study which include the additional O'Connor ramps along SH 45 N (coming to/from Loop 1) and the proposed ramps at Cameron Road to/from the south to provide access to the Birds Nest Airport on SH 130. As shown in Figure 6-2, the line diagram depicts the SH 130 element with its interchanges, frontage roads and pay points. Tolls are collected utilizing the basic barrier/ramp method of collection. Electronic transponder users will be detected at each of the barrier and ramp toll locations. Under the pilot program for video tolling, patrons are identified via the high-speed transponder lanes and the ramp barriers.

The barrier/ramp toll system for the SH 130 element has been designed so that there will be no toll-free use of the project (i.e., a *closed* system). Under the barrier/ramp system of toll collection, each of the four SH 130 segments each have a single mainline barrier, which together with the associated ramp plazas, maintains the integrity of the closed barrier/ ramp system. The mainline barriers were designed with express transponder lanes (at highway speed) through the middle of the plazas that are physically separated from the adjoining cash lanes. They are located roughly halfway between the principal interchanges at IH 35, SH 45 N element, US 290, SH 71 and the US 183/SH 45 South junction. In addition, the mainline barriers are located on segments without adjacent frontage roads, thereby minimizing the toll-free competition by preventing motorists from bypassing the barriers on the frontage roads.

Figure 6-1: SH 45 N and Loop 1 Configuration and Toll Plaza Locations

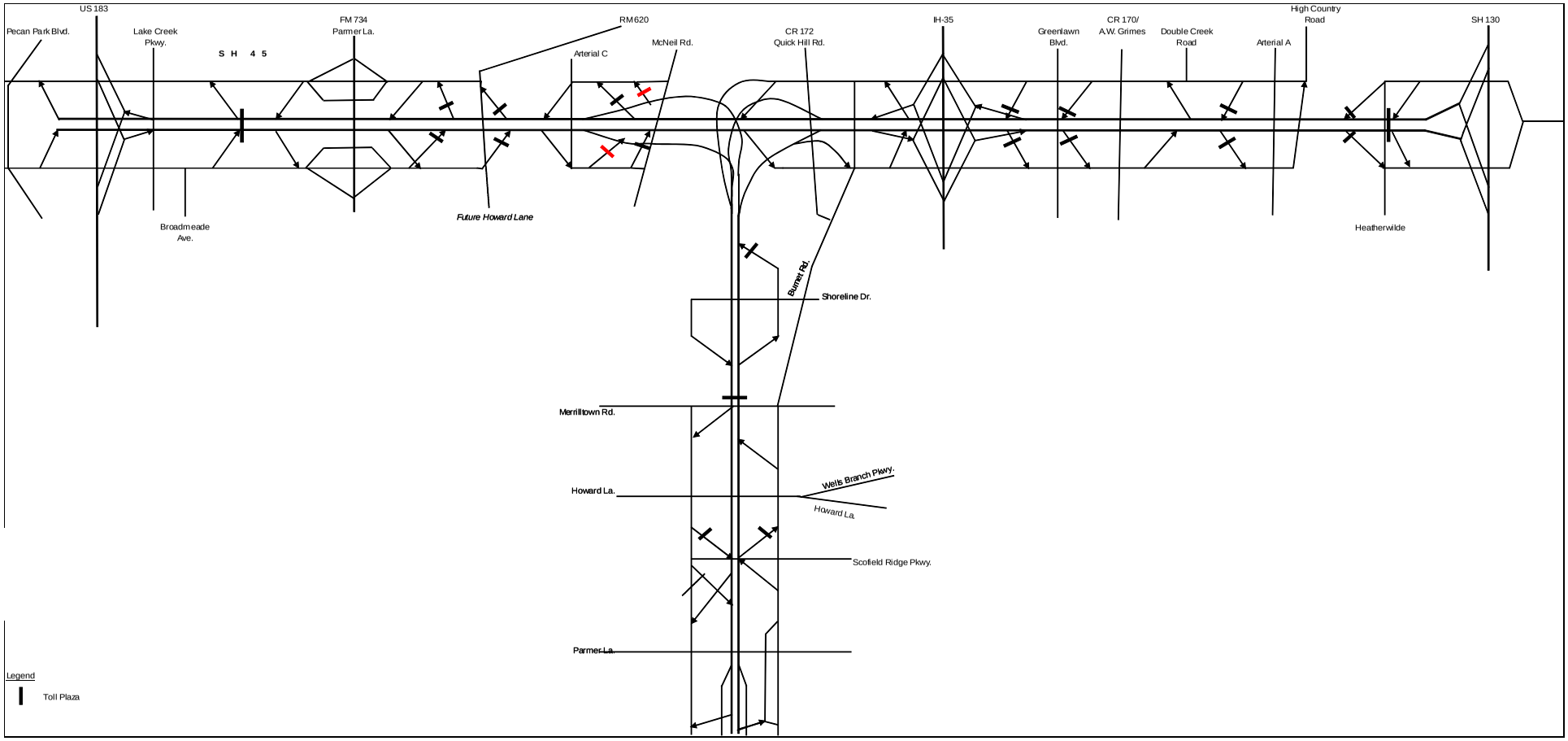


Figure 6-2: SH 130 Configuration and Toll Plaza Locations

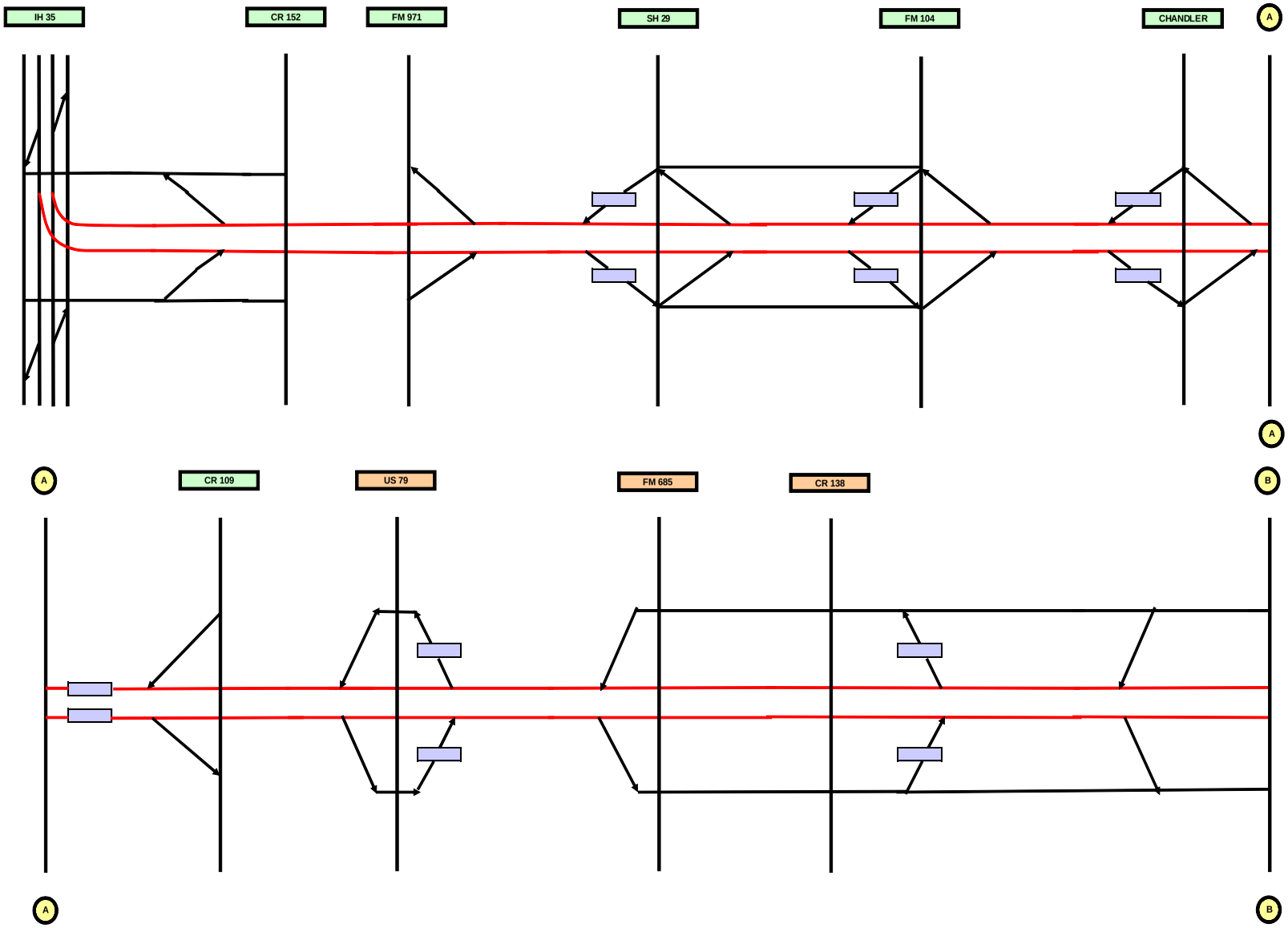


Figure 6-2: SH 130 Configuration and Toll Plaza Locations (Continued)

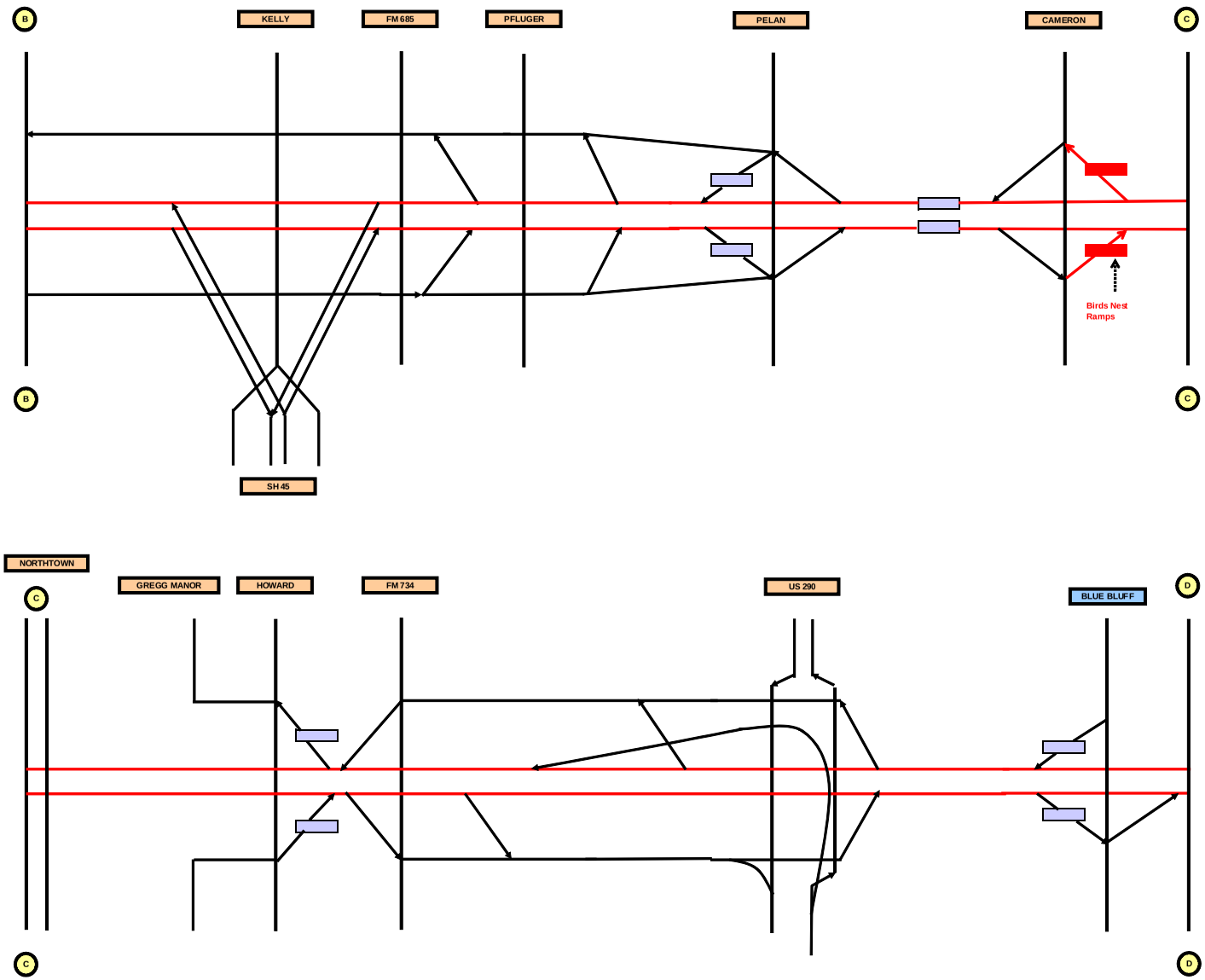
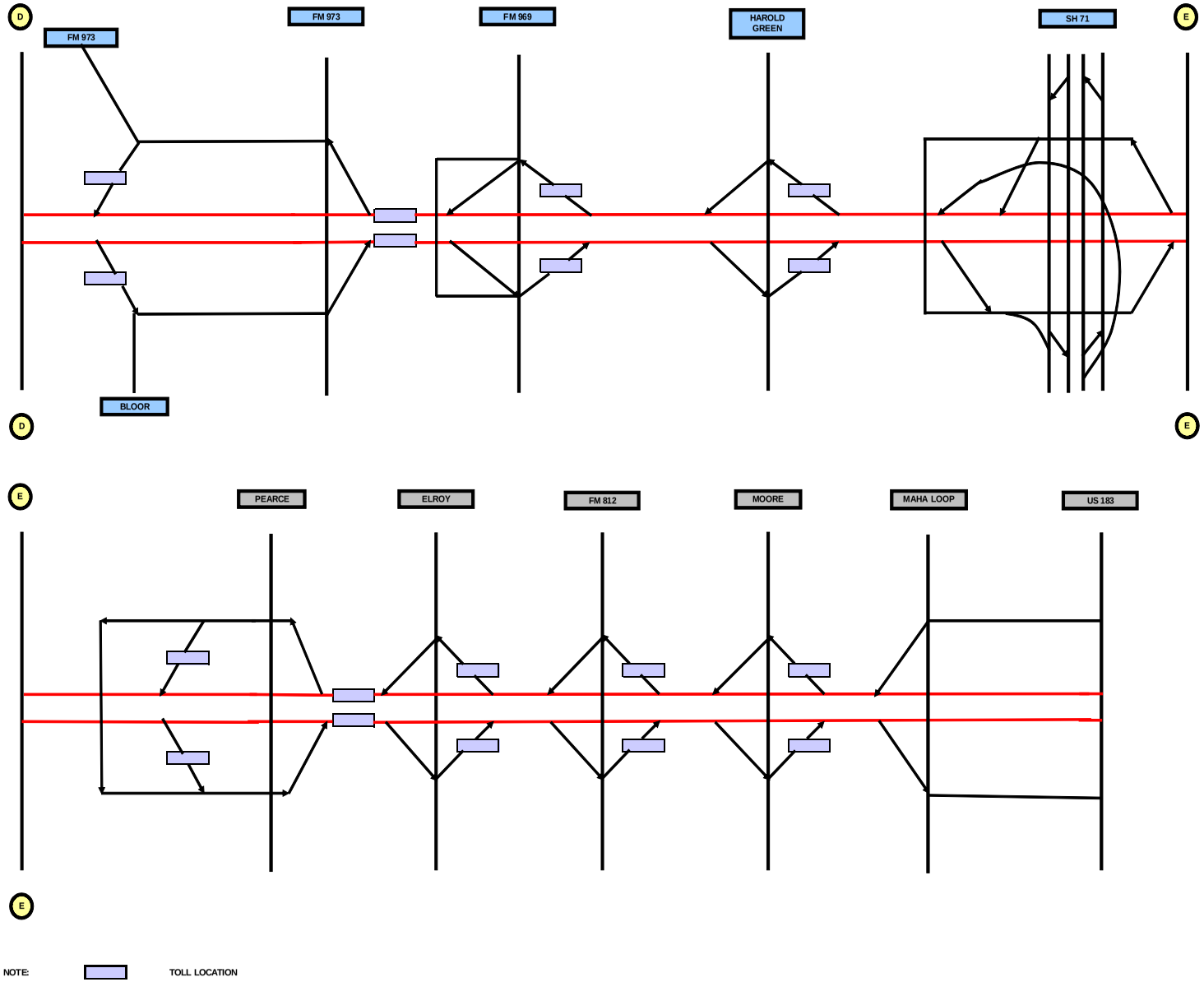


Figure 6-2: SH 130 Configuration and Toll Plaza Locations (Continued)



6.2 TOLL RATES

The passenger car toll rates from opening year 2007 through 2035 are shown in Table 6-1. These historic, current, and anticipated rates remain unchanged since the 2005 Update except for the addition of O'Connor Drive ramps and the new ramps on SH 130 to and from the south at Cameron Road for the Birds Nest Airport.

Table 6-1: Base Toll Schedule – Passenger Cars

Toll Location	Payment Type	Opening Year 2007	2010	2012	2015	2025	2035
SH 45 N							
Lake Creek Plaza (West Mainline Barrier)	Pay-by-Mail	-	$0.90	$0.90	$1.20	$1.50	$1.80
	Cash	$0.75	$0.75	$0.75	$1.00	$1.25	$1.50
	ETC	$0.68	$0.68	$0.68	$0.90	$1.13	$1.35
Parmer Lane (FM 734) Ramps	Pay-by-Mail	-	$0.60	$0.60	$0.90	$1.20	$1.50
	Cash	$0.50	$0.50	$0.50	$0.75	$1.00	$1.25
	ETC	$0.45	$0.45	$0.45	$0.68	$0.90	$1.13
RM 620 (Howard Lane) Ramps	Pay-by-Mail	-	$0.60	$0.60	$0.90	$1.20	$1.50
	Cash	$0.50	$0.50	$0.50	$0.75	$1.00	$1.25
	ETC	$0.45	$0.45	$0.45	$0.68	$0.90	$1.13
O'Connor Drive (Arterial C) Ramps	Pay-by-Mail	-	-	$0.60	$0.90	$1.20	$1.50
	Cash	-	-	$0.50	$0.75	$1.00	$1.25
	ETC	-	-	$0.45	$0.68	$0.90	$1.13
Greenlawn Ramps	Pay-by-Mail	-	$0.60	$0.60	$0.90	$1.20	$1.50
	Cash	$0.50	$0.50	$0.50	$0.75	$1.00	$1.25
	ETC	$0.45	$0.45	$0.45	$0.68	$0.90	$1.13
AW Grimes (Pflugerville Loop) CR 170 Ramps	Pay-by-Mail	-	$0.60	$0.60	$0.90	$1.20	$1.50
	Cash	$0.50	$0.50	$0.50	$0.75	$1.00	$1.25
	ETC	$0.45	$0.45	$0.45	$0.68	$0.90	$1.13
Schultz Lane (Arterial A) Ramps	Pay-by-Mail	-	$0.90	$0.90	$1.20	$1.50	$1.80
	Cash	$0.75	$0.75	$0.75	$1.00	$1.25	$1.50
	ETC	$0.68	$0.68	$0.68	$0.90	$1.13	$1.35
Wilke Lane (Heatherwide) Ramps	Pay-by-Mail	-	$0.90	$0.90	$1.20	$1.50	$1.80
	Cash	$0.75	$0.75	$0.75	$1.00	$1.25	$1.50
	ETC	$0.68	$0.68	$0.68	$0.90	$1.13	$1.35
Heatherwide Plaza (East Mainline Barrier)	Pay-by-Mail	-	$0.90	$0.90	$1.20	$1.50	$1.80
	Cash	$0.75	$0.75	$0.75	$1.00	$1.25	$1.50
	ETC	$0.68	$0.68	$0.68	$0.90	$1.13	$1.35
Loop 1							
Howard Lane / Wells Branch Ramps	Pay-by-Mail	-	$0.60	$0.60	$0.90	$1.20	$1.50
	Cash	$0.50	$0.50	$0.50	$0.75	$1.00	$1.25
	ETC	$0.45	$0.45	$0.45	$0.68	$0.90	$1.13
Merrilltown Plaza (Mainline Barrier)	Pay-by-Mail	-	$0.90	$0.90	$1.20	$1.50	$1.80
	Cash	$0.75	$0.75	$0.75	$1.00	$1.25	$1.50
	ETC	$0.68	$0.68	$0.68	$0.90	$1.13	$1.35
Shoreline Drive	Pay-by-Mail	-	$0.60	$0.60	$0.90	$1.20	$1.50
	Cash	$0.50	$0.50	$0.50	$0.75	$1.00	$1.25
	ETC	$0.45	$0.45	$0.45	$0.68	$0.90	$1.13
O'Connor Drive	Pay-by-Mail	-	-	$0.60	$0.90	$1.20	$1.50
	Cash	-	-	$0.50	$0.75	$1.00	$1.25
	ETC	-	-	$0.45	$0.68	$0.90	$1.13
SH 130							
Mainline Barrier -- Segment 1	Pay-by-Mail	-	$1.80	$1.80	$2.70	$3.60	$4.20
	Cash	$1.50	$1.50	$1.50	$2.25	$3.00	$3.50
	ETC	$1.35	$1.35	$1.35	$2.03	$2.70	$3.15
Mainline Barrier -- Segment 2	Pay-by-Mail	-	$1.80	$1.80	$2.70	$3.60	$4.20
	Cash	$1.50	$1.50	$1.50	$2.25	$3.00	$3.50
	ETC	$1.35	$1.35	$1.35	$2.03	$2.70	$3.15
Mainline Barrier -- Segment 3	Pay-by-Mail	-	$1.80	$1.80	$2.70	$3.60	$4.20
	Cash	$1.50	$1.50	$1.50	$2.25	$3.00	$3.50
	ETC	$1.35	$1.35	$1.35	$2.03	$2.70	$3.15
Mainline Barrier -- Segment 4	Pay-by-Mail	-	$1.80	$1.80	$2.70	$3.60	$4.20
	Cash	$1.50	$1.50	$1.50	$2.25	$3.00	$3.50
	ETC	$1.35	$1.35	$1.35	$2.03	$2.70	$3.15
Ramps -- Segments 1, 2 ,3 and 4	Pay-by-Mail	-	$0.60	$0.60	$0.90	$1.20	$1.50
	Cash	$0.50	$0.50	$0.50	$0.75	$1.00	$1.25
	ETC	$0.45	$0.45	$0.45	$0.68	$0.90	$1.13

For vehicles with more than two axles, tolls are established in even multiples of the two axle base rate (shown in Table 6-2):

Table 6-2: Vehicle Classification and Toll Multiples

No of Axles	Toll Multiple
2	1.0
3	2.0
4	3.0
5	4.0
6	5.0

Mathematically, this is referred to as the *N minus 1* toll formula, under which the toll and revenue expectations are tied to the lane treadle, as follows:

Toll = (Number of Axles minus 1) x (Two-Axle Toll)
Revenue Expectation = (Treadle Count minus Traffic Volume) x (Two-Axle Toll)

6.3 TOLL COLLECTION

Table 6-3: Historic CTTS Toll Violations

Month	Cash		Non-Cash							Total		
			AVI		Interop		Image Based					
	Paid	Unpaid	Paid	Unpaid	Paid	Unpaid	Paid	Unpaid	Unbilled	Paid	Unpaid	Total
Sep-09	547,038	-	4,333,001	48,805	303,325	4,605	555,883	438,468	138,364	5,739,247	630,242	6,369,489
Oct-09	556,273	-	4,547,859	53,875	330,676	4,393	529,275	505,259	150,279	5,964,083	713,806	6,677,889
Nov-09	545,525	-	4,260,043	47,839	357,777	3,441	558,942	468,567	147,244	5,722,287	667,091	6,389,378
Dec-09	538,998	-	4,328,812	49,827	338,865	3,267	573,525	416,512	148,546	5,780,200	618,152	6,398,352
Jan-10	485,406	-	4,166,396	58,172	300,065	2,579	494,832	366,927	139,915	5,446,699	567,593	6,014,292
Feb-10	489,598	-	4,087,991	57,643	300,065	2,579	490,772	368,025	140,429	5,368,426	568,676	5,937,102
Mar-10	602,059	-	4,824,667	72,683	337,698	798	531,921	434,005	177,390	6,296,345	684,876	6,981,221
Apr-10	590,364	-	4,762,061	74,652	339,007	713	570,604	403,818	156,489	6,262,036	635,672	6,897,708
May-10	606,270	-	4,762,061	57,768	350,259	1,106	588,472	382,172	150,864	6,307,062	591,910	6,898,972
Jun-10	594,978	-	4,692,730	54,271	349,381	711	585,031	368,541	162,612	6,222,120	586,135	6,808,255
Jul-10	603,381	-	4,609,101	50,923	355,164	754	604,311	378,042	163,159	6,171,957	592,878	6,764,835
Aug-10	598,884	-	4,790,488	36,204	347,028	837	603,250	424,914	187,951	6,339,650	649,906	6,989,556
FY 2010 Total	6,758,774	-	54,165,210	662,662	4,009,310	25,783	6,686,818	4,955,250	1,863,242	71,620,112	7,506,937	79,127,049
	8.5%	0.0%	68.5%	0.8%	5.1%	0.0%	8.5%	6.3%	2.4%	90.5%	9.5%	100.0%
% Unpaid by Payment Type			AVI	1.2%	Interop	0.6%	Image Based	36.7%	13.8%			

*Unpaid AVI includes non-revenue transactions

6.4 NORTHWEST ELEMENTS TRAFFIC AND REVENUE FORECASTS

The traffic model produces average weekday traffic projections for each of the four analysis years for which land use information was developed: 2008, 2015, 2025, and 2035. Gross toll revenues are calculated by multiplying traffic at the toll locations by the effective toll structure for that year. An annualization factor of 300 was applied to convert the average weekday traffic outputs from the model to annual transaction estimates. A truck toll multiplier of 2.5 is applied based on actual data regarding number of axles for larger vehicles. A screenline analysis was also performed to determine whether project element traffic capture rates are reasonable compared to the nearby, parallel toll-free alternative roadways.

6.4.1 Traffic Forecasts

Traffic volumes on the model network links that represent toll locations were summarized to provide forecasts of toll transactions on the Northwest Elements. Table 6-4 presents the forecasts of toll transactions and revenues for calendar years 2008, 2015, 2025, and 2035. The average weekday transactions, passenger car toll, and the revenues for each toll location are presented. The numbers in this table have been adjusted to account for toll evasion (see section 6.3 for details). The Northwest Elements are no longer believed to be in a period of ramp-up.

The calculated revenue shown in Table 6-4 is the traffic volumes broken down by vehicle and payment type multiplied by their respective toll rates. The current percentage of trucks on the Northwest Elements is approximately 2.0 percent of the total traffic. In model year 2008 about 142,000 toll transactions are estimated per average weekday on the Northwest Elements with 90,500 on SH 45 N and 51,500 on Loop 1. In 2015, 2025, and 2035 the facility will average 195,900, 249,000, and 348,000 transactions on an average weekday, respectively.

Assigned traffic at the mainline plazas, ramps, and frontage roads on the Northwest Elements for model years 2008, 2015, 2025, and 2035 are presented in Figure 6-3 through Figure 6-6. These diagrams represent unadjusted model output for average weekday transactions and are intended to give the reader a sense of scale of the traffic movements from end-to-end, as well as entry/exit activity. By comparing each diagram the change in transactions over time can be seen.

Table 6-4: Northwest Austin Elements - Model Year Average Weekday Toll Transactions and Revenue (Adjusted for Calibration and Evasion)

	2008			2015			2025			2035		
Toll Location	**Transactions**	**Avg Toll**	**Revenue**	**Transactions**	**Avg Toll**	**Revenue**	**Transactions**	**Avg Toll**	**Revenue**	**Transactions**	**Avg Toll**	**Revenue**
SH 45 N Turnpike												
W Mainline Toll Plaza	28,676	$ 0.71	$ 20,419	45,655	$ 0.95	$ 43,358	58,343	$ 1.19	$ 69,532	90,275	$ 1.44	$ 129,599
Parmer/FM 734	9,443	$ 0.47	$ 4,483	7,324	$ 0.71	$ 5,217	9,960	$ 0.95	$ 9,496	12,780	$ 1.20	$ 15,289
Howard Ln	7,741	$ 0.47	$ 3,674	4,036	$ 0.71	$ 2,875	3,577	$ 0.95	$ 3,411	7,731	$ 1.20	$ 9,249
SH 45 - O'Connor				8,792	$ 0.72	$ 6,304	9,153	$ 0.96	$ 8,794	10,822	$ 1.21	$ 13,060
Loop 1 - O'Connor				7,760	$ 0.72	$ 5,564	8,160	$ 0.96	$ 7,840	9,331	$ 1.21	$ 11,260
Greenlawn	6,131	$ 0.47	$ 2,910	8,041	$ 0.71	$ 5,728	7,563	$ 0.95	$ 7,211	12,296	$ 1.20	$ 14,711
CR 170	5,271	$ 0.47	$ 2,502	6,120	$ 0.71	$ 4,359	7,549	$ 0.95	$ 7,197	11,010	$ 1.20	$ 13,172
Arterial A	4,558	$ 0.71	$ 3,245	7,231	$ 0.95	$ 6,867	11,376	$ 1.19	$ 13,558	14,778	$ 1.44	$ 21,216
Heatherwilde Ramps	4,457	$ 0.71	$ 3,174	5,752	$ 0.95	$ 5,463	10,454	$ 1.19	$ 12,459	11,099	$ 1.44	$ 15,934
E Mainline Toll Plaza	24,222	$ 0.71	$ 17,248	27,464	$ 0.95	$ 26,083	40,460	$ 1.19	$ 48,220	59,902	$ 1.44	$ 85,996
SH 45 N Subtotal	**90,498**		**$ 57,655**	**128,176**		**$ 111,818**	**166,597**		**$ 187,718**	**240,025**		**$ 329,487**
SH 45 Annual Rev in Millions			**$ 17.3**			**$ 33.5**			**$ 56.3**			**$ 98.8**
Loop 1 Turnpike												
Shoreline Dr	450	$ 0.47	$ 214	456	$ 0.71	$ 325	1,437	$ 0.95	$ 1,370	2,645	$ 1.20	$ 3,165
Mainline Toll Plaza	47,456	$ 0.71	$ 33,791	64,053	$ 0.95	$ 60,831	75,739	$ 1.19	$ 90,264	98,293	$ 1.44	$ 141,110
Howard/Wells Branch	3,541	$ 0.47	$ 1,681	3,193	$ 0.71	$ 2,275	5,632	$ 0.95	$ 5,370	7,168	$ 1.20	$ 8,575
Loop 1 Subtotal	**51,447**		**$ 35,686**	**67,702**		**$ 63,430**	**82,809**		**$ 97,004**	**108,106**		**$ 152,850**
Loop 1 Annual Rev in Millions			**$ 10.7**			**$ 19.0**			**$ 29.1**			**$ 45.9**
TOTAL	**141,944**		**$ 93,341**	**195,878**		**$ 175,248**	**249,405**		**$ 284,723**	**348,131**		**$ 482,337**
Total Annual Rev in Millions			**$ 28.0**			**$ 52.6**			**$ 85.4**			**$ 144.7**

Assumptions				
Truck / Auto Toll Ratio	2.5	2.5	2.5	2.5
Video / ETC Toll Ratio	1.33	1.33	1.33	1.33
Auto & Truck ETC Discount	10%	10%	10%	10%
Payment Type				
Video	15%	15%	15%	15%
Cash	7%	7%	7%	7%
ETC	78%	78%	78%	78%
% Evasion				
Video	50.5%	50.0%	45.0%	40.0%
Cash	0.0%	0.0%	0.0%	0.0%
ETC	1.2%	1.0%	1.0%	1.0%
Vehicle Type				
% Auto	97.8%	97.5%	97.0%	96.0%
% Truck	2.2%	2.5%	3.0%	4.0%

Figure 6-3: Average Weekday Traffic – SH 45 N and Loop 1 - 2008 Base Case

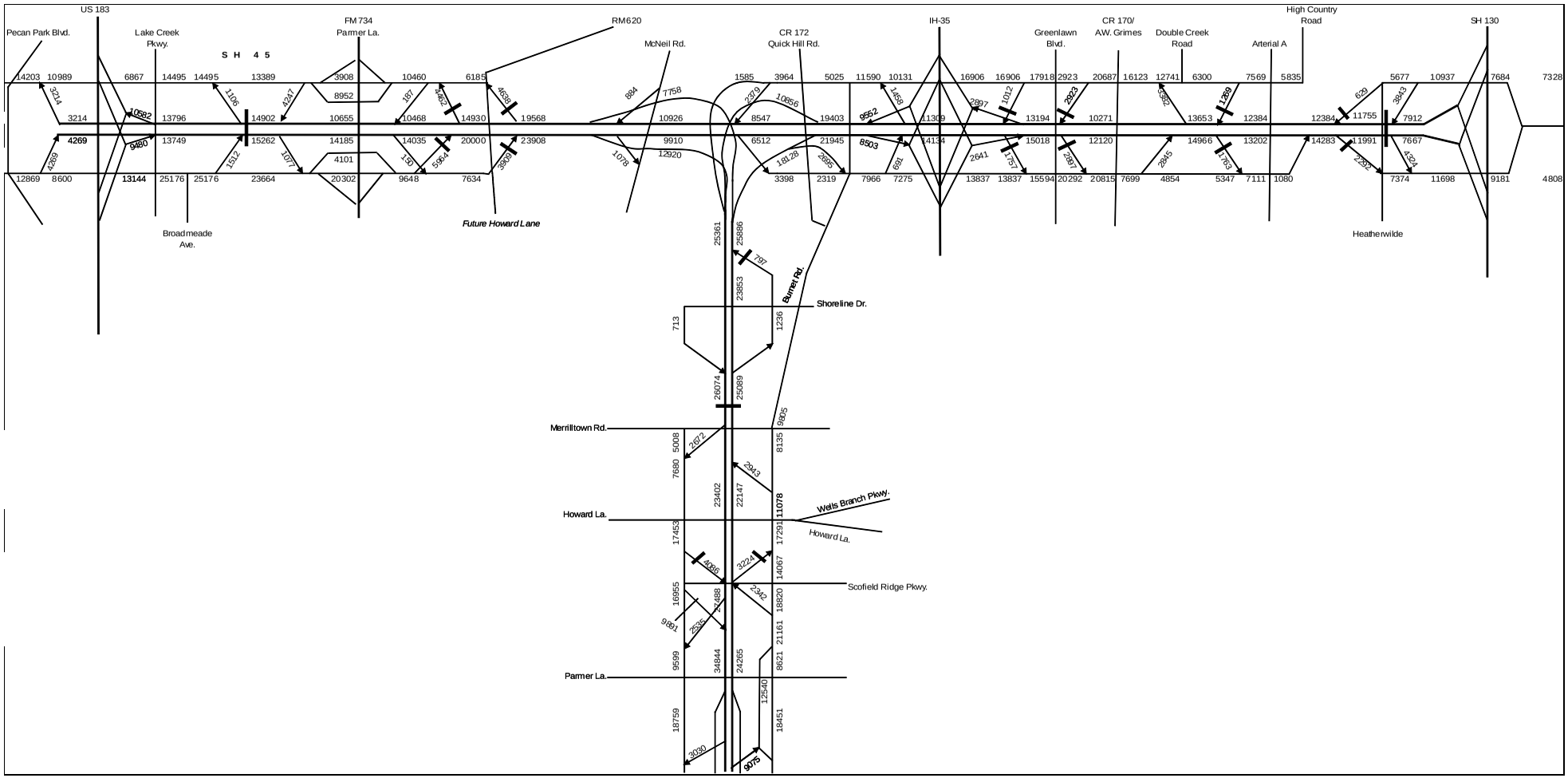


Figure 6-4: Average Weekday Traffic – SH 45 N And Loop 1 - 2015 Base Case

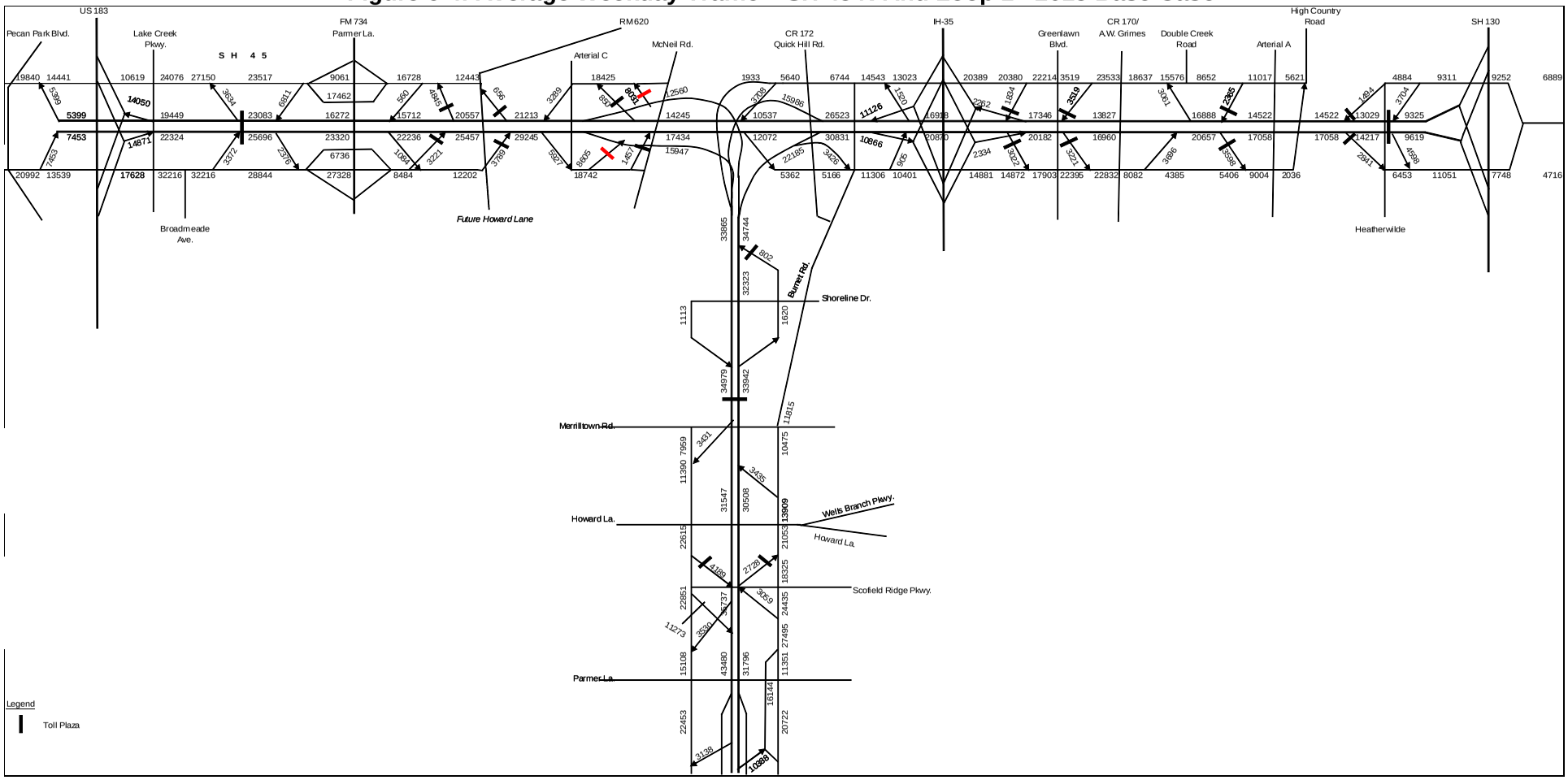


Figure 6-5: Average Weekday Traffic SH 45 N and Loop 1 - 2025 Base Case

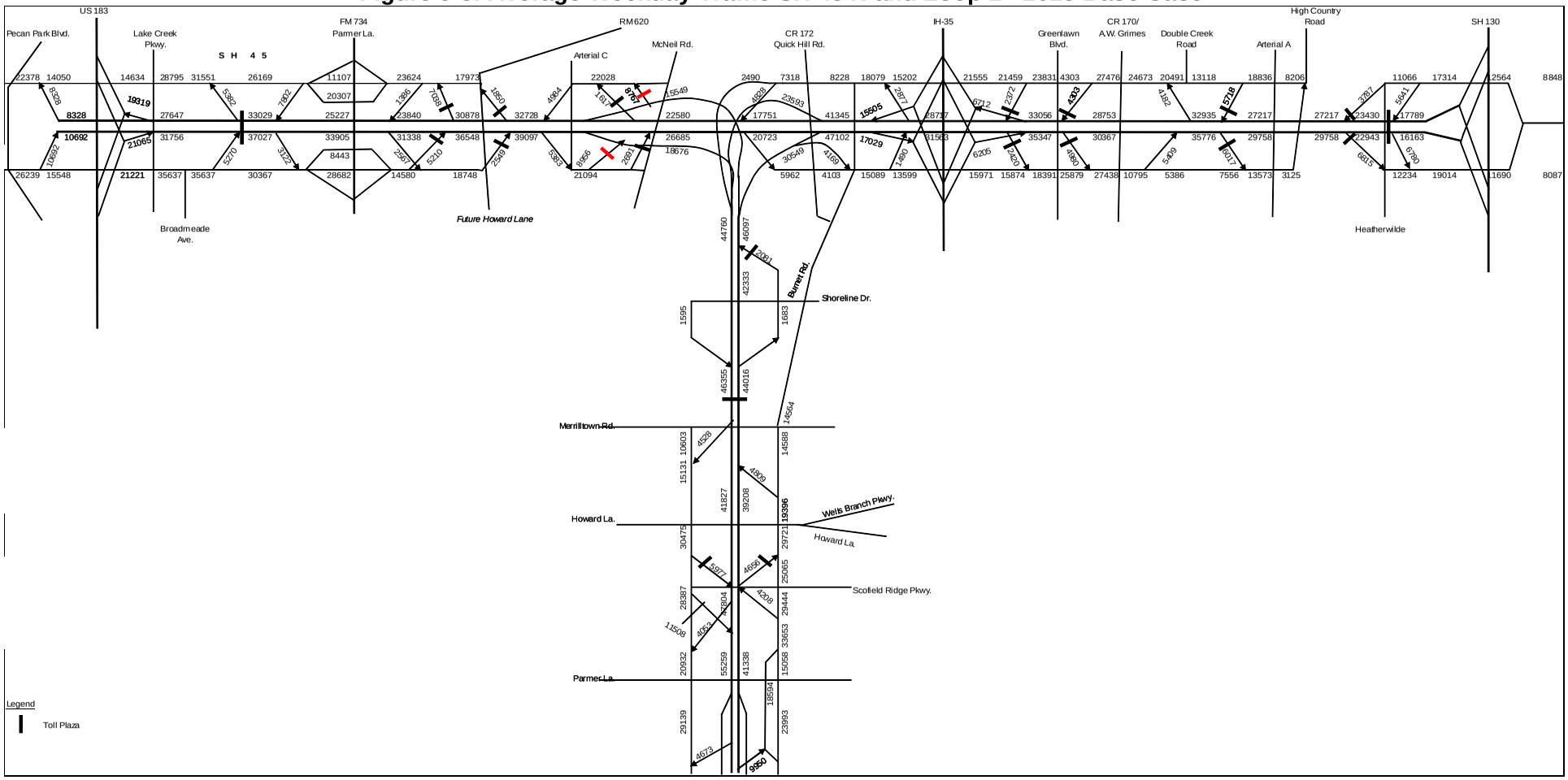
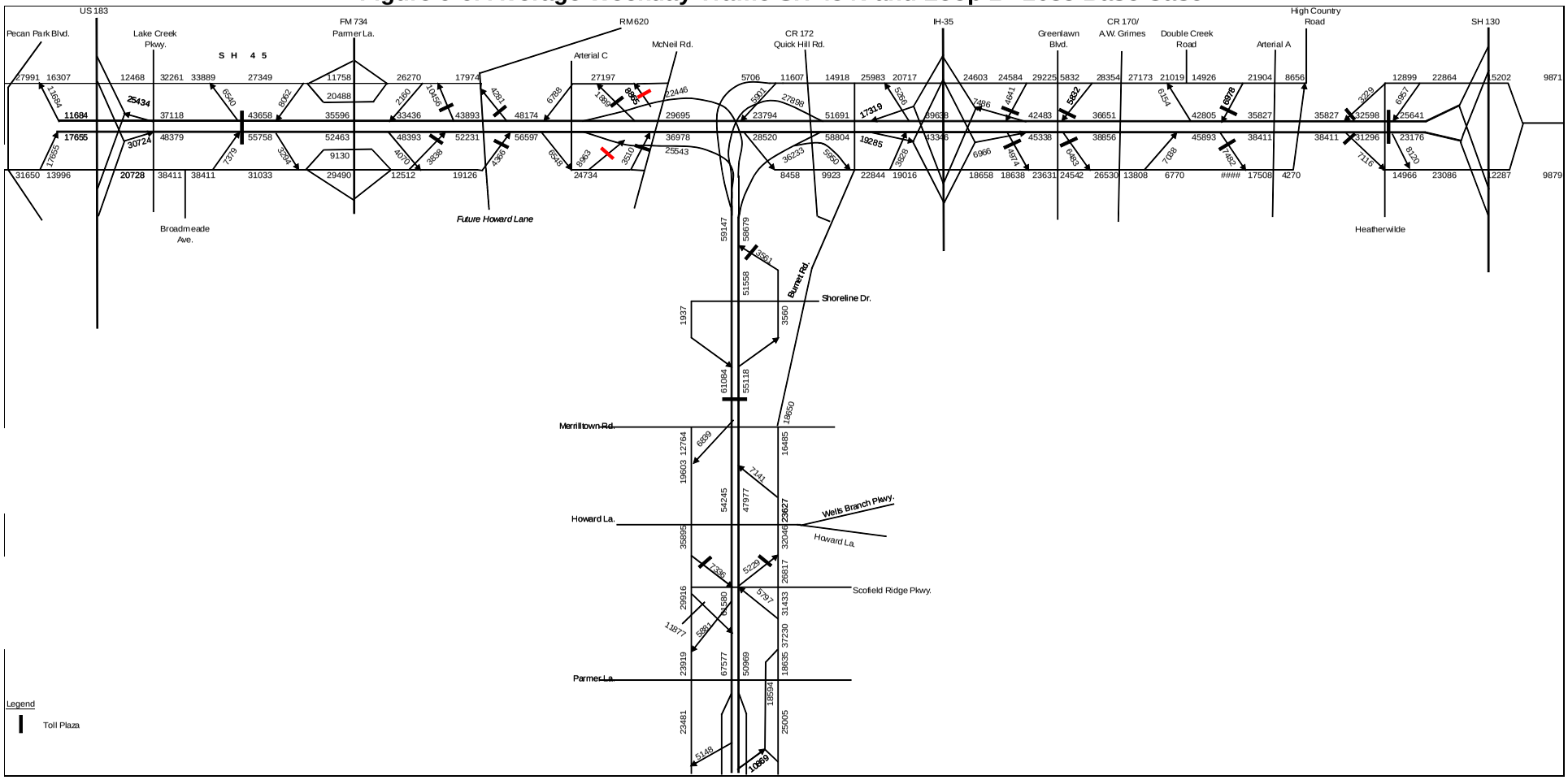


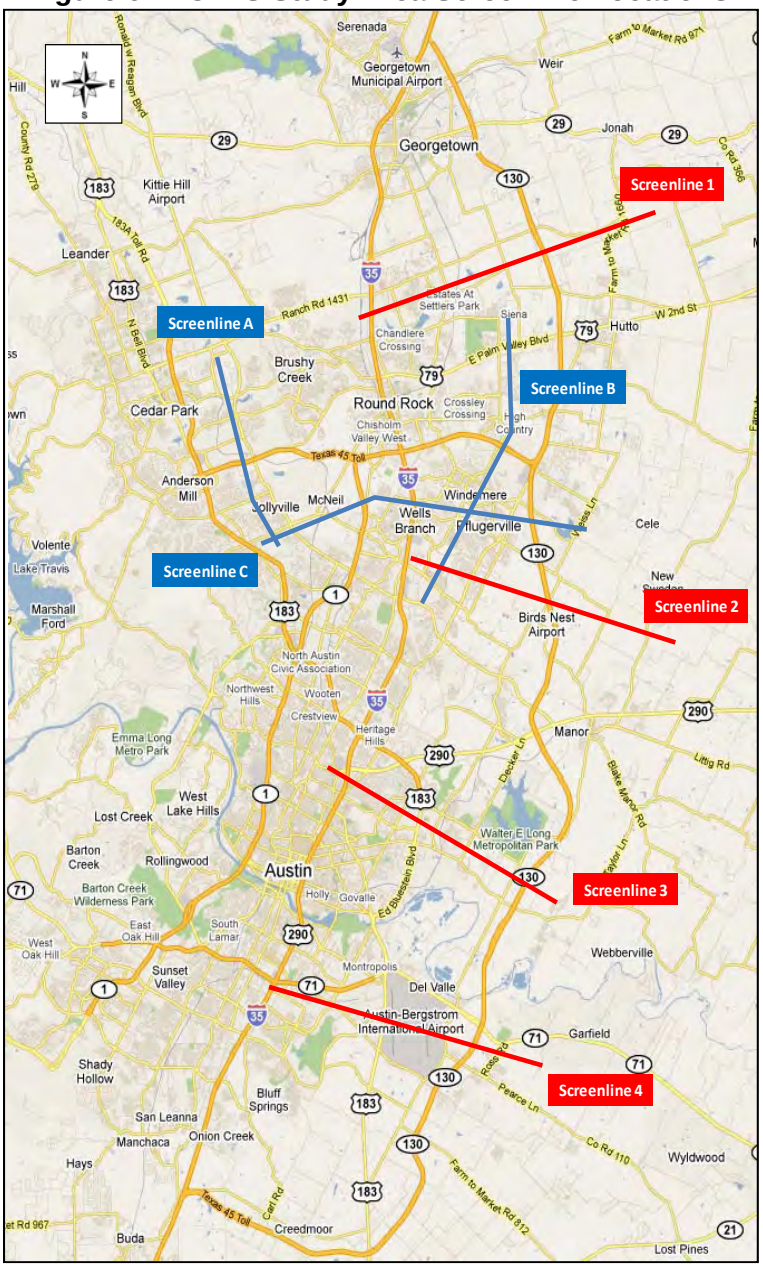
Figure 6-6: Average Weekday Traffic SH 45 N and Loop 1 - 2035 Base Case



6.4.2 Screenline Analysis

Typically, screenlines are used for analyzing the growth in traffic and the distribution of traffic by roadway. Three screenlines were chosen for the Northwest Elements each of which goes through a mainline toll plaza. Screenline A, Screenline B, and Screenline C are shown on Figure 6-7: CTTS Study Area Screenline Locations. Traffic volumes on individual roadways are shown on Table 6-5 through Table 6-7 for the base year and key forecast years. It should be noted that the traffic represents unadjusted traffic model output and was not used directly to calculate revenues.

Figure 6-7: CTTS Study Area Screenline Locations



Source: maps.google.com

Screenline A crosses SH 45 N at its western toll plaza, just west of Parmer Lane. In 2008 a total of some 190,000 vehicles crossed the screenline on an average weekday. The most traffic is carried by FM 1431 (nearly 20% of the total); followed by SH 45 N frontage roads (17% of the total), then the SH 45 N toll road and McNeil Drive each of which carry about 15% of the total. Growth in this corridor will cause total screenline traffic to increase by 44% to nearly 275,000 vehicles by 2015. SH 45 N mainline and frontage roads are expected to carry about 35% of the total screenline traffic with roughly equal amounts on each road; Brushy Creek Road traffic is expected to more than double during this period due to programmed capacity improvements; more modest growth is expected along FM 1431 and McNeil Road due to capacity constraints. After 2015 there are very few programmed improvements on the non-tolled highway network and as a result, the limited capacities force the growth to use the less congested toll road corridors. In order to offset some of this surcharge, we have assumed that the overall screenline growth applies to the toll road corridors. This approach produces 29% growth in SH 45 N mainline traffic between 2015 and 2025 and 23% growth between 2025 and 2035.

Table 6-5: Screenline A - SH 45 N West
Unadjusted Model Output

Location	2008	% of Screenline	2015	% of Screenline	2025	% of Screenline	2035	% of Screenline
FM 1431	37,561	19.8%	39,308	14.3%	35,899	10.1%	45,199	10.3%
Colonial Parkway	8,400	4.4%	10,536	3.8%	17,408	4.9%	22,893	5.2%
Brushy Creek Rd.	11,850	6.2%	32,000	11.7%	39,896	11.2%	38,645	8.8%
Avery Ranch Blvd.	12,531	6.6%	21,561	7.9%	20,591	5.8%	33,570	7.7%
Lakeline Blvd.	9,592	5.0%	14,958	5.4%	52,338	14.7%	60,506	13.8%
SH 45 NW ML	30,163	15.9%	48,779	17.8%	70,055	19.7%	99,415	22.7%
SH 45 NW Frontage	32,614	17.2%	48,468	17.6%	51,728	14.6%	53,545	12.2%
Anderson Mill Rd.	17,858	9.4%	25,979	9.5%	34,487	9.7%	43,060	9.8%
McNeil Dr.	29,436	15.5%	33,038	12.0%	32,744	9.2%	41,580	9.5%
TOTAL	**190,006**	**100.0%**	**274,628**	**100.0%**	**355,147**	**100.0%**	**438,414**	**100.0%**

Screenline B crosses SH 45 N at its eastern toll plaza and carries much less traffic than the western end. In 2008 some 114,000 vehicles per day cross the screenline. The largest share of traffic is carried by SH 45 N mainline (nearly 21%), followed by Howard Lane (nearly 19%), US 79 (17%) and FM 1825 (15%). Growth in this corridor is more modest than the western end with 34% more screenline traffic in 2015. The SH 45 N mainline share drops to less than 18% due to capacity improvements on CR 168 and Pflugerville Loop Rd and also due to a programmed toll increase; US 79 is expected to carry the most traffic (23%) followed by Howard Lane (20%). Growth in SH 45 N mainline traffic is assumed to follow the growth in overall screenline traffic in the longer term -- between 2015 and 2025 growth would be 34% and between 2025 and 2035, growth would be 31%.

Table 6-6: Screenline B - SH 45 N East
Unadjusted Model Output

Location	2008	% of Screenline	2015	% of Screenline	2025	% of Screenline	2035	% of Screenline
US 79	19,666	17.1%	35,350	23.0%	36,260	17.6%	45,802	16.9%
CR 168/Gattis School Rd	9,264	8.1%	20,431	13.3%	22,534	10.9%	38,265	14.2%
SH 45 NE ML	23,745	20.7%	27,246	17.7%	46,374	22.5%	63,894	23.6%
SH 45 NE Frontage	12,691	11.1%	11,351	7.4%	23,089	11.2%	25,725	9.5%
Pflugerville Loop Rd.	10,370	9.0%	18,127	11.8%	23,349	11.3%	42,196	15.6%
FM 1825/Pecan St.	17,579	15.3%	10,439	6.8%	14,295	6.9%	14,884	5.5%
Howard Lane	21,406	18.7%	30,686	20.0%	40,336	19.6%	39,458	14.6%
TOTAL	**114,721**	**100.0%**	**153,631**	**100.0%**	**206,237**	**100.0%**	**270,224**	**100.0%**

Screenline C crosses Loop 1 at the mainline plaza south of McNeil Drive and is the busiest screenline carrying more than 504,000 weekday vehicles. The busiest roads are US 183 and IH 35 each of which carry more than 31% of the total screenline traffic; next busiest is the Loop 1 mainline plaza which carries about 10% of the total; and the remainder of the roadways are relatively minor facilities. Traffic in 2015 is expected to be 27% greater than 2008 baseline levels along this screenline. The distribution is expected to be similar in 2015 with US 183 and IH 35 each carrying more than 29% of the total and Loop 1 carrying 11%. Beyond 2015, growth in Loop 1 mainline traffic is expected to follow the overall screenline trend -- between 2015 and 2025 growth would be 16% and between 2025 and 2035, growth would be 13%.

Table 6-7: Screenline C - Loop 1
Unadjusted Model Output

Location	2008	% of Screenline	2015	% of Screenline	2025	% of Screenline	2035	% of Screenline
US 183	156,859	31.1%	189,387	29.5%	203,378	27.2%	214,944	25.4%
Parmer Lane	41,002	8.1%	59,675	9.3%	65,635	8.8%	72,763	8.6%
Howard Lane	17,500	3.5%	29,191	4.5%	40,268	5.4%	36,585	4.3%
FM 1325/Loop 1 SR	13,143	2.6%	18,434	2.9%	25,191	3.4%	29,249	3.5%
Loop 1 Mainline Plaza	52,400	10.4%	70,541	11.0%	92,054	12.3%	119,762	14.2%
Bratton Lane	4,429	0.9%	6,192	1.0%	8,445	1.1%	7,366	0.9%
IH 35	158,404	31.4%	186,149	29.0%	203,278	27.2%	214,028	25.3%
Heatherwilde	13,988	2.8%	22,187	3.5%	28,075	3.8%	37,946	4.5%
N Railroad Rd	5,475	1.1%	7,038	1.1%	9,089	1.2%	12,033	1.4%
FM 685	17,727	3.5%	21,837	3.4%	25,098	3.4%	26,542	3.1%
SH 130	23,297	4.6%	32,114	5.0%	47,086	6.3%	74,735	8.8%
TOTAL	**504,224**	**100.0%**	**642,745**	**100.0%**	**747,597**	**100.0%**	**845,953**	**100.0%**

6.4.3 Revenue Forecasts

Following are the annual forecasts of transactions for the period FY 2011 through FY 2042. Early years of the forecast (FY 2008 – FY 2010) represent actual values, whereas subsequent years are based on traffic model output with post processing adjustments.

Table 6-8: 2010 CTTS Update Average Weekday Toll Transactions - Northwest Elements

Fiscal Year	Average Weekday Transactions		
	SH 45 N	Loop 1	Northwest Elements Total
2008	***91,057***	***54,770***	***145,827***
2009	***96,071***	***55,106***	***151,177***
2010	***98,446***	***56,900***	***155,346***
2011	103,505	59,218	162,722
2012	112,086	62,155	174,241
2013	121,883	65,145	187,028
2014	129,454	69,093	198,547
2015	136,491	73,555	210,046
2016	131,468	69,050	200,518
2017	135,971	70,884	206,854
2018	140,628	72,766	213,393
2019	145,444	74,698	220,142
2020	150,425	76,681	227,106
2021	155,577	78,717	234,294
2022	160,905	80,807	241,713
2023	166,416	82,953	249,369
2024	172,115	85,156	257,271
2025	178,010	87,417	265,427
2026	171,910	84,750	256,659
2027	179,219	87,398	266,618
2028	186,840	90,130	276,970
2029	194,785	92,947	287,732
2030	203,067	95,852	298,919
2031	211,702	98,848	310,550
2032	220,704	101,937	322,641
2033	230,089	105,123	335,211
2034	239,872	108,408	348,281
2035	250,072	111,797	361,869
2036	241,825	108,916	350,742
2037	244,244	110,006	354,249
2038	246,686	111,106	357,792
2039	249,153	112,217	361,370
2040	251,644	113,339	364,983
2041	254,161	114,472	368,633
2042	256,702	115,617	372,319

Notes: Toll Rate Increased in this year
Actual Average Weekday Traffic

Table 6-9: 2010 CTTS Update Annual Revenue Projections (in $000) - Northwest Elements

Fiscal Year	SH 45 N			Loop 1			Northwest Elements Total		
	Base Toll Cash, ETC, & Video	Video Surcharge Revenue	Total	Base Toll Cash, ETC, & Video	Video Surcharge Revenue	Total	Base Toll Cash, ETC, & Video	Video Surcharge Revenue	Total
2008			***$17,971***			***$11,448***			***$29,419***
2009			***$19,878***			***$11,915***			***$31,793***
2010			***$19,799***			***$11,937***			***$31,736***
2011	$19,590	$535	$20,125	$11,977	$329	$12,305	$31,567	$863	$32,430
2012	$21,090	$588	$21,678	$12,502	$344	$12,846	$33,592	$932	$34,524
2013	$23,086	$655	$23,741	$13,064	$359	$13,423	$36,150	$1,014	$37,164
2014	$24,692	$714	$25,406	$13,825	$381	$14,206	$38,516	$1,095	$39,612
2015	$26,220	$774	$26,994	$14,688	$406	$15,095	$40,909	$1,180	$42,089
2016	$33,453	$984	$34,437	$18,861	$526	$19,387	$52,314	$1,510	$53,824
2017	$34,632	$1,026	$35,659	$19,329	$543	$19,873	$53,962	$1,570	$55,531
2018	$35,853	$1,070	$36,923	$19,809	$562	$20,371	$55,662	$1,632	$57,294
2019	$37,116	$1,116	$38,232	$20,301	$580	$20,882	$57,417	$1,697	$59,114
2020	$38,424	$1,164	$39,588	$20,805	$600	$21,405	$59,229	$1,764	$60,993
2021	$39,778	$1,214	$40,991	$21,322	$620	$21,942	$61,100	$1,834	$62,933
2022	$41,179	$1,266	$42,445	$21,851	$641	$22,492	$63,030	$1,907	$64,937
2023	$42,630	$1,320	$43,950	$22,394	$662	$23,056	$65,023	$1,982	$67,006
2024	$44,132	$1,377	$45,508	$22,949	$685	$23,634	$67,081	$2,061	$69,142
2025	$45,686	$1,436	$47,122	$23,519	$707	$24,226	$69,205	$2,143	$71,348
2026	$56,333	$1,786	$58,119	$28,900	$876	$29,776	$85,233	$2,662	$87,894
2027	$58,725	$1,874	$60,600	$29,786	$910	$30,696	$88,511	$2,784	$91,296
2028	$61,220	$1,967	$63,187	$30,700	$945	$31,645	$91,919	$2,912	$94,831
2029	$63,819	$2,065	$65,884	$31,641	$981	$32,622	$95,460	$3,046	$98,507
2030	$66,530	$2,167	$68,697	$32,611	$1,019	$33,631	$99,141	$3,186	$102,327
2031	$69,355	$2,275	$71,630	$33,611	$1,059	$34,670	$102,966	$3,333	$106,299
2032	$72,300	$2,387	$74,687	$34,642	$1,099	$35,741	$106,942	$3,487	$110,429
2033	$75,370	$2,506	$77,876	$35,704	$1,142	$36,846	$111,074	$3,648	$114,722
2034	$78,570	$2,630	$81,200	$36,799	$1,186	$37,984	$115,369	$3,816	$119,185
2035	$81,907	$2,760	$84,667	$37,927	$1,232	$39,158	$119,833	$3,992	$123,825
2036	$97,051	$3,277	$100,329	$45,076	$1,466	$46,543	$142,128	$4,744	$146,872
2037	$98,992	$3,343	$102,335	$45,978	$1,496	$47,474	$144,970	$4,839	$149,809
2038	$100,972	$3,410	$104,382	$46,897	$1,526	$48,423	$147,870	$4,936	$152,805
2039	$102,992	$3,478	$106,470	$47,835	$1,556	$49,392	$150,827	$5,034	$155,861
2040	$105,052	$3,548	$108,599	$48,792	$1,587	$50,379	$153,844	$5,135	$158,979
2041	$106,102	$3,583	$109,685	$49,280	$1,603	$50,883	$155,382	$5,186	$160,568
2042	$107,163	$3,619	$110,782	$49,773	$1,619	$51,392	$156,936	$5,238	$162,174

Notes: Toll Rate Increased in this year
2010 CTTS Revenue includes pay-by-mail surcharge (20% of cash toll).
Actual Revenue

Table 6-10: 2010 CTTS Update Average Weekday Transactions Comparison - Northwest Elements

Northwest Elements Total			
2002 Report	**2005 Update**	**2008 Review**	**CTTS 2010 Update**
76,199	87,624	143,889	***145,827***
111,247	113,296	146,947	***151,177***
140,859	141,742	154,107	***155,346***
159,628	163,372	164,028	162,722
174,557	177,341	174,168	174,241
181,083	181,425	183,114	187,028
187,610	185,080	191,668	198,547
194,136	188,735	199,799	210,046
186,414	177,962	198,929	200,518
191,878	182,068	202,197	206,854
197,342	187,282	207,379	213,393
202,806	192,864	213,198	220,142
208,269	198,446	219,018	227,106
217,791	203,383	224,126	234,294
228,665	208,973	229,956	241,713
239,540	214,564	235,786	249,369
250,414	220,829	242,592	257,271
261,289	227,320	249,724	265,427
256,710	221,986	238,794	256,659
264,168	228,707	246,399	266,618
271,626	235,428	254,004	276,970
279,085	242,149	261,609	287,732
286,543	248,870	268,714	298,919
294,001	254,629	275,840	310,550
301,459	261,048	282,801	322,641
308,918	267,467	289,763	335,211
316,376	273,885	296,724	348,281
323,834	280,304	303,686	361,869
314,404	272,193	294,888	350,742
321,471	278,276	301,485	354,249
328,537	284,359	308,082	357,792
335,603	290,443	314,679	361,370
342,669	296,526	321,277	364,983
349,736	302,609	327,874	368,633
356,802	308,692	334,471	372,319

Table 6-11: 2010 CTTS Update Average Weekday Revenue Comparison (in $000) - Northwest Elements

Northwest Elements Total					
			2010 CTTS Update		
2002 Report	2005 Update	2008 Review	Base Toll Cash, ETC & Video	Video Surcharge Revenue	Total
$16,511	$19,874	$29,449			***$29,419***
$24,111	$25,560	$30,071			***$31,793***
$30,418	$31,910	$31,540			***$31,736***
$34,665	$36,499	$33,582	$31,567	$863	$32,430
$37,757	$39,444	$35,672	$33,592	$932	$34,524
$39,024	$40,223	$37,625	$36,150	$1,014	$37,164
$40,292	$40,919	$39,529	$38,516	$1,095	$39,612
$41,559	$41,616	$41,343	$40,909	$1,180	$42,089
$54,274	$53,079	$54,359	$52,314	$1,510	$53,824
$55,811	$54,155	$55,473	$53,962	$1,570	$55,531
$57,348	$55,601	$57,014	$55,662	$1,632	$57,294
$58,885	$57,170	$58,696	$57,417	$1,697	$59,114
$60,421	$58,739	$60,378	$59,229	$1,764	$60,993
$62,890	$60,119	$61,849	$61,100	$1,834	$62,933
$65,668	$61,691	$63,535	$63,030	$1,907	$64,937
$68,447	$63,263	$65,222	$65,023	$1,982	$67,006
$71,226	$64,987	$66,944	$67,081	$2,061	$69,142
$74,004	$66,762	$68,679	$69,205	$2,143	$71,348
$92,295	$82,462	$85,281	$85,233	$2,662	$87,894
$94,967	$84,820	$87,594	$88,511	$2,784	$91,296
$97,639	$87,177	$89,907	$91,919	$2,912	$94,831
$100,310	$89,535	$92,220	$95,460	$3,046	$98,507
$102,982	$91,893	$94,562	$99,141	$3,186	$102,327
$105,654	$93,979	$96,678	$102,966	$3,333	$106,299
$108,325	$96,343	$99,111	$106,942	$3,487	$110,429
$110,997	$98,707	$101,545	$111,074	$3,648	$114,722
$113,669	$101,070	$103,979	$115,369	$3,816	$119,185
$116,340	$103,434	$106,413	$119,833	$3,992	$123,825
$136,754	$121,594	$125,094	$142,128	$4,744	$146,872
$139,820	$124,307	$127,888	$144,970	$4,839	$149,809
$142,886	$127,020	$130,681	$147,870	$4,936	$152,805
$145,952	$129,733	$133,475	$150,827	$5,034	$155,861
$149,018	$132,446	$136,268	$153,844	$5,135	$158,979
$152,084	$135,159	$139,062	$155,382	$5,186	$160,568
$155,150	$137,872	$141,855	$156,936	$5,238	$162,174

6.5 SH 130 TRAFFIC AND REVENUE FORECASTS

As noted in the previous discussion of the Northwest Elements the toll diversion model produces traffic estimates for several model years including 2008, 2011, 2015, 2025, and 2035. Gross toll revenues are estimated by multiplying the traffic, in terms of transactions, at the toll locations by the effective toll structure by payment type for each year. Annual estimates of transactions and revenue were generated using an annualization factor of 320. The forecasts for the SH 130 have been adjusted to account for the final years of ramp-up assumed in the original forecasting process and evasion data for the various payment options.

As noted in the Chapter 5 discussion the committed improvements to the transportation network are limited in terms of additional capacity for the period beyond 2025. As a result, for the longer-term estimates beyond 2025, the lack of additional specific committed projects in the transportation network for facilities that compete with SH 130 caused the estimates from the toll diversion model to increase significantly for the year 2035. In order to be conservative, Stantec reduced the growth in transactions for the years after 2025 to reflect the likelihood that additional, but as of yet undefined improvements to facilities will occur in response to ongoing growth in the SH 130 corridor.

6.5.1 Traffic Forecasts

Table 6-12 lists the estimated transactions by pay point for each of the primary model years (2008, 2015, 2020 and 2025) and for each of the toll collection points. They include provision for ramp-up and toll evasion by payment method. The average weekday transactions, average toll and the revenues for each location are shown. Note that the average toll rate represents a blend of the individual rates by payment type and vehicle type. This blended value includes a 33 percent surcharge over the ETC rates for video patrons and 10 percent discount of the cash rate for those patrons using transponders. The current truck percentage on SH 130 is approximately 7.5 percent and will increase over the forecast period to approximately 18.4 percent by 2035. Note that these truck percentages include only 3+ axle vehicles consistent with the transactions reports provided by TTA. For SH 130, in the years 2015, 2025, and 2035, the facility will average 8.9%, 13.0%, and 18.4% respectively

The traffic along the individual segments of SH 130 by pay point for the model (calendar) years 2008, 2015, 2025, and 2035 are presented in Figure 6-8 through Figure 6-11. These diagrams represent the unadjusted model outputs for average weekday transactions and are intended to provide the reader a sense of the scale of the traffic volumes across the entire facility as well as the entry/exit points. An approximation of the estimated growth for various segments of the roadway can be determined by reviewing these diagrams across the individual horizon years.

Table 6-12: SH 130 Element - Model Year Average Weekday Toll Transactions and Revenue (Adjusted for Calibration and Evasion)

Toll Location	2008			2015			2025			2035		
	Transactions	Average Toll	Revenue	Transactions	Average Toll	Revenue	Transactions	Average Toll	Revenue	Transactions	Average Toll	Revenue
SH 29	644	$ 0.48	$ 307	755	$ 0.74	$ 561	1,058	$ 1.03	$ 1,091	1,319	$ 1.23	$ 1,619
FM 104	174	$ 0.49	$ 85	323	$ 0.77	$ 250	946	$ 1.01	$ 958	2,352	$ 1.19	$ 2,793
Chandler Rd.	244	$ 0.49	$ 120	662	$ 0.76	$ 506	2,473	$ 1.06	$ 2,626	6,070	$ 1.22	$ 7,385
N of CR 109	6,506	$ 1.64	$ 10,683	13,624	$ 2.46	$ 33,575	26,172	$ 3.41	$ 89,207	37,802	$ 4.04	$ 152,891
US 79	4,467	$ 0.52	$ 2,314	8,468	$ 0.86	$ 7,266	13,343	$ 1.20	$ 15,986	13,925	$ 1.49	$ 20,735
CR 138	3,047	$ 0.48	$ 1,471	4,993	$ 0.75	$ 3,729	7,093	$ 1.02	$ 7,269	6,790	$ 1.28	$ 8,708
Pecan St.	529	$ 0.51	$ 269	1,330	$ 0.77	$ 1,026	3,097	$ 1.05	$ 3,248	5,145	$ 1.25	$ 6,421
N. of Cameron Rd.	12,903	$ 1.61	$ 20,715	27,991	$ 2.46	$ 68,853	41,900	$ 3.60	$ 150,947	57,878	$ 4.38	$ 253,297
Birds' Nest Airport		-		810	$ 2.39	$ 1,934	3,143	$ 3.22	$ 10,121	6,271	$ 1.22	$ 7,626
Howard Ln/Gregg Manor	376	$ 0.50	$ 187	2,522	$ 0.85	$ 2,151	5,065	$ 1.07	$ 5,421	5,738	$ 1.26	$ 7,253
Blue Bluff Rd.	224	$ 0.50	$ 113	2,782	$ 0.75	$ 2,090	3,220	$ 1.03	$ 3,316	8,189	$ 1.32	$ 10,771
Bloor Rd/FM 973	127	$ 0.49	$ 62	824	$ 0.75	$ 616	2,917	$ 1.02	$ 2,984	3,470	$ 1.63	$ 5,663
N. of FM 969	10,285	$ 1.67	$ 17,135	21,754	$ 2.56	$ 55,751	38,523	$ 3.73	$ 143,768	50,101	$ 4.43	$ 221,723
FM 969	2,057	$ 0.58	$ 1,185	4,964	$ 0.85	$ 4,210	7,567	$ 1.10	$ 8,330	10,828	$ 1.32	$ 14,260
Harold Green Rd.	12	$ 0.47	$ 6	17	$ 0.76	$ 13	343	$ 1.16	$ 398	3,365	$ 1.47	$ 4,949
Pearce Ln.	1,055	$ 0.50	$ 528	2,063	$ 0.77	$ 1,593	5,610	$ 1.06	$ 5,934	7,132	$ 1.24	$ 8,863
N. of Elroy Rd	4,530	$ 1.69	$ 7,661	12,232	$ 2.62	$ 32,058	22,858	$ 3.82	$ 87,281	35,683	$ 4.57	$ 163,189
Elroy Rd.	472	$ 0.52	$ 248	667	$ 0.84	$ 561	1,370	$ 1.11	$ 1,523	2,431	$ 1.31	$ 3,196
FM 812	29	$ 0.55	$ 16	73	$ 0.84	$ 61	243	$ 1.09	$ 264	281	$ 1.45	$ 408
Moore Rd.	290	$ 0.54	$ 156	573	$ 0.79	$ 453	769	$ 1.06	$ 812	469	$ 1.24	$ 583
TOTAL	**47,973**		**$ 63,262**	**107,427**		**$ 217,257**	**187,710**		**$ 541,485**	**265,239**		**$ 902,332**
Total Annual Revenue in Millions			**$ 20.2**			**$ 69.5**			**$ 173.3**			**$ 288.7**

Assumptions				
Truck/Auto Toll Ratio	2.9	2.9	2.9	2.9
Video/ETC Toll Ratio	1.33	1.33	1.33	1.33
ETC Discount	10%	10%	10%	10%
Payment Type - Transactions				
Video	27.7%	25.4%	23.9%	21.7%
Cash	8.7%	8.7%	8.3%	6.9%
ETC	63.7%	65.9%	67.8%	71.3%
% Evasion				
Video	50.5%	50.0%	45.0%	40.0%
Cash	0.0%	0.0%	0.0%	0.0%
ETC	1.2%	1.0%	1.0%	1.0%
Vehicle Type - Transactions				
%Auto	90.5%	91.1%	87.0%	81.6%
%Truck	7.5%	8.9%	13.0%	18.4%

Note:
Truck includes 3-axle and larger trucks
FY08 Payment Type By Transactions was derived from FY10 transactions as described in Chapter 2.3

Figure 6-8: SH 130 Element - Average Weekday Traffic – 2008

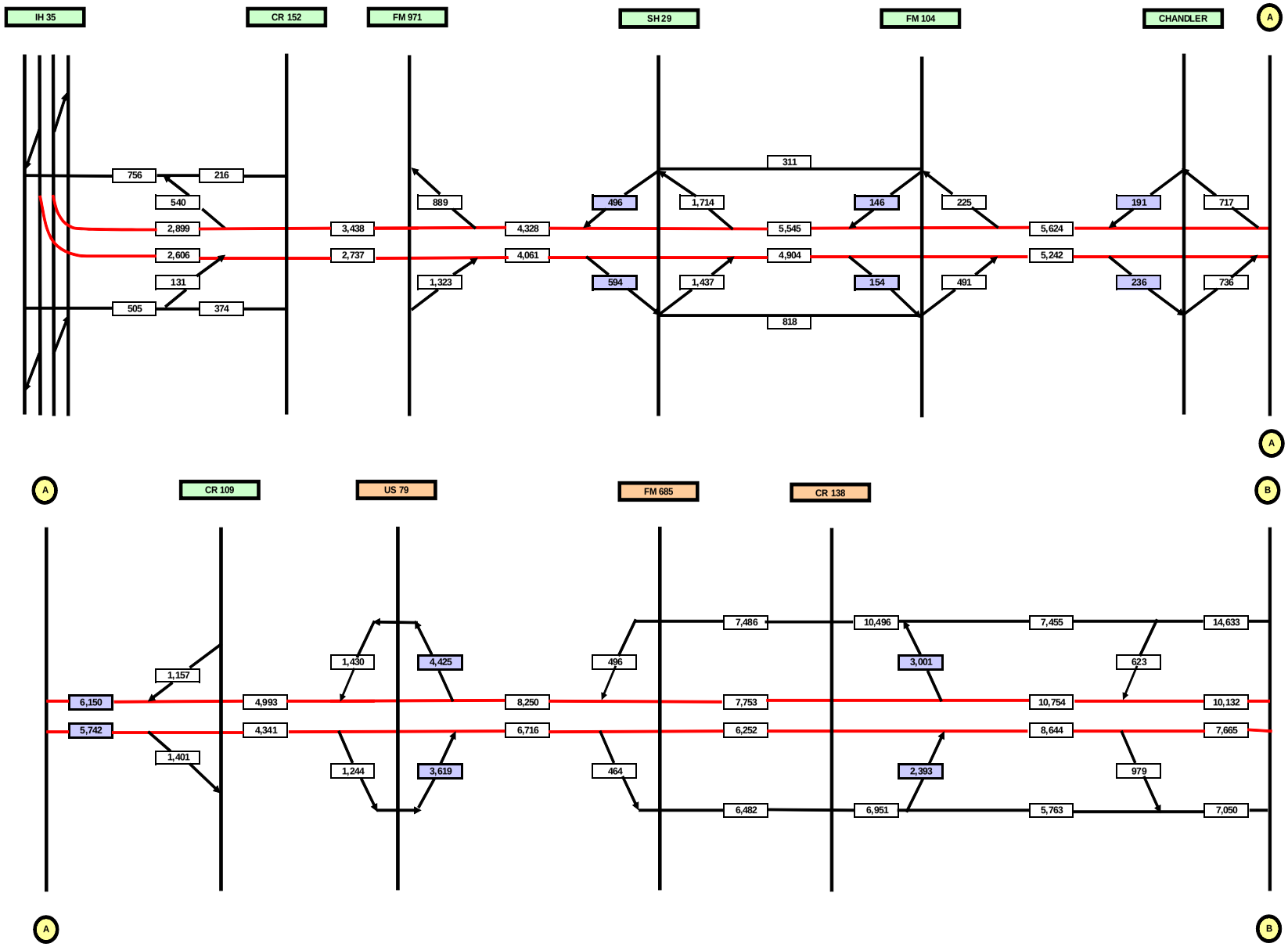


Figure 6-8: SH 130 Element - Average Weekday Traffic – 2008 (Continued)

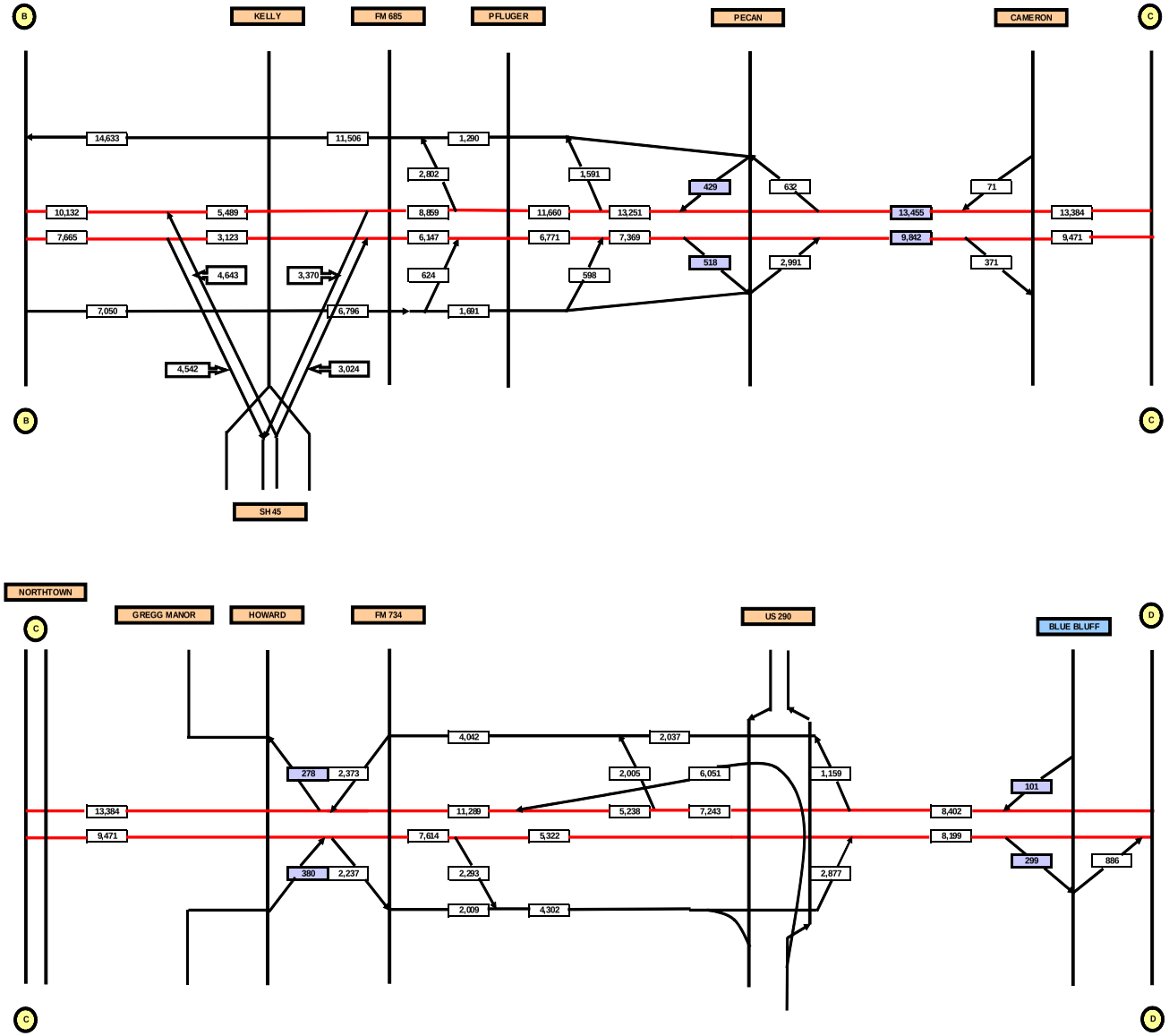


Figure 6-8: SH 130 Element - Average Weekday Traffic – 2008 (Continued)

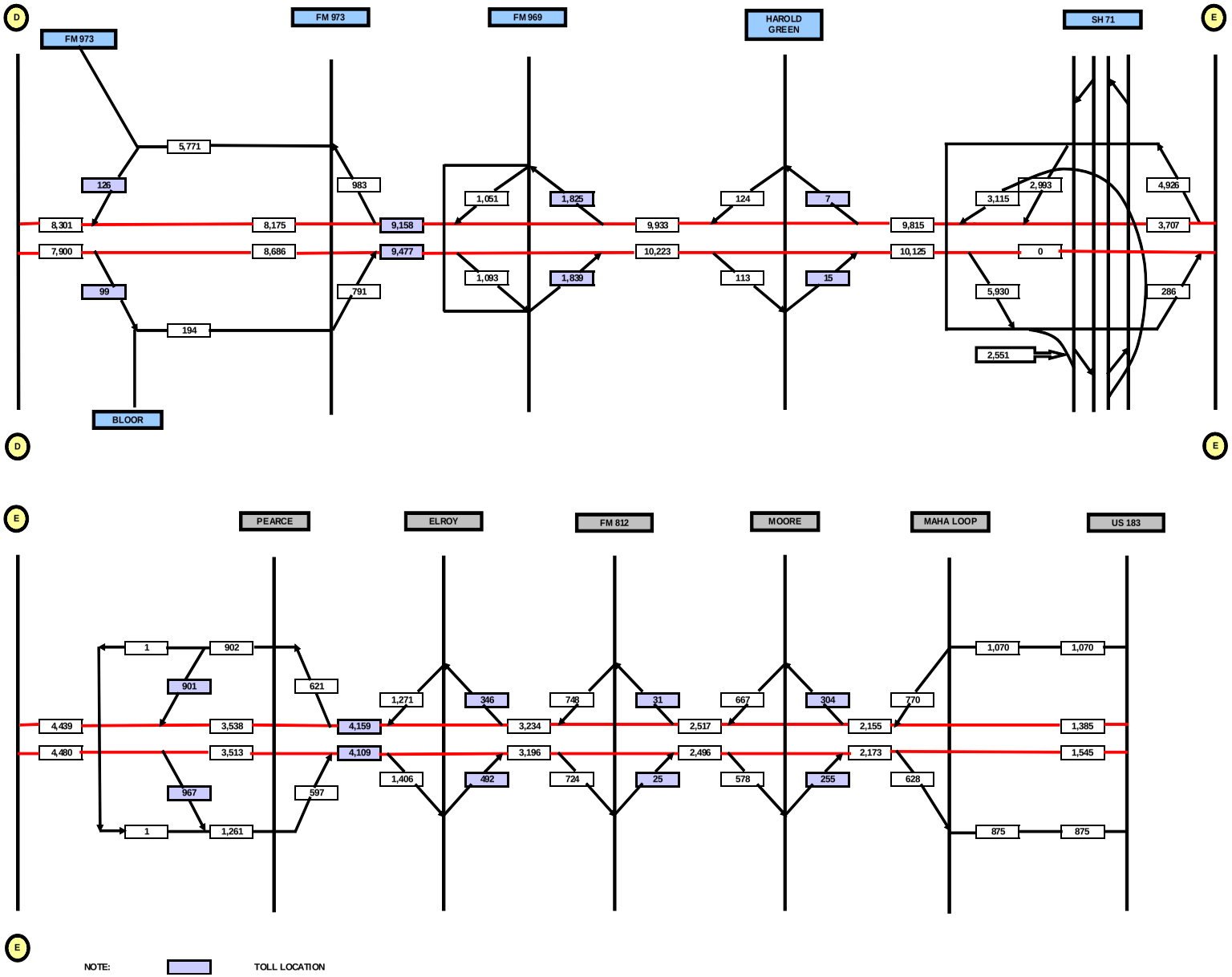


Figure 6-9: SH 130 Element - Average Weekday Traffic - 2015

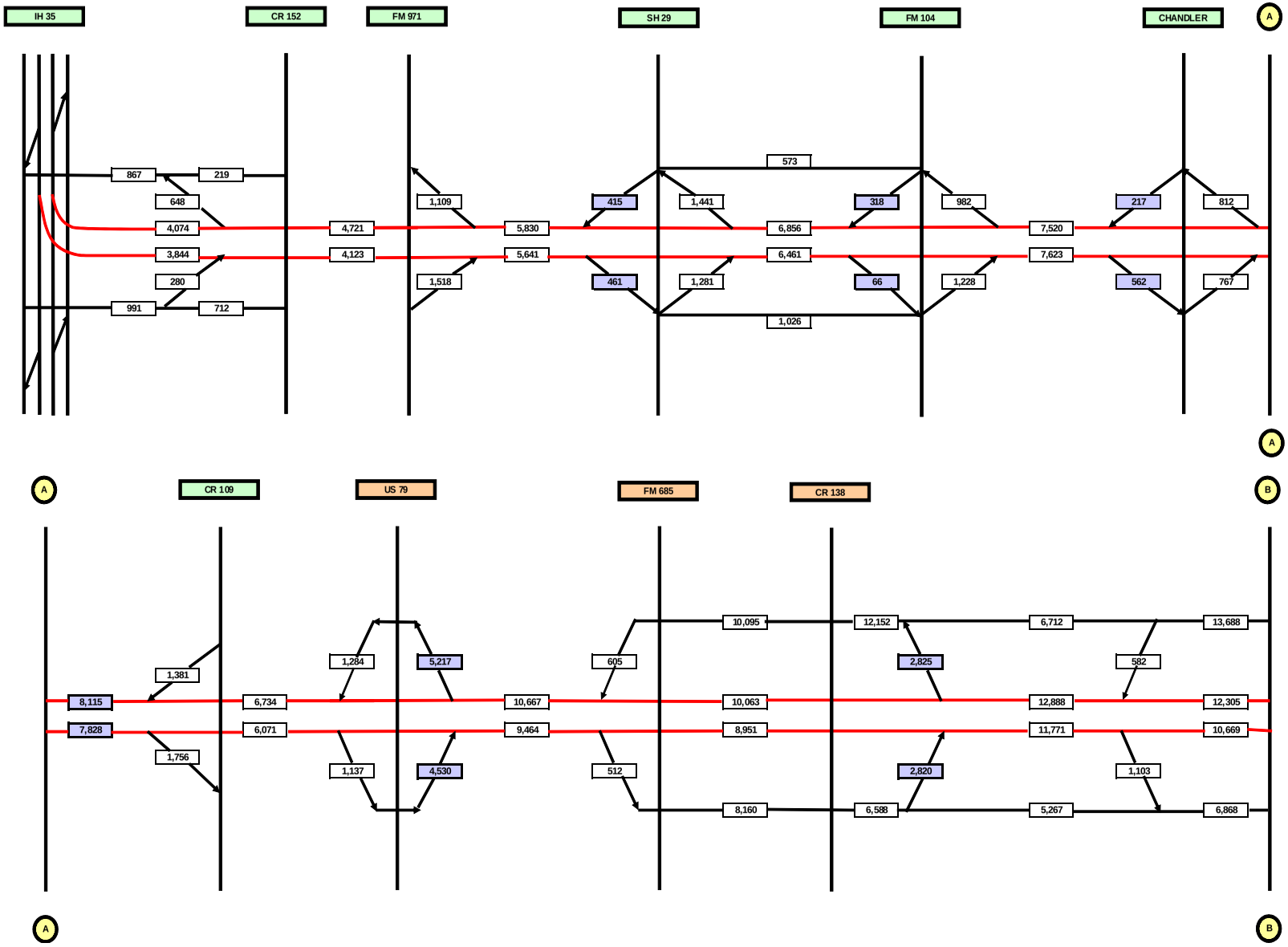


Figure 6-9: SH 130 Element - Average Weekday Traffic - 2015 (Continued)

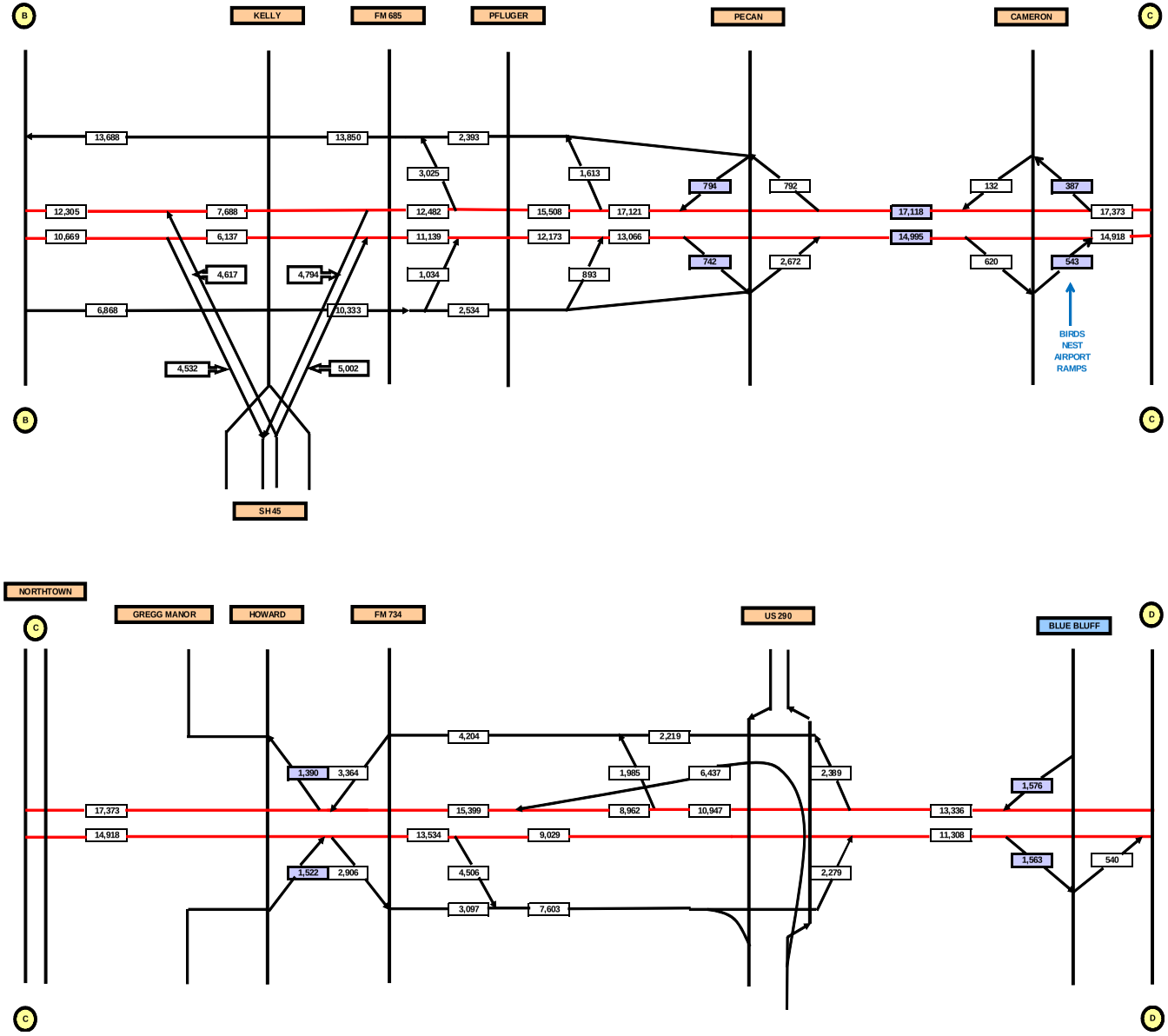


Figure 6-9: SH 130 Element - Average Weekday Traffic - 2015 (Continued)

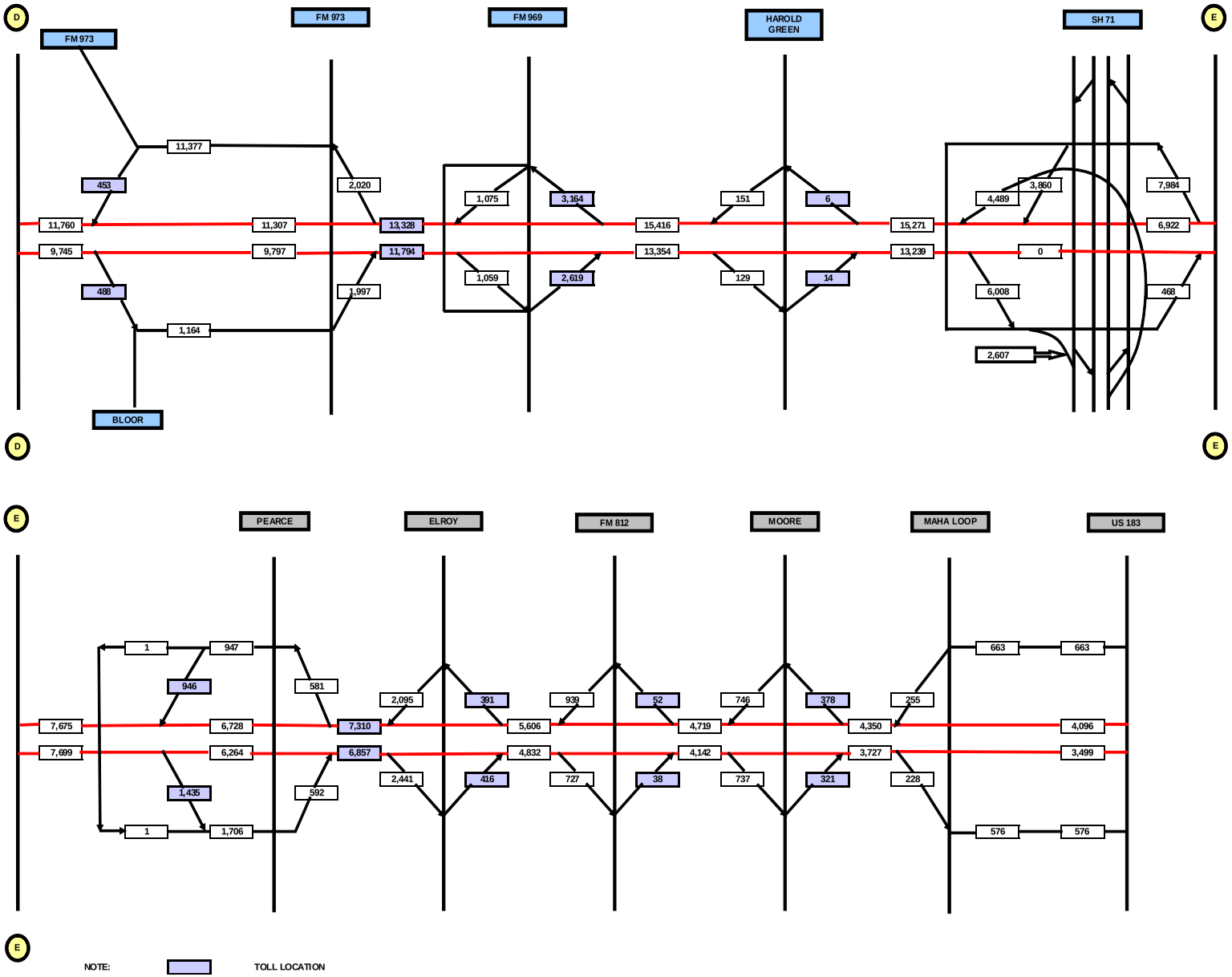


Figure 6-10: SH 130 Element - Average Weekday Traffic - 2025

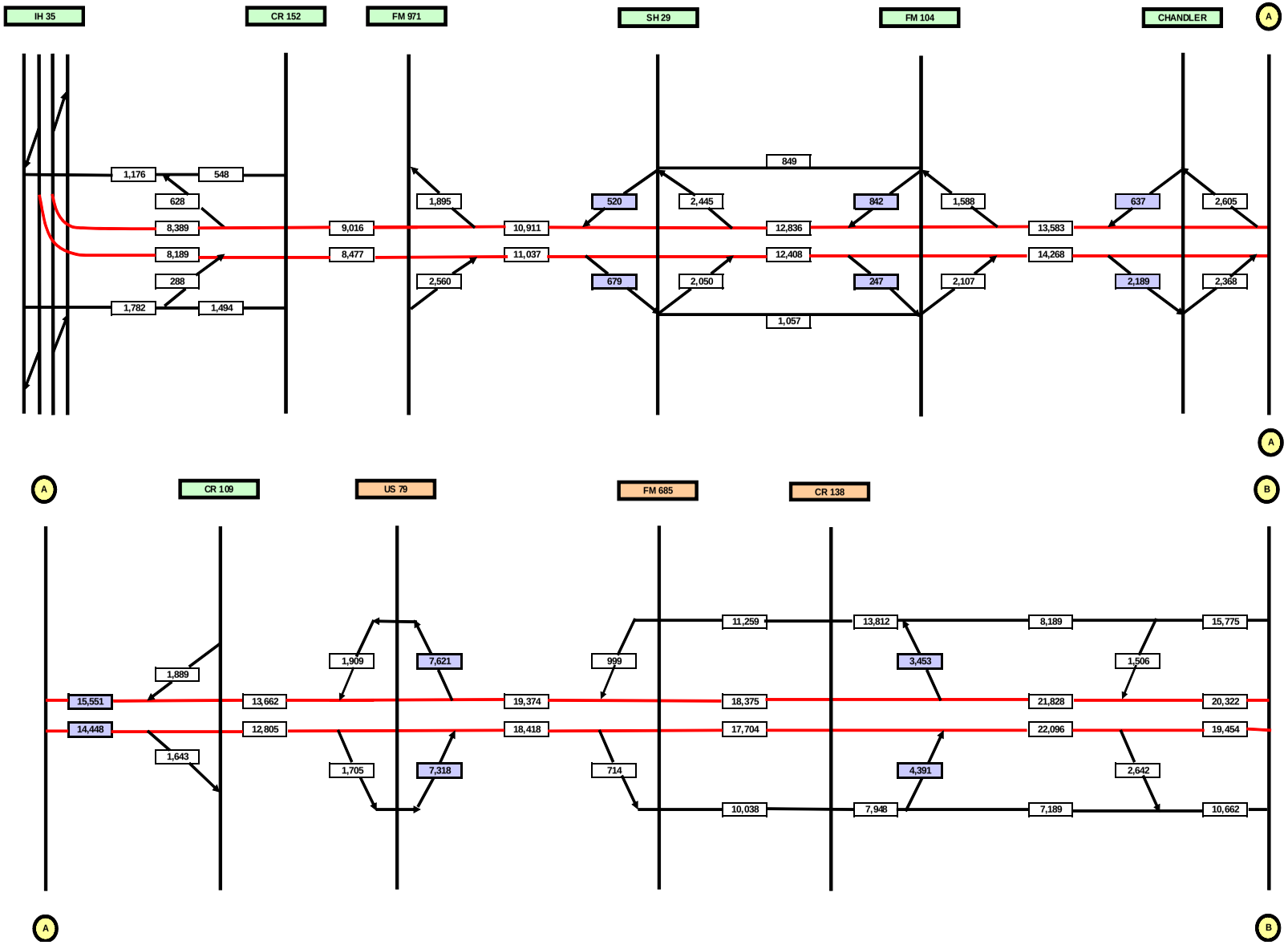


Figure 6-10: SH 130 Element - Average Weekday Traffic - 2025 (Continued)

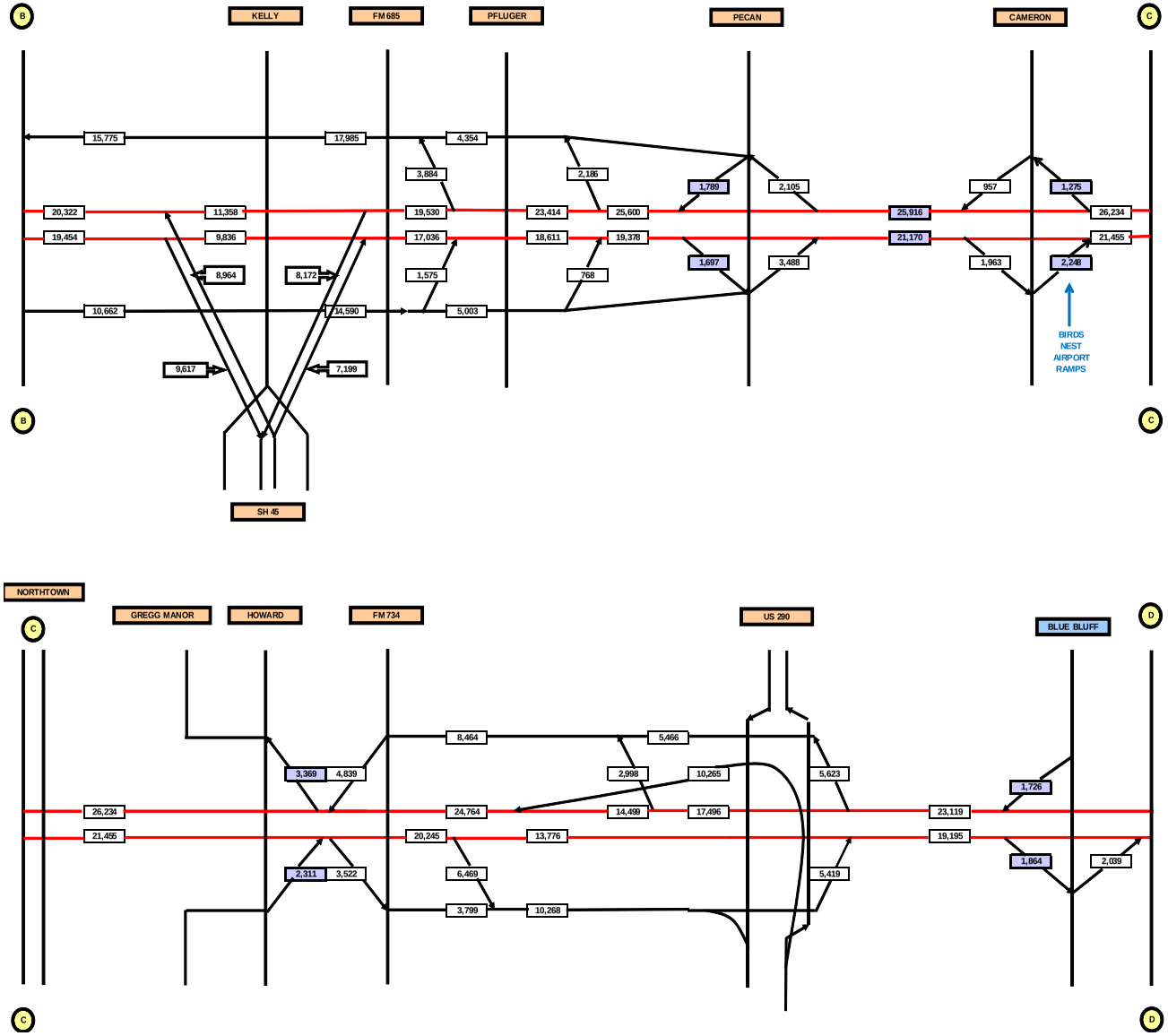


Figure 6-10: SH 130 Element - Average Weekday Traffic - 2025 (Continued)

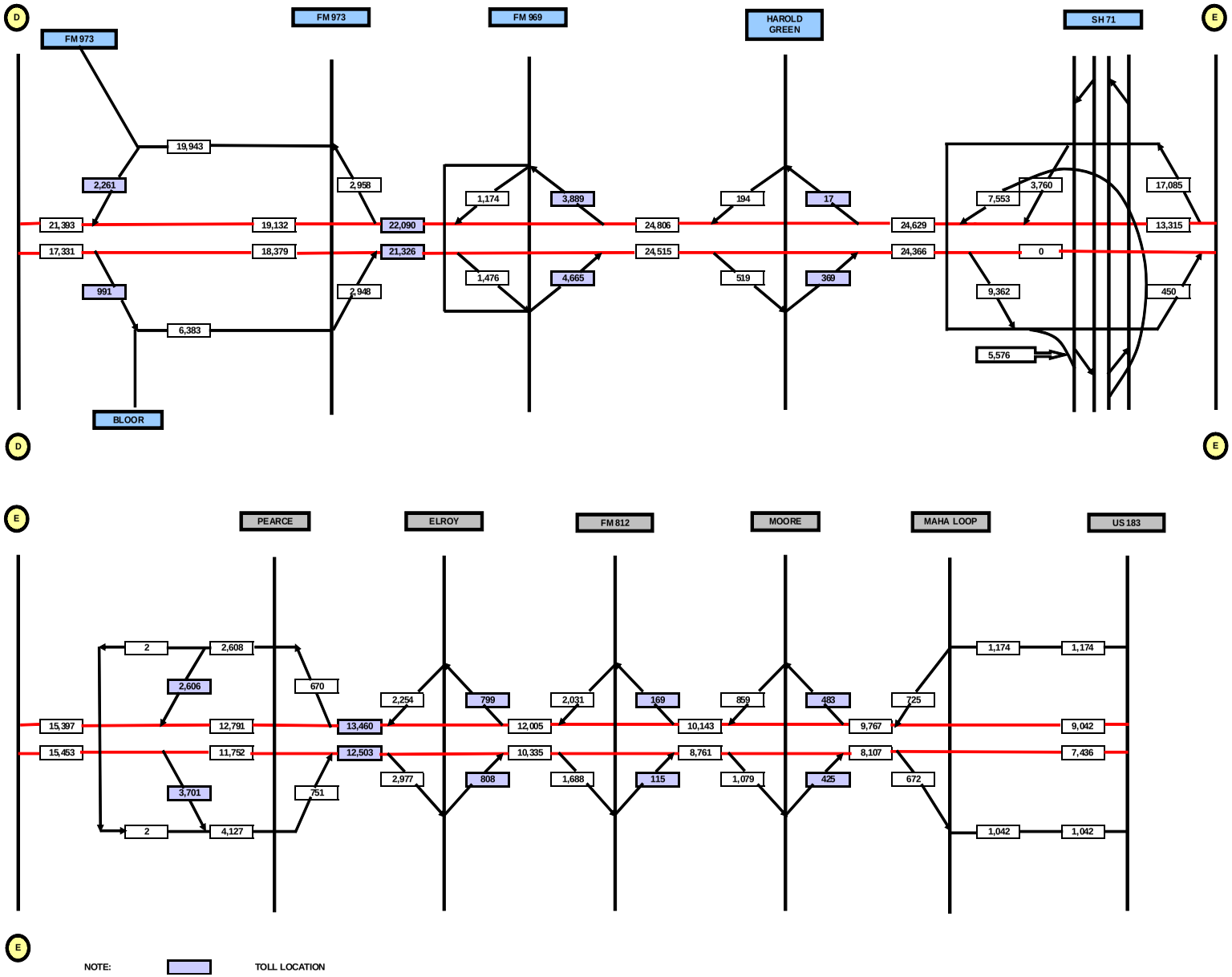


Figure 6-11: SH 130 Element - Average Weekday Traffic - 2035

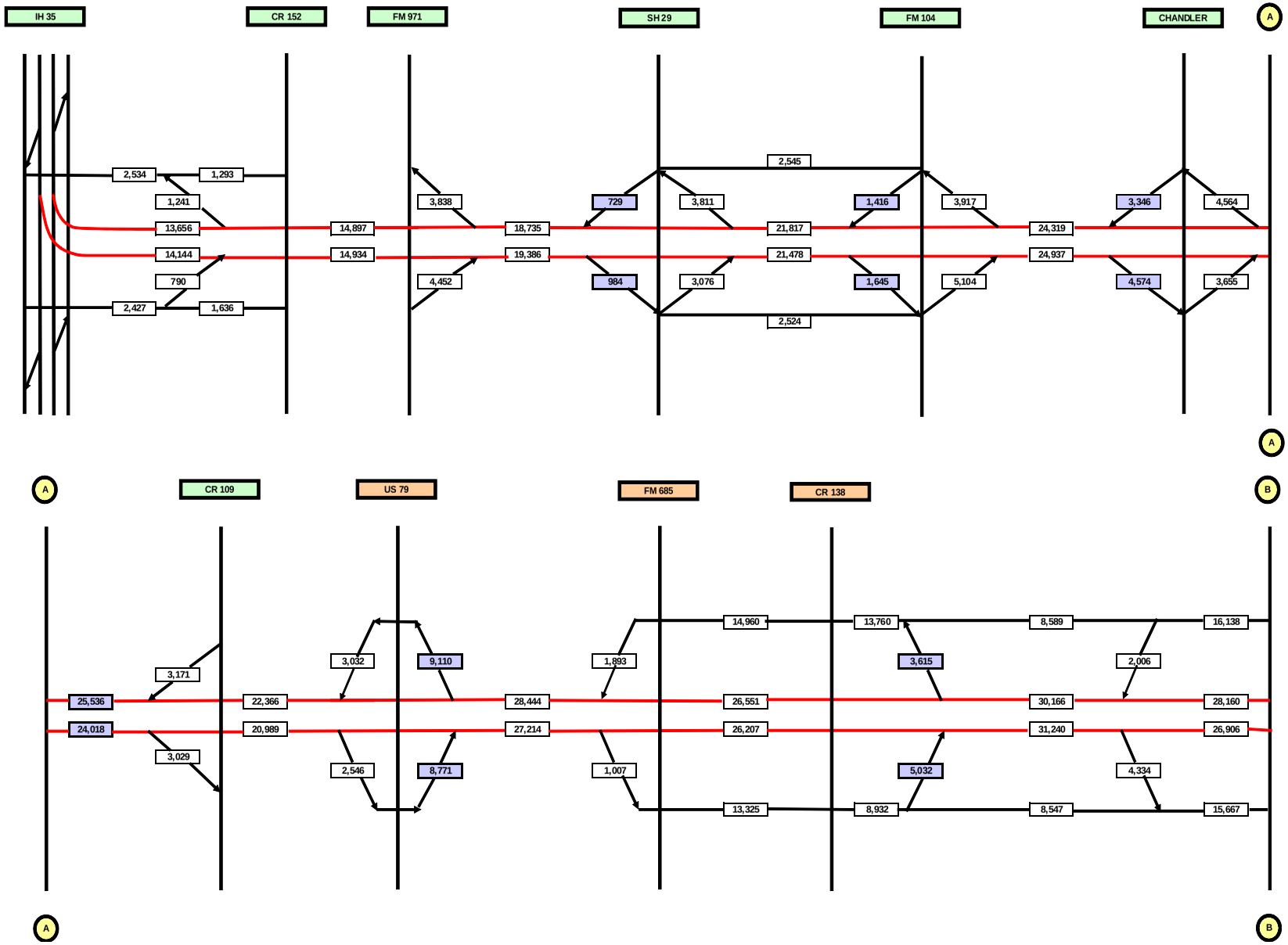


Figure 6-11: SH 130 Element - Average Weekday Traffic - 2035 (Continued)

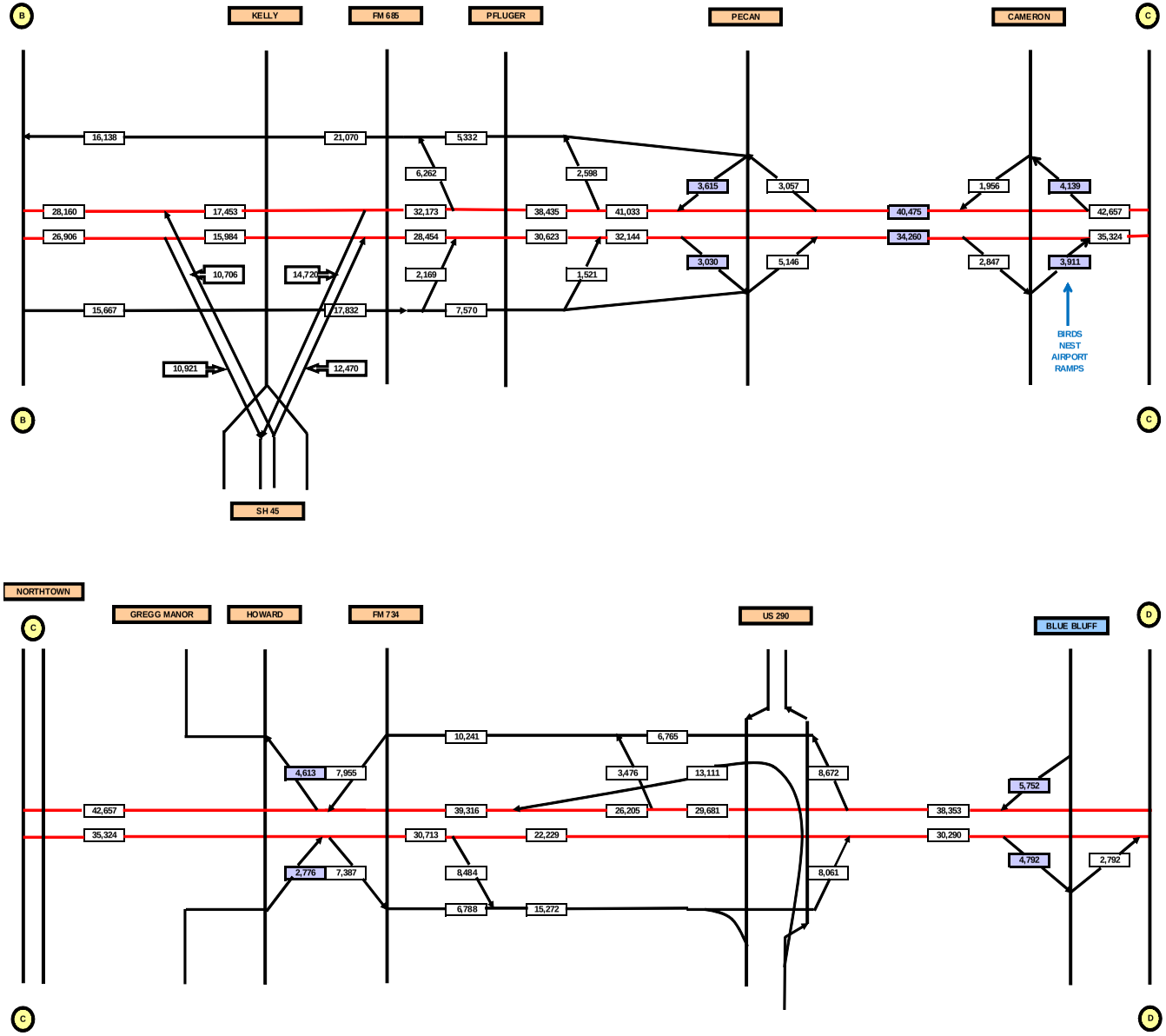
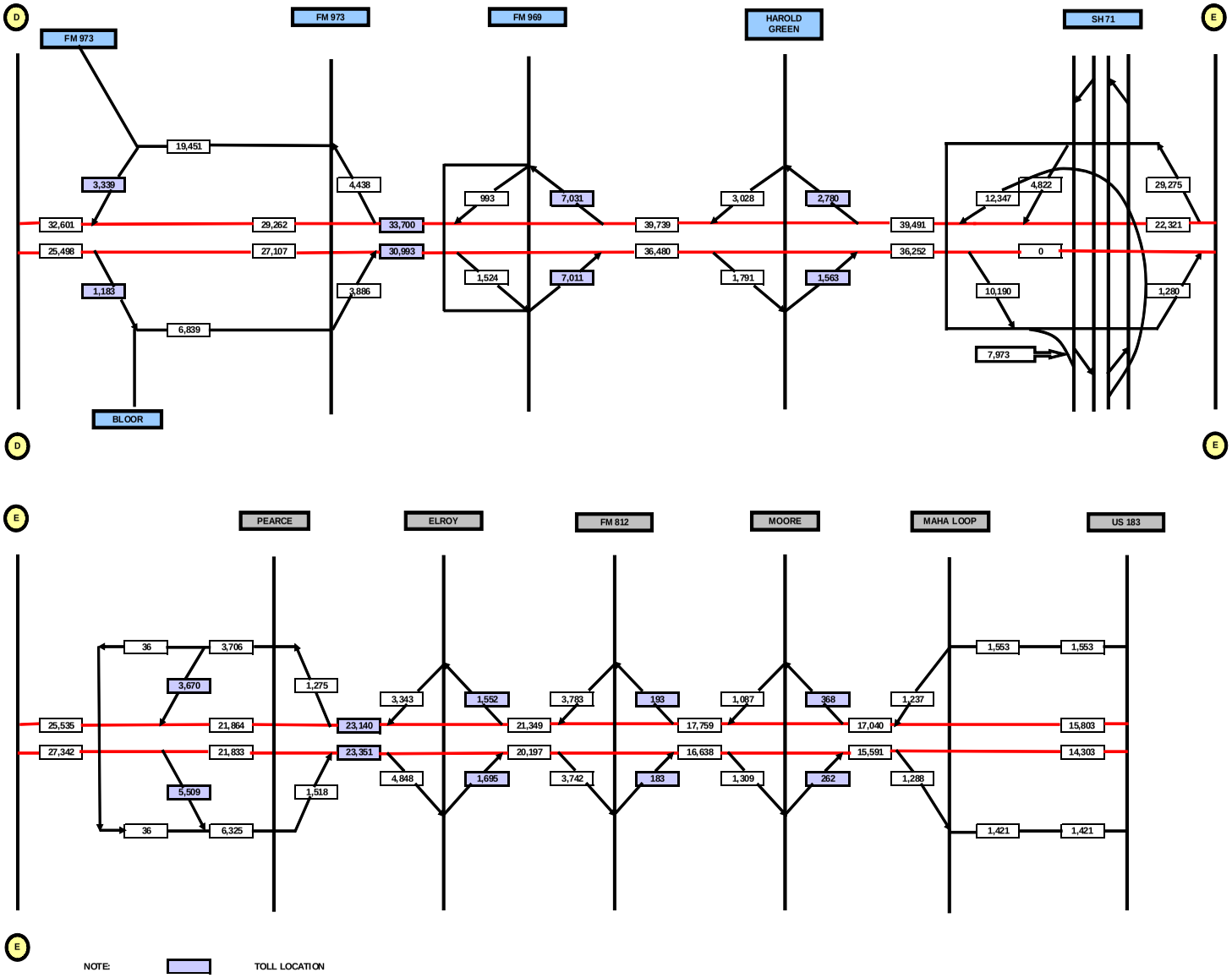


Figure 6-11: SH 130 Element - Average Weekday Traffic - 2035 (Continued)



6.5.2 Screenline Analysis

For the purpose of the SH 130 element screenline analysis, four screenlines were selected, corresponding to the location and latitude of the four SH 130 mainline toll barriers (within each of the four SH 130 segments). Figure 6-12 on page 6.34 shows the locations of the four screenlines. Note that all four screenlines extend from IH 35 eastward (i.e., bounded on the western edge by IH 35), as representative of the SH 130 corridor.

Traffic on individual routes for each screenline is shown in Table 6-13. Note that these values are unadjusted model estimates and intended to indicate the future demand of traffic in the corridor as estimated by the model as well as the share of traffic using SH 130. In the year 2008, SH 130 has values ranging from 3.2 percent to 10.7 percent of the corridor traffic with the highest percent share in Segment 2, represented by Screenline 2. In contrast, IH-35 dominates the share of corridor traffic with values ranging from 59.2 percent to 78.1 percent. In the future years, the share of traffic on SH 130 increases as congestion along IH-35 reduces the attractiveness of that roadway and future growth in population and employment occurs in the areas adjacent to SH 130. As a result SH 130 increases its share of traffic to values ranging from 9.8 percent to 20.3 percent by 2035. It should be noted that the percent share of traffic on each roadway by year will vary due to changes in nearby development along with improvements to individual roadways that either complement or compete with a given road.

Figure 6-12: CTTS Study Area Screenline Locations

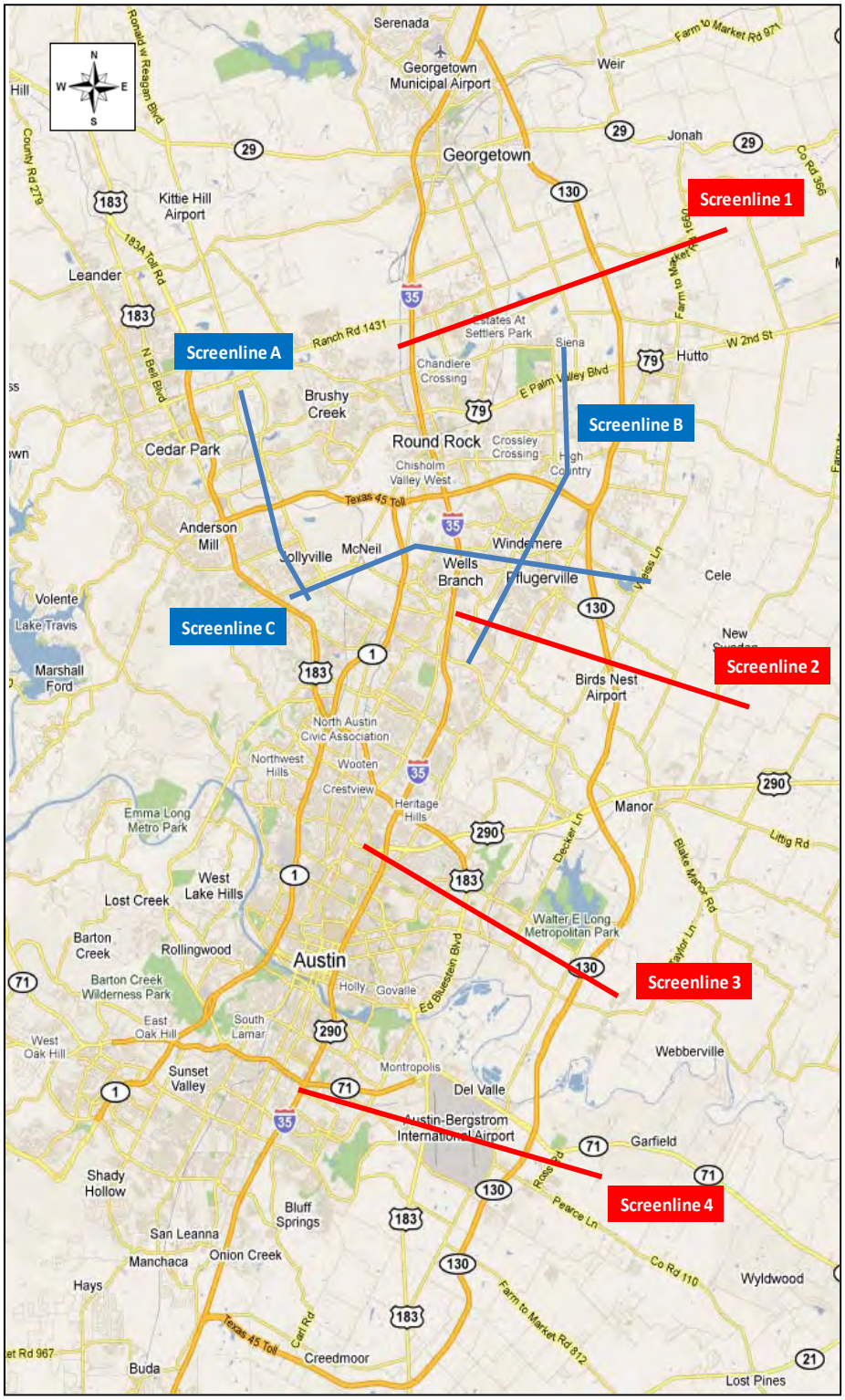


Table 6-13: SH 130 Element Screenline Analysis

Location	2008	% of Screenline	2015	% of Screenline	2025	% of Screenline	2035	% of Screenline
IH 35	134,433	78.1%	161,146	73.0%	170,055	64.7%	192,510	60.0%
CR 115	11,685	6.8%	14,460	6.6%	14,210	5.4%	22,160	6.9%
FM 1460	6,727	3.9%	13,054	5.9%	20,739	7.9%	27,450	8.6%
CR 110	4,913	2.9%	4,454	2.0%	14,966	5.7%	14,068	4.4%
SH 130	11,892	6.9%	15,942	7.2%	29,999	11.4%	49,555	15.4%
CR 100	818	0.5%	10,261	4.6%	8,672	3.3%	4,598	1.4%
FM 1660	1,624	0.9%	1,360	0.6%	4,067	1.5%	10,560	3.3%
TOTAL	**172,093**	**100.0%**	**220,678**	**100.0%**	**262,708**	**100.0%**	**320,901**	**100.0%**

Location	2008	% of Screenline	2015	% of Screenline	2025	% of Screenline	2035	% of Screenline
IH 35	158,404	72.6%	186,149	70.0%	203,278	64.3%	214,028	58.0%
Heatherwilde Blvd	9,663	4.4%	11,766	4.4%	18,757	5.9%	23,979	6.5%
Dessau / FM 685	12,896	5.9%	17,174	6.5%	20,442	6.5%	28,512	7.7%
Immanuel	3,446	1.6%	2,753	1.0%	4,837	1.5%	2,615	0.7%
SH 130	23,297	10.7%	32,114	12.1%	47,086	14.9%	74,735	20.3%
Cameron Rd	5,281	2.4%	8,946	3.4%	13,769	4.4%	16,696	4.5%
Fuchs Grove	5,245	2.4%	7,121	2.7%	7,953	2.5%	8,361	2.3%
TOTAL	**218,232**	**100.0%**	**266,023**	**100.0%**	**316,123**	**100.0%**	**368,926**	**100.0%**

Location	2008	% of Screenline	2015	% of Screenline	2025	% of Screenline	2035	% of Screenline
IH 35	236,254	59.2%	264,184	54.6%	286,232	51.1%	299,872	45.5%
Cameron Rd.	17,316	4.3%	27,349	5.7%	27,768	5.0%	28,853	4.4%
Berkman Dr.	7,961	2.0%	10,502	2.2%	12,609	2.2%	13,212	2.0%
Manor Rd.	13,017	3.3%	14,771	3.1%	19,335	3.4%	24,588	3.7%
Springdale Rd.	15,130	3.8%	17,995	3.7%	20,456	3.6%	24,372	3.7%
US 183	62,735	15.7%	90,653	18.7%	101,291	18.1%	123,564	18.8%
Johnny Morris Rd.	6,483	1.6%	5,823	1.2%	7,457	1.3%	10,570	1.6%
FM 3177	12,759	3.2%	14,728	3.0%	24,673	4.4%	37,318	5.7%
FM 973	4,131	1.0%	6,202	1.3%	6,952	1.2%	10,589	1.6%
SH 130	18,635	4.7%	25,121	5.2%	43,416	7.7%	64,694	9.8%
FM 969	4,978	1.2%	6,170	1.3%	10,373	1.9%	21,161	3.2%
TOTAL	**399,400**	**100.0%**	**483,498**	**100.0%**	**560,564**	**100.0%**	**658,793**	**100.0%**

Location	2008	% of Screenline	2015	% of Screenline	2025	% of Screenline	2035	% of Screenline
IH 35	171,445	66.6%	211,420	64.6%	228,224	60.2%	234,272	54.5%
Todd Ln.	10,527	4.1%	22,604	6.9%	28,071	7.4%	34,018	7.9%
Stassney Ln.	26,602	10.3%	33,676	10.3%	42,303	11.2%	41,563	9.7%
US 183	29,709	11.5%	28,485	8.7%	34,543	9.1%	46,487	10.8%
FM 973	6,363	2.5%	11,803	3.6%	10,520	2.8%	13,816	3.2%
SH 130	8,268	3.2%	14,167	4.3%	25,964	6.8%	46,490	10.8%
Ross Rd.	4,336	1.7%	5,372	1.6%	9,504	2.5%	13,400	3.1%
TOTAL	**257,250**	**100.0%**	**327,526**	**100.0%**	**379,129**	**100.0%**	**430,045**	**100.0%**

6.5.3 Revenue Forecasts

Using the average weekday traffic forecasts from the model outputs the revenue forecast for the SH 130 element was developed. As an initial step the transactions on a yearly basis were estimated for the entire forecast period from 2011 to 2042. Using the forecasts from the model years (2008, 2011, 2015, 2025, 2035), the volumes by year were calculated by interpolation. Due to the limited background network improvements beyond 2025, Stantec apply a reduction to the model forecasts from 2025 to 2035 by reducing the 2035 transactions by 15.0 percent and the years beyond 2035 were extrapolated based on a tapering annual rate of growth declining to 2.3 percent by 2042. As a final step the transactions were then converted from calendar year to fiscal year and shown in Table 6-14.

Note that the transactions for the first three fiscal years reflect the observed transactions as provided by TTA's annual reports. For the current Fiscal year, the transactions include observed transactions of the first three months and model forecasts for the remaining nine months. Note that the traffic reductions shown in selected horizon years reflect the impact of the toll increases as discussed in Section 6.1 and listed in Table 6-1. These reductions reflect the adjustment from the forecasts initially developed on a calendar year basis to those stated on a fiscal (bond) year basis, with the fiscal year beginning September 1 and ending August 31. Accordingly, for example, the toll increase in September 2015 affects the traffic forecast in fiscal year 2016 (the fiscal year ending August 2016).

The revenue forecasts for each horizon were developed from the adjusted transaction estimates described above and shown in Table 6-15. The estimates include several assumptions regarding costs by payment type and changes in the share of transactions by payment type. ETC transactions receive a 10 percent discount from the cash rate and video tolling includes a 33% surcharge over the ETC rates. For these revenue estimates, the cash payment option is assumed available for the entire forecast period. The share of transactions by payment type will change over the forecast period, with ETC transaction shares increasing from approximately 63.7 percent in 2008 to 71.3% by 2035. Cash shares decline over the period and video share also decline as more patrons utilize transponders. Note that SH 130 has exhibited a lower transponder share than the Northwest elements as more of the SH 130 patrons are traveling from areas outside of the Austin region.

The revenue forecasts for SH 130 also included a ramp-up period since the alignment is primarily east of the major developed areas of Austin. In the initial forecasts, a six-year ramp up period was assumed. Half of ramp-up period is now complete and the revenue forecasts for the fiscal years of 2011-2013 include discounts for the remaining ramp-up period as follows:

Calendar Year	Fiscal Year	Ratio to Raw Model Output
2007	2008	0.54
2008	2009	0.65
2009	2010	0.78
2010	2011	0.83
2011	2012	0.92
2012	2013	0.97
2013	2014	1.00

The average weekday traffic volumes from the model have been annualized conservatively using a factor of 320. This factor was selected previously from actual data compiled from four locations — two non-toll facilities in the Austin area and two suburban toll projects in Florida. For the first three years of observed transactions for SH 130, the annualization factor has been approximately 329, so the use of 320 for forecasting is conservative in the near term and reflects an assumption that as the corridor further develops, locally oriented traffic will increase and the observed annualization rate will gradually decline.

Table 6-14: 2010 CTTS Update Average Weekday Toll Transactions – SH 130 Element

Fiscal Year	SH 130			
	2002 Report	2005 Update	2008 Review	2010 Update
2008	42,161	50,868	58,380	***58,306***
2009	57,856	68,867	73,990	***73,099***
2010	66,058	84,479	83,386	***83,997***
2011	84,607	102,156	92,817	90,209
2012	95,804	114,517	102,265	101,267
2013	105,569	127,035	111,779	109,444
2014	112,371	136,663	121,321	117,621
2015	119,173	146,291	130,871	125,799
2016	100,873	125,636	123,521	115,312
2017	108,953	125,077	138,052	125,823
2018	117,032	131,582	152,545	136,334
2019	125,112	140,443	167,022	146,845
2020	133,192	149,305	178,978	157,356
2021	148,634	158,166	190,934	167,867
2022	160,692	167,027	202,890	178,378
2023	172,751	184,309	215,447	188,890
2024	184,809	199,868	226,892	199,401
2025	196,867	213,916	237,901	209,912
2026	170,507	206,186	228,288	198,757
2027	179,035	220,367	238,846	208,698
2028	187,555	234,548	249,404	218,630
2029	196,023	248,730	259,962	228,501
2030	204,395	253,511	256,544	238,260
2031	212,626	263,439	260,205	247,855
2032	220,670	275,792	267,843	257,231
2033	228,478	287,595	275,834	266,333
2034	236,004	298,712	283,238	275,106
2035	243,200	309,009	290,916	283,494
2036	232,395	291,335	277,225	270,899
2037	238,344	298,919	284,221	277,834
2038	244,212	306,280	291,219	284,674
2039	250,104	313,668	298,244	291,542
2040	256,012	321,078	305,290	298,429
2041	261,931	328,502	312,349	305,329
2042	267,857	335,934	319,415	312,236

Notes: Toll Rate Increased in this year
Actual Average Weekday Traffic

Table 6-15: 2010 CTTS Update Annual Revenue Projections (in $000) – SH 130 Element

Fiscal Year	SH 130					
				2010 Update		
	2002 Report	2005 Update	2008 Review	Base Toll Cash, ETC, & Video	Video Surcharge Revenue	Total
2008	$18,485	$20,145	$19,456			***$19,456***
2009	$25,543	$27,762	$27,811			***$27,114***
2010	$29,275	$34,854	$32,089			***$34,415***
2011	$37,502	$42,522	$35,990	$37,086	$1,009	$38,095
2012	$42,452	$47,815	$39,702	$41,680	$1,486	$43,166
2013	$46,767	$53,165	$43,363	$45,469	$1,617	$47,086
2014	$49,768	$57,302	$47,006	$49,258	$1,749	$51,007
2015	$52,771	$61,439	$50,650	$53,047	$1,880	$54,927
2016	$63,068	$73,280	$68,034	$73,064	$2,393	$75,457
2017	$68,242	$73,752	$76,500	$80,686	$2,684	$83,370
2018	$73,416	$78,133	$84,751	$88,307	$2,975	$91,282
2019	$78,591	$83,817	$92,913	$95,928	$3,266	$99,195
2020	$83,766	$89,501	$99,675	$103,550	$3,558	$107,107
2021	$91,874	$95,185	$106,437	$111,171	$3,849	$115,020
2022	$99,184	$100,869	$113,199	$118,792	$4,140	$122,933
2023	$106,493	$113,439	$122,414	$126,414	$4,432	$130,845
2024	$113,802	$123,822	$129,968	$134,035	$4,723	$138,758
2025	$121,111	$132,711	$136,697	$141,656	$5,014	$146,671
2026	$140,643	$160,858	$166,316	$179,040	$5,881	$184,921
2027	$147,687	$172,003	$175,047	$188,007	$6,176	$194,183
2028	$154,722	$183,148	$183,778	$196,963	$6,470	$203,433
2029	$161,715	$194,292	$192,510	$205,865	$6,762	$212,627
2030	$168,629	$195,415	$189,689	$214,666	$7,051	$221,718
2031	$175,426	$201,731	$192,594	$223,319	$7,336	$230,655
2032	$182,068	$210,668	$198,675	$231,774	$7,613	$239,388
2033	$188,515	$219,239	$204,716	$239,982	$7,883	$247,865
2034	$194,728	$227,358	$210,691	$247,891	$8,143	$256,034
2035	$201,030	$234,940	$216,574	$255,913	$8,406	$264,320
2036	$219,996	$265,491	$251,118	$280,057	$9,199	$289,257
2037	$225,628	$272,370	$257,478	$287,227	$9,435	$296,662
2038	$231,184	$279,076	$263,818	$294,300	$9,667	$303,967
2039	$236,761	$285,808	$270,182	$301,399	$9,900	$311,300
2040	$242,354	$292,560	$276,564	$308,519	$10,134	$318,653
2041	$247,958	$299,325	$282,959	$315,653	$10,369	$326,022
2042	$253,567	$306,096	$289,361	$322,793	$10,603	$333,397

Notes: Toll Rate Increased in this year
2010 CTTS Revenue includes pay-by-mail surcharge (20% of cash toll).
Actual Revenue

6.6 TOTAL CTTS TRAFFIC AND REVENUE FORECASTS AND COMPARISON

Table 6-16 provides a listing of the transactions for the combined elements of the CTTS for the original 2002 financing study, the 2005 Update, the 2008 Review and the 2010 Update. Table 6-17 includes the revenue forecasts for each of the studies. All of these values are provided as fiscal year values and it should be noted that the first three years of the 2010 Update include the observed transactions and revenue as reported by TTA in their respective annual reports.

When comparing across the various forecasts prepared for the CTTS, there are several significant differences in terms of the assumed payment methods and the economic conditions. For the 2002 Report and the 2005 Update, both of these studies were performed prior to the opening of any of the individual toll road elements. The 2008 Review did reflect knowledge of initial transactions for several elements and included the revenue estimation of the video billing pilot program along with the strong increase in growth prior to recession. The 2010 Update included a comprehensive recalibration of the forecasting process as well as recognition of the impacts of the recession coupled with the first three years of tolled operations to evaluation key assumptions related to evasion and ramp-up.

In general the CTTS transactions in the 2010 Update are higher than the original forecast prepared for the 2002 financing study. The revenue stream is generally higher as well except for the period encompassing FY 2011 through FY 2013. These minor reduction is reflects the lingering impacts of the recent recession and the reduced level of truck transactions within the overall revenue stream. For FY 2014 and beyond, the 2010 Update forecasts exceed the 2002 forecasts.

In comparison the 2008 Update, the new forecast is generally higher in terms of revenue but slightly lower in terms of total transactions. As part of the calibration of the new model, it was recognized that the previous model was under-predicting transactions at the mainline plazas and over-predicting transactions at the ramps. The new model is now calibrated against observed data and while transactions are somewhat lower, the percentage at the higher rate mainline plazas in now higher, leading to higher overall revenue.

Table 6-16: 2010 CTTS Update Average Weekday Toll Transactions – All CTTS Elements

Fiscal Year	CTTS Total			
	2002 Report	2005 Update	2008 Review	2010 Update
2008	118,360	138,492	202,269	***204,133***
2009	169,103	182,163	220,937	***224,276***
2010	206,917	226,221	237,493	***239,343***
2011	244,235	265,528	256,845	252,931
2012	270,361	291,858	276,433	275,508
2013	286,652	308,460	294,893	296,472
2014	299,981	321,743	312,989	316,168
2015	313,309	335,026	330,670	335,845
2016	287,287	303,598	322,450	315,830
2017	300,831	307,145	340,249	332,677
2018	314,374	318,864	359,924	349,727
2019	327,918	333,307	380,220	366,987
2020	341,461	347,751	397,996	384,463
2021	366,425	361,549	415,060	402,162
2022	389,357	376,000	432,846	420,091
2023	412,291	398,873	451,233	438,259
2024	435,223	420,697	469,484	456,672
2025	458,156	441,236	487,625	475,339
2026	427,217	428,172	467,082	455,416
2027	443,203	449,074	485,245	475,316
2028	459,181	469,976	503,408	495,600
2029	475,108	490,879	521,571	516,232
2030	490,938	502,381	525,258	537,179
2031	506,627	518,068	536,045	558,404
2032	522,129	536,840	550,644	579,872
2033	537,396	555,062	565,597	601,544
2034	552,380	572,597	579,962	623,387
2035	567,034	589,313	594,602	645,363
2036	546,799	563,528	572,113	621,641
2037	559,815	577,195	585,706	632,083
2038	572,749	590,639	599,301	642,465
2039	585,707	604,111	612,923	652,912
2040	598,681	617,604	626,567	663,412
2041	611,667	631,111	640,223	673,962
2042	624,659	644,626	653,886	684,556

Notes: Toll Rate Increased in this year
Actual Average Weekday Traffic

Table 6-17: 2010 CTTS Update Annual Revenue Projections (in $000) – All CTTS Elements

Fiscal Year	CTTS Total ($000)					
				2010 Update		
	2002 Report	2005 Update	2008 Review	Base Toll Cash, ETC, & Video	Video Surcharge Revenue	Total
2008	$34,996	$40,019	$48,905			***$48,875***
2009	$49,654	$53,322	$57,882			***$58,907***
2010	$59,693	$66,764	$63,629			***$66,151***
2011	$72,167	$79,021	$69,572	$68,652	$1,873	$70,525
2012	$80,209	$87,259	$75,374	$75,272	$2,418	$77,690
2013	$85,791	$93,388	$80,988	$81,619	$2,632	$84,250
2014	$90,060	$98,221	$86,535	$87,774	$2,844	$90,619
2015	$94,330	$103,055	$91,993	$93,956	$3,060	$97,016
2016	$117,342	$126,359	$122,393	$125,379	$3,902	$129,281
2017	$124,053	$127,907	$131,973	$134,647	$4,254	$138,901
2018	$130,764	$133,734	$141,765	$143,969	$4,607	$148,576
2019	$137,476	$140,987	$151,609	$153,346	$4,963	$158,309
2020	$144,187	$148,240	$160,053	$162,779	$5,322	$168,100
2021	$154,764	$155,304	$168,286	$172,270	$5,683	$177,953
2022	$164,852	$162,560	$176,734	$181,822	$6,047	$187,870
2023	$174,940	$176,702	$187,636	$191,437	$6,414	$197,851
2024	$185,028	$188,809	$196,912	$201,116	$6,784	$207,900
2025	$195,115	$199,473	$205,376	$210,861	$7,158	$218,019
2026	$232,938	$243,320	$251,597	$264,273	$8,543	$272,816
2027	$242,654	$256,823	$262,641	$276,519	$8,960	$285,478
2028	$252,361	$270,325	$273,685	$288,882	$9,382	$298,264
2029	$262,025	$283,827	$284,730	$301,325	$9,808	$311,134
2030	$271,611	$287,308	$284,251	$313,808	$10,238	$324,045
2031	$281,080	$295,710	$289,272	$326,285	$10,669	$336,954
2032	$290,393	$307,011	$297,786	$338,716	$11,100	$349,817
2033	$299,512	$317,946	$306,261	$351,056	$11,531	$362,586
2034	$308,397	$328,428	$314,670	$363,260	$11,959	$375,218
2035	$317,370	$338,374	$322,987	$375,747	$12,398	$388,145
2036	$356,750	$387,085	$376,212	$422,185	$13,943	$436,128
2037	$365,448	$396,677	$385,366	$432,197	$14,274	$446,471
2038	$374,070	$406,096	$394,499	$442,169	$14,603	$456,772
2039	$382,713	$415,541	$403,657	$452,226	$14,935	$467,161
2040	$391,372	$425,006	$412,832	$462,363	$15,269	$477,632
2041	$400,042	$434,484	$422,021	$471,035	$15,555	$486,590
2042	$408,717	$443,968	$431,216	$479,729	$15,841	$495,571

Notes: Toll Rate Increased in this year
2010 CTTS Revenue includes pay-by-mail surcharge (20% of cash toll).
Actual Revenue

7.0 Sensitivity Analysis

The traffic and revenue projections provided in Section 6 utilized our baseline assumptions for the socioeconomic growth, planned network improvements, and current toll policy. An alternative toll policy was identified for subsequent testing and a sensitivity trial was performed to evaluate the impact of the alternative tolling scheme. The objective of this sensitivity trial was to assess the potential diversion of 5+ axle trucks to SH 130 if toll rates for these vehicles were reduced to the rates charged for 4 axle trucks. Note that toll rates for the remaining CTTS elements were not reduced, but toll rates for trucks on SH 45 SE were also reduced to support the overall diversion potential of this scenario.

In this scenario, 5-axle and larger trucks using SH 130 were assumed to pay the same toll rates as 4-axle trucks. Due to the limitations of the configuration-based tolling scheme implemented on SH 45 SE the tractor-trailer vehicles (currently paying $4.00) were reduced to the rate charged for single unit trucks (currently $3.00). Tables 7-1 and 7-2 compare the average weekday transactions between the base scenario and the reduced truck toll rates scenario for SH 130 elements and all CTTS elements, respectively. The scenario generated higher truck transactions and minimal changes to auto transactions than the base case, with net increase in total transactions. The increase in transactions is approximately one percent of the SH 130 transactions above the base forecast of average weekday transactions, and approximately 0.5 percent of the total CTTS's average weekday transactions.

Tables 7-3 and 7-4 summarize the annual toll revenue by fiscal year. The scenario reduces the annual toll revenue by less than one percent for SH 130 in early years (prior to 2016), and the loss gradually increases to two percent by 2026, and stays at approximately two percents beyond 2026. The percentage of revenue loss is lower at the CTTS level. The loss of revenue is at one percent or below for the years prior to 2026 and slightly higher than one percent for the years beyond 2026.

Table 7-1: Average Weekday Transaction Comparison – SH 130 Element

FISCAL YEAR	AVERAGE WEEKDAY TRANSACTIONS			
	BASE CASE	REDUCED TRUCK TOLL RATES	CHANGE IN	
			TRANSACTIONS	PERCENT CHANGE
2008	58,306	58,306	0	0.0%
2009	73,099	73,099	0	0.0%
2010	83,997	83,997	0	0.0%
2011	90,209	90,492	283	0.3%
2012	101,267	101,852	585	0.6%
2013	109,444	110,292	847	0.8%
2014	117,621	118,731	1,110	0.9%
2015	125,799	127,171	1,372	1.1%
2016	**115,312**	**116,533**	**1,221**	**1.1%**
2017	125,823	127,176	1,353	1.1%
2018	136,334	137,818	1,484	1.1%
2019	146,845	148,460	1,615	1.1%
2020	157,356	159,103	1,747	1.1%
2021	167,867	169,745	1,878	1.1%
2022	178,378	180,387	2,009	1.1%
2023	188,890	191,030	2,140	1.1%
2024	199,401	201,672	2,272	1.1%
2025	209,912	212,315	2,403	1.1%
2026	**198,757**	**200,604**	**1,847**	**0.9%**
2027	208,698	210,637	1,939	0.9%
2028	218,630	220,661	2,032	0.9%
2029	228,501	230,624	2,123	0.9%
2030	238,260	240,474	2,214	0.9%
2031	247,855	250,158	2,303	0.9%
2032	257,231	259,622	2,390	0.9%
2033	266,333	268,808	2,475	0.9%
2034	275,106	277,662	2,556	0.9%
2035	283,494	286,129	2,634	0.9%
2036	**270,899**	**273,416**	**2,517**	**0.9%**
2037	277,834	280,415	2,582	0.9%
2038	284,674	287,319	2,645	0.9%
2039	291,542	294,251	2,709	0.9%
2040	298,429	301,202	2,773	0.9%
2041	305,329	308,166	2,837	0.9%
2042	312,236	315,138	2,902	0.9%

NOTE:
In "Reduced Truck Toll Rates" Scenario, the 5-axle and larger trucks are assumed to pay 4-axle trucks' toll rates.

Table 7-2: Average Weekday Transactions – All CTTS Elements

FISCAL YEAR	AVERAGE WEEKDAY TRANSACTIONS						
	2002 REPORT	2005 UPDATE	2008 REVIEW	BASE CASE	REDUCED TRUCK TOLL RATES	CHANGE IN	
						TRANSACTIONS	PERCENT CHANGE
2008	118,360	138,492	202,269	204,133	204,133	0	0.0%
2009	169,103	182,163	220,937	224,276	224,276	0	0.0%
2010	206,917	226,221	237,493	239,343	239,343	0	0.0%
2011	244,235	265,528	256,845	252,931	253,214	283	0.1%
2012	270,361	291,858	276,433	275,508	276,093	585	0.2%
2013	286,652	308,460	294,893	296,472	297,320	847	0.3%
2014	299,981	321,743	312,989	316,168	317,278	1,110	0.4%
2015	313,309	335,026	330,670	335,845	337,217	1,372	0.4%
2016	**287,287**	**303,598**	**322,450**	**315,830**	**317,052**	**1,221**	**0.4%**
2017	300,831	307,145	340,249	332,677	334,030	1,353	0.4%
2018	314,374	318,864	359,924	349,727	351,211	1,484	0.4%
2019	327,918	333,307	380,220	366,987	368,602	1,615	0.4%
2020	341,461	347,751	397,996	384,463	386,209	1,747	0.5%
2021	366,425	361,549	415,060	402,162	404,039	1,878	0.5%
2022	389,357	376,000	432,846	420,091	422,100	2,009	0.5%
2023	412,291	398,873	451,233	438,259	440,399	2,140	0.5%
2024	435,223	420,697	469,484	456,672	458,943	2,272	0.5%
2025	458,156	441,236	487,625	475,339	477,741	2,403	0.5%
2026	**427,217**	**428,172**	**467,082**	**455,416**	**457,263**	**1,847**	**0.4%**
2027	443,203	449,074	485,245	475,316	477,255	1,939	0.4%
2028	459,181	469,976	503,408	495,600	497,632	2,032	0.4%
2029	475,108	490,879	521,571	516,232	518,356	2,123	0.4%
2030	490,938	502,381	525,258	537,179	539,393	2,214	0.4%
2031	506,627	518,068	536,045	558,404	560,708	2,303	0.4%
2032	522,129	536,840	550,644	579,872	582,263	2,390	0.4%
2033	537,396	555,062	565,597	601,544	604,019	2,475	0.4%
2034	552,380	572,597	579,962	623,387	625,943	2,556	0.4%
2035	567,034	589,313	594,602	645,363	647,997	2,634	0.4%
2036	**546,799**	**563,528**	**572,113**	**621,641**	**624,158**	**2,517**	**0.4%**
2037	559,815	577,195	585,706	632,083	634,665	2,582	0.4%
2038	572,749	590,639	599,301	642,465	645,111	2,645	0.4%
2039	585,707	604,111	612,923	652,912	655,621	2,709	0.4%
2040	598,681	617,604	626,567	663,412	666,185	2,773	0.4%
2041	611,667	631,111	640,223	673,962	676,799	2,837	0.4%
2042	624,659	644,626	653,886	684,556	687,457	2,902	0.4%

NOTE:
In "Reduced Truck Toll Rates" Scenario, the 5-axle and larger trucks are assumed to pay 4-axle trucks' toll rates.

Table 7-3: Annual Toll Revenue Comparison – SH 130 Element

FISCAL YEAR	ANNUAL TOLL REVENUE (IN 000$)			
	BASE CASE	REDUCED TRUCK TOLL RATES	CHANGE IN	
			REVENUE	PERCENT CHANGE
2008	$19,456	$19,456	$0	0.0%
2009	$27,114	$27,114	$0	0.0%
2010	$34,415	$34,415	$0	0.0%
2011	$38,095	**$37,636**	**-$459**	-1.2%
2012	$43,166	$42,575	-$591	-1.4%
2013	$47,086	$46,549	-$537	-1.1%
2014	$51,007	$50,523	-$483	-0.9%
2015	$54,927	$54,498	-$430	-0.8%
2016	**$75,457**	**$74,839**	**-$618**	**-0.8%**
2017	$83,370	$82,567	-$803	-1.0%
2018	$91,282	$90,295	-$987	-1.1%
2019	$99,195	$98,023	-$1,172	-1.2%
2020	$107,107	$105,751	-$1,356	-1.3%
2021	$115,020	$113,479	-$1,541	-1.3%
2022	$122,933	$121,207	-$1,725	-1.4%
2023	$130,845	$128,935	-$1,910	-1.5%
2024	$138,758	$136,664	-$2,094	-1.5%
2025	$146,671	$144,392	-$2,279	-1.6%
2026	**$184,921**	**$181,213**	**-$3,708**	**-2.0%**
2027	$194,183	$190,289	-$3,894	-2.0%
2028	$203,433	$199,353	-$4,080	-2.0%
2029	$212,627	$208,363	-$4,264	-2.0%
2030	$221,718	$217,272	-$4,446	-2.0%
2031	$230,655	$226,029	-$4,626	-2.0%
2032	$239,388	$234,587	-$4,801	-2.0%
2033	$247,865	$242,894	-$4,971	-2.0%
2034	$256,034	$250,899	-$5,135	-2.0%
2035	$264,320	$259,019	-$5,301	-2.0%
2036	**$289,257**	**$283,456**	**-$5,801**	**-2.0%**
2037	$296,662	$290,712	-$5,949	-2.0%
2038	$303,967	$297,871	-$6,096	-2.0%
2039	$311,300	$305,057	-$6,243	-2.0%
2040	$318,653	$312,263	-$6,390	-2.0%
2041	$326,022	$319,484	-$6,538	-2.0%
2042	$333,397	$326,711	-$6,686	-2.0%

NOTE:
In "Reduced Truck Toll Rates" Scenario, the 5-axle and larger trucks are assumed to pay 4-axle trucks' toll rates.
All Revenues include video surcharge revenue

Table 7-4: Annual Toll Revenue Comparison – All CTTS Elements

FISCAL YEAR	ANNUAL TOLL REVENUE (IN 000$)						
	2002 REPORT	2005 UPDATE	2008 REVIEW	BASE CASE	REDUCED TRUCK TOLL RATES	CHANGE IN	
						REVENUE	PERCENT CHANGE
2008	34,996	40,019	48,905	$48,875	$48,875	$0	0.0%
2009	49,654	53,322	57,882	$58,907	$58,907	$0	0.0%
2010	59,693	66,764	63,629	$66,151	$66,151	$0	0.0%
2011	72,167	79,021	69,572	$70,525	$70,065	-$459	-0.7%
2012	80,209	87,259	75,374	$77,690	$77,099	-$591	-0.8%
2013	85,791	93,388	80,988	$84,250	$83,713	-$537	-0.6%
2014	90,060	98,221	86,535	$90,619	$90,135	-$483	-0.5%
2015	94,330	103,055	91,993	$97,016	$96,587	-$430	-0.4%
2016	**117,342**	**126,359**	**122,393**	**$129,281**	**$128,663**	**-$618**	**-0.5%**
2017	124,053	127,907	131,973	$138,901	$138,098	-$803	-0.6%
2018	130,764	133,734	141,765	$148,576	$147,589	-$987	-0.7%
2019	137,476	140,987	151,609	$158,309	$157,137	-$1,172	-0.7%
2020	144,187	148,240	160,053	$168,100	$166,744	-$1,356	-0.8%
2021	154,764	155,304	168,286	$177,953	$176,413	-$1,541	-0.9%
2022	164,852	162,560	176,734	$187,870	$186,144	-$1,725	-0.9%
2023	174,940	176,702	187,636	$197,851	$195,941	-$1,910	-1.0%
2024	185,028	188,809	196,912	$207,900	$205,806	-$2,094	-1.0%
2025	195,115	199,473	205,376	$218,019	$215,740	-$2,279	-1.0%
2026	**232,938**	**243,320**	**251,597**	**$272,816**	**$269,107**	**-$3,708**	**-1.4%**
2027	242,654	256,823	262,641	$285,478	$281,584	-$3,894	-1.4%
2028	252,361	270,325	273,685	$298,264	$294,184	-$4,080	-1.4%
2029	262,025	283,827	284,730	$311,134	$306,870	-$4,264	-1.4%
2030	271,611	287,308	284,251	$324,045	$319,599	-$4,446	-1.4%
2031	281,080	295,710	289,272	$336,954	$332,329	-$4,626	-1.4%
2032	290,393	307,011	297,786	$349,817	$345,016	-$4,801	-1.4%
2033	299,512	317,946	306,261	$362,586	$357,616	-$4,971	-1.4%
2034	308,397	328,428	314,670	$375,218	$370,084	-$5,135	-1.4%
2035	317,370	338,374	322,987	$388,145	$382,844	-$5,301	-1.4%
2036	**356,750**	**387,085**	**376,212**	**$436,128**	**$430,327**	**-$5,801**	**-1.3%**
2037	365,448	396,677	385,366	$446,471	$440,521	-$5,949	-1.3%
2038	374,070	406,096	394,499	$456,772	$450,676	-$6,096	-1.3%
2039	382,713	415,541	403,657	$467,161	$460,918	-$6,243	-1.3%
2040	391,372	425,006	412,832	$477,632	$471,242	-$6,390	-1.3%
2041	400,042	434,484	422,021	$486,590	$480,052	-$6,538	-1.3%
2042	408,717	443,968	431,216	$495,571	$488,885	-$6,686	-1.3%

NOTE:
In "Reduced Truck Toll Rates" Scenario, the 5-axle and larger trucks are assumed to pay 4-axle trucks' toll rates.

8.0 Disclaimer

It is Stantec's opinion that the revenue projections are reasonable and that they have been prepared in accordance with accepted practice for investment-grade studies. However, given the uncertainties within the current international and economic climate, Stantec considers it is necessary to state that the traffic and revenue projections are based on the following caveats:

1. This report presents the results of Stantec's consideration of the information available to us as of the date hereof and the application of Stantec's experience and professional judgment to that information. It is not a guarantee of any future events or trends.

2. The traffic and revenue forecasts will be subject to future economic and social conditions and demographic developments that cannot be predicted with certainty.

3. The projections contained in this report, while presented with numerical specificity, are based on a number of estimates and assumptions which, though considered reasonable to us, are inherently subject to significant economic and competitive uncertainties and contingencies, many of which will be beyond Stantec's control and that of TxDOT. In many instances, a broad range of alternative assumptions could be considered reasonable. Changes in the assumptions used could result in material differences in projected outcomes.

4. If, for any reason, any of these conditions should change due to changes in the economy or competitive environment, or other factors, the consultant team's opinions or estimates may require amendment or further adjustments.

5. Stantec's toll revenue projections only represent its best judgment and Stantec does not warrant or represent that actual toll revenues will not vary from its projections, estimates and forecasts.

Many statements contained in this report that are not historical facts are forward-looking statements, which are based on Stantec's beliefs, as well as assumptions made by, and information currently available to, the management and staff of Stantec. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate", "assume", "estimate", "expect", "objective", "projection", "plan", "forecast", "goal", "budget", or similar words are intended to identify forward-looking statements. The words or phrases "to date", "now", "currently", and the like are intended to mean as of the date of this official statement.

Stantec shall have the right to review, and to require any changes it believes to be appropriate be made to any official statement, prospectus, private placement memorandum or other document used in connection with any such financing that refers to Stantec, its reports, opinions or other documents, or the Services. TxDOT shall provide copies of any such materials to Stantec for review by Stantec and its legal counsel at a reasonable time prior to the use of any such materials. Stantec shall have the right to retain copies of all such materials.

Appendix A
Detailed Travel Time Runs

				AM		PM		OP	
			DIST (mile)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)
IH 35 NB	US 29	SH 130	4.2	3.6	72	3.7	69	3.5	74
	INNER LOOP	US 29	1.8	1.6	67	1.5	70	1.5	72
	UNIVERSITY BLVD	INNER LOOP	3.5	2.9	72	3.1	68	3.0	70
	US 79	UNIVERSITY BLVD	2.9	2.5	68	2.6	65	2.6	66
	SH 45 SE	US 79	2.7	2.3	69	5.5	29	2.4	69
	WELLS BRANCH PKWY	SH 45 SE	2.8	2.6	66	4.1	41	2.5	69
	FM 734	WELLS BRANCH PKWY	2.3	2.0	69	2.5	54	2.0	70
	EAST BRAKER	FM 734	2.2	2.0	67	4.6	29	2.0	66
	EAST RUNBERG	EAST BRAKER	1.5	1.5	60	1.7	52	1.4	66
	US 183	EAST RUNDBERG	1.5	1.3	68	1.4	64	1.4	65
	US 290 E	US 183	1.3	1.2	65	1.7	45	1.1	68
	AIRPORT BLVD	US 290 E	1.5	1.6	58	2.3	40	1.5	60
	MLK BLVD	AIRPORT BLVD	1.8	2.0	56	3.8	29	1.9	59
	IH 35 NB - TOTAL		**30.0**	**26.9**	**66.8**	**38.6**	**46.6**	**26.6**	**67.7**
IH 35 NB	EAST RIVERSIDE	MLK BLVD	2.2	3.5	37	8.8	15	2.8	47
	US 71	EAST RIVERSIDE	2.4	9.6	15	4.5	32	4.6	32
	WILLIAM CANNON	US 71	2.1	6.5	20	1.9	69	2.2	57
	SLAUGHTER LN	WILLIAM CANNON	1.9	6.4	17	1.6	69	1.6	69
	SH 45 N	SLAUGHTER LN	4.0	12.0	20	3.3	73	3.3	72
	FM 2001	SH 45 N	2.5	2.1	72	2.1	71	2.0	74
	FM 1626	FM 2001	5.1	4.2	74	4.2	72	4.2	73
	CENTER STREET	FM 1626	1.9	1.5	75	1.5	72	1.5	74
	YARRINGTON	CENTER STREET	2.9	2.4	71	2.5	71	2.4	73
	SH 80	YARRINGTON	5.1	4.4	70	4.4	70	4.3	71
	IH 35 NB - TOTAL		**30.1**	**52.5**	**34.4**	**34.8**	**51.9**	**29.0**	**62.3**
Loop 1 NB	US 290	SH 360	1.6	3.3	28	1.5	64	1.4	66
	SH 360	FM 2244(BEE CAVE)	1.9	3.9	29	2.5	46	1.8	65
	FM 2244(BEE CAVE)	ENFIELD ROAD(15TH)	1.8	2.2	50	5.2	21	1.7	63
	ENFIELD ROAD(15TH)	W 35TH ST	1.7	1.5	68	8.3	12	1.7	60
	W 35TH ST	RM 2222(NORTHLAND)	1.9	1.7	67	4.7	24	2.0	56
	FM 2222(NORTHLAND)	W ANDERSON LN	1.8	1.6	66	2.2	50	1.8	61
	W ANDERSON LN	US 183	1.4	1.2	72	1.3	65	1.4	62
	US 183	FM 734(W PARMER LN)	3.7	3.3	68	3.4	66	3.4	65
	FM 734(W PARMER LN)	W HOWARD(WELLS BRANCH)	1.4	1.2	70	1.2	69	1.4	60
	W HOWARD(WELLS BRANCH)	SH 45 N	2.7	2.2	73	2.5	63	2.3	69
	Loop 1 NB - TOTAL		**19.9**	**22.0**	**54.1**	**32.7**	**36.4**	**18.9**	**63.0**
SH 130 NB	FM 971	IH 35	1.7	1.4	72	1.4	74	1.5	68
	SH 29	FM 971	1.8	1.5	74	1.5	71	1.5	71
	UNIVERSITY BLVD	SH 29	4.5	3.6	74	3.6	74	3.7	72
	US 79	UNIVERSITY BLVD	3.8	3.2	72	3.1	73	3.2	71
	GATTIS SCHOOL RD	US 79	2.7	2.1	77	2.2	74	2.3	71
	SH 45 N	GATTIS SCHOOL RD	2.0	1.7	70	1.7	72	1.7	69
	CAMERON	SH 45 N	4.8	3.9	74	3.9	74	4.0	73
	US 290	CAMERON	4.7	4.0	70	4.0	70	4.0	70
	FM 973	US 290	4.1	3.2	76	3.3	74	3.4	72
	FM 969	FM 973	3.0	2.4	76	2.6	71	2.5	72
	US 71	FM 969	4.3	3.6	71	3.8	69	3.7	69
	FM 812	US 71	4.6	3.6	76	3.8	73	3.8	73
	US 183	FM 812	4.9	4.1	71	4.2	71	4.2	71
	SH 130 NB - TOTAL		**46.9**	**38.4**	**73.3**	**39.0**	**72.1**	**39.6**	**71.1**
SH 45 EB	US 183	FM 734	2.0	1.9	64	1.8	68	1.6	75
	FM 734	LOOP 1	3.7	3.4	65	3.3	67	3.2	69
	LOOP 1	IH 35	1.9	1.6	70	1.7	69	1.5	75
	IH 35	A.W. GRIMES BLVD	1.5	1.3	65	1.1	78	1.2	72
	A.W. GRIMES BLVD	HEATHERWILDE BLVD	2.3	2.1	66	2.1	65	2.0	68
	HEATHERWILDE BLVD	SH 130	1.5	1.4	66	1.3	68	1.3	72
	SH 45 EB - TOTAL		**12.8**	**11.7**	**66.0**	**11.3**	**68.2**	**10.8**	**71.2**

				AM		PM		OP	
			DIST (mile)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)
IH 35 SB	SH 130	SH 29	4.2	3.8	67	3.7	67	3.5	71
	SH 29	INNER LOOP	1.8	1.6	67	1.6	69	1.6	66
	INNER LOOP	UNIVERSITY BLVD	3.5	3.1	68	3.1	68	2.9	73
	UNIVERSITY BLVD	US 79	2.9	6.4	27	2.6	67	2.7	64
	US 79	SH 45 SE	2.7	4.7	35	2.5	66	2.2	73
	SH 45 SE	WELLS BRANCH PKWY	2.8	5.5	31	2.5	68	2.1	80
	WELLS BRANCH PKWY	FM 734	2.3	4.8	29	2.1	64	2.2	61
	FM 734	EAST BRAKER	2.2	3.8	35	2.0	67	2.0	68
	EAST BRAKER	EAST RUNDBERG	1.5	4.0	22	1.3	66	1.3	70
	EAST RUNDBERG	US 183	1.5	4.4	20	1.5	61	1.4	67
	US 183	US 290	1.3	4.5	17	1.2	61	1.2	65
	US 290	AIRPORT BLVD	1.5	4.1	22	3.5	25	1.7	52
	AIRPORT BLVD	MLK BLVD	1.8	2.5	44	13.1	8	1.6	68
	IH 35 SB - TOTAL		**29.9**	**53.1**	**33.8**	**40.8**	**43.9**	**26.3**	**68.1**
IH 35 SB	MLK BLVD	EAST RIVERSIDE	2.2	2.3	57	10.5	12	2.3	56
	EAST RIVERSIDE	US 71	2.4	2.5	58	4.4	33	2.3	64
	US 71	WILLIAM CANNON	2.1	1.9	69	3.7	34	2.0	65
	WILLIAM CANNON	SLAUGHTER LN	1.9	1.7	64	2.7	42	1.6	69
	SLAUGHTER LN	SH 45 N	4.0	3.8	64	3.7	66	3.4	71
	SH 45 N	FM 2001	2.5	2.1	71	2.2	67	2.0	72
	FM 2001	FM1626	5.1	4.3	72	4.5	69	4.2	73
	FM 1626	CENTER STREET	1.9	1.6	69	1.7	67	1.6	71
	CENTER STREET	YARRINGTON	2.9	2.4	74	2.4	72	2.4	73
	YARRINGTON	SH 80	5.1	4.2	73	4.6	68	4.2	74
	IH 35 SB - TOTAL		**30.1**	**26.8**	**67.5**	**40.3**	**44.8**	**25.9**	**69.7**
Loop 1 SB	SH 360	US 290	1.6	1.4	68	1.7	54	1.6	57
	FM 2244(BEE CAVE)	SH 360	1.9	1.7	69	3.6	32	1.9	61
	ENFIELD ROAD(15TH)	FM 2244(BEE CAVE)	1.8	1.6	68	6.2	18	1.7	64
	W 35TH ST	ENFIELD ROAD(15TH)	1.7	1.6	65	5.8	18	1.5	66
	RM 2222(NORTHLAND)	W 35TH ST	1.9	2.6	45	4.6	25	1.8	62
	W ANDERSON LN	RM 2222(NORTHLAND)	1.8	6.5	17	2.0	53	1.4	76
	US 183	W ANDERSON LN	1.4	6.0	14	1.3	64	1.5	56
	FM 734(W PARMER LN)	US 183	3.7	9.3	24	3.4	65	3.4	66
	W HOWARD(WELLS BRANCH)	FM 734(W PARMER LN)	1.4	2.1	41	1.1	73	1.2	73
	SH 45 N	W HOWARD(WELLS BRANCH)	2.7	2.3	69	2.5	65	2.3	69
	Loop 1 SB - TOTAL		**19.9**	**34.9**	**34.1**	**32.2**	**37.0**	**18.3**	**65.0**
SH 130 SB	IH 35	FM 971	1.7	1.4	72	1.4	71	1.5	67
	FM 971	SH 29	1.8	1.5	71	1.6	66	1.6	68
	SH 29	UNIVERSITY BLVD	4.5	3.7	73	3.7	72	3.8	70
	UNIVERSITY BLVD	US 79	3.8	3.3	70	3.3	70	3.3	70
	US 79	GATTIS SCHOOL RD	2.7	2.3	71	2.3	71	2.3	70
	GATTIS SCHOOL RD	TEXAS 45 TOLL	2.0	1.8	68	1.7	71	1.7	71
	TEXAS 45 TOLL	CAMERON	4.8	4.0	72	3.9	73	4.1	70
	CAMERON	US 290	4.7	3.9	72	3.9	72	4.1	70
	US 290	FM 973	4.1	3.2	76	3.4	72	3.4	72
	FM 973	FM 969	3.0	2.5	73	2.4	74	2.5	73
	FM 969	US 71	4.3	3.5	74	3.7	71	3.6	71
	US 71	FM 812	4.6	3.8	73	3.7	74	3.8	73
	FM 812	US 183	4.9	4.0	73	4.1	72	4.0	73
	SH 130 SB - TOTAL		**46.9**	**38.9**	**72.4**	**39.2**	**71.8**	**39.7**	**70.9**
SH 45 WB	FM 734	US 183	2.0	1.8	65	1.9	64	1.6	75
	LOOP 1	FM 734	3.7	3.3	66	3.5	64	3.2	70
	IH 35	LOOP 1	1.9	1.5	77	1.6	70	1.4	81
	A.W. GRIMES BLVD	IH 35	1.5	1.3	67	1.3	66	1.2	73
	HEATHERWILDE BLVD	A.W. GRIMES BLVD	2.3	2.0	68	2.1	66	1.9	73
	SH 130	HEATHERWILDE BLVD	1.5	1.4	64	1.2	74	1.2	78
	SH 45 WB - TOTAL		**12.8**	**11.4**	**67.6**	**11.6**	**66.2**	**10.4**	**74.1**

				AM		PM		OP	
			DIST (mile)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)
US 183 NB	ANDERSON MILL RD	SH 45 N	1.4	1.2	69	1.3	67	1.3	66
	McNEIL DR	ANDERSON MILL RD	1.6	1.4	68	1.5	63	1.5	66
	DUVAL RD	McNEIL DR	1.8	1.8	60	2.1	51	1.7	63
	LOOP 360	DUVAL RD	2.1	1.7	72	5.2	24	1.9	65
	LOOP 1	LOOP 360	0.8	0.8	66	2.1	24	0.8	64
	BURNET RD	LOOP 1	0.8	0.7	69	0.8	59	0.7	69
	SH 275	BURNET RD	2.1	1.9	64	2.3	55	1.9	66
	IH 35	SH 275	1.0	0.9	64	0.9	61	0.9	62
	CAMERON RD	IH 35	0.9	0.8	66	0.9	64	0.9	64
	US 290	CAMERON RD	0.9	0.8	67	0.9	62	0.9	63
	MANOR RD	US 290	0.9	0.9	64	0.8	64	0.9	64
	US 183 NB - TOTAL		**14.3**	**13.1**	**65.9**	**18.9**	**45.5**	**13.3**	**64.6**
US 183 NB	LOYOLA LN	MANOR RD	0.9	1.1	52	1.1	51	1.1	51
	51 ST	LOYOLA LN	0.7	3.4	13	2.6	17	1.6	27
	FM 969	51 ST	0.5	1.1	25	0.8	36	0.6	48
	BOLM RD	FM 969	2.4	2.8	51	2.7	53	2.6	56
	LEVANDER LOOP	BOLM RD	0.8	1.0	51	0.9	57	1.1	46
	VARGAS RD	LEVANDER LOOP	0.5	1.0	31	0.9	36	0.6	49
	US 71	VARGAS RD	1.3	3.5	22	2.1	37	1.8	44
	McKINNEY FALLS PKWY	US 71	1.6	2.5	39	1.8	55	1.7	58
	BURLESON RD	McKINNEY FALLS PKWY	1.1	1.9	35	1.4	48	1.2	53
	FM 812	BURLESON RD	1.3	1.9	42	2.3	35	1.5	52
	FM 973	FM 812	3.4	3.7	55	3.5	58	3.6	57
	FM 1327	FM 973	1.5	1.7	55	1.5	59	1.5	59
	SH 130	FM 1327	0.8	1.3	38	0.9	57	1.1	48
	US 183 NB - TOTAL		**17.1**	**27.0**	**38.0**	**22.4**	**45.6**	**20.1**	**51.0**
SH 21 NB	US 80	FM 1966	5.3	5.9	54	5.6	56	5.4	59
	FM 1966	FM 2720	3.0	3.0	59	2.9	62	2.8	62
	FM 2720	CR 129	1.0	1.0	58	1.0	58	1.0	57
	CR 129	FM 2001	3.6	3.6	61	3.5	62	3.6	61
	FM 2001	US 183	4.2	4.5	55	4.5	56	4.2	59
	SH 21 NB - TOTAL		**17.0**	**18.0**	**56.7**	**17.5**	**58.3**	**17.0**	**60.0**
SH 360 NB	LP 1 NB FRTG	LP 1 SB FRTG	0.3	0.6	28	0.5	35	0.4	43
	LP 1 SB FRTG	WALSH TARLTON	0.6	1.2	28	0.8	46	0.7	50
	WALSH TARLTON	SCOTTISH WOODS-WESTBANK	1.5	4.1	22	1.6	56	2.1	42
	SCOTTISH WOODS-WESTBANK	LOST CREEK	0.5	0.9	33	0.6	49	1.3	25
	LOST CREEK	RM 2244-BEE CAVE	0.9	1.0	52	1.4	39	1.1	47
	RM 2244-BEE CAVE	WESTLAKE	3.3	4.6	43	7.4	27	3.5	55
	WESTLAKE	FM 2222	1.9	2.0	58	5.3	21	2.2	53
	FM 2222	LAKEWOOD	1.0	1.4	42	3.9	15	1.2	48
	LAKEWOOD	SPICEWOOD SPRINGS	1.1	1.3	52	5.7	12	1.4	50
	SPICEWOOD SPR	SPICEWOODS SPR-BLUFFS	0.3	1.0	19	1.4	14	0.7	28
	SPICEWOODS SPR-BLUFFS	GREAT HILLS TRL	0.5	0.9	32	0.7	43	0.7	41
	GREAT HILLS TRL	US 183	0.9	2.1	26	3.2	17	1.3	42
	SH 360 NB - TOTAL		**12.7**	**21.1**	**36.1**	**32.3**	**23.6**	**16.5**	**46.2**

				AM		PM		OP	
			DIST (mile)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)
US 183 SB	SH 45 N	ANDERSON MILL RD	1.4	3.1	27	1.2	70	1.3	68
	ANDERSON MILL RD	McNEIL DR	1.6	6.1	16	1.4	70	1.4	67
	McNEIL DR	DUVAL RD	1.8	4.3	25	1.6	65	1.6	67
	DUVAL RD	LOOP 360	2.1	2.5	49	2.0	64	1.9	64
	LOOP 360	LOOP 1	0.8	0.9	56	0.7	67	0.7	70
	LOOP 1	BURNET RD	0.8	1.0	49	0.8	65	0.7	66
	BURNET RD	SH 275	2.1	3.0	41	1.9	64	1.8	67
	SH 275	IH 35	1.0	1.3	44	0.9	63	0.9	68
	IH 35	CAMERON RD	0.9	0.9	60	0.8	70	0.8	70
	CAMERON RD	US 290	0.9	0.9	64	0.8	69	0.8	68
	US 290	MANOR RD	0.9	0.9	62	0.9	61	0.8	65
	US 183 SB - TOTAL		**14.3**	**24.9**	**34.5**	**13.1**	**65.8**	**12.9**	**66.9**
US 183 SB	MANOR RD	LOYOLA LN	0.9	2.2	25	2.6	21	1.3	44
	LOYOLA LN	51 ST	0.7	0.9	49	1.5	30	1.0	44
	51 ST	FM 969	0.5	0.5	55	0.5	53	0.7	42
	FM 969	BOLM RD	2.4	3.2	45	3.0	49	2.6	56
	BOLM RD	LEVANDER LOOP	0.8	0.9	55	0.7	73	1.1	48
	LEVANDER LOOP	VARGAS RD	0.5	1.1	28	2.7	12	0.6	51
	VARGAS RD	US 71	1.3	1.5	50	1.9	42	1.6	50
	US 71	McKINNEY FALLS PKWY	1.6	1.8	54	2.2	44	1.9	52
	McKINNEY FALLS PKWY	BURLESON RD	1.1	2.1	31	2.5	26	1.6	40
	BURLESON RD	FM 812	1.3	2.3	35	2.9	28	1.9	42
	FM 812	FM 973	3.4	3.5	59	3.5	58	3.4	60
	FM 973	FM 1327	1.5	1.6	57	1.9	47	1.6	56
	FM 1327	SH 130	0.8	1.4	37	1.8	29	1.2	42
	US 183 SB - TOTAL		**17.1**	**23.0**	**44.5**	**27.6**	**37.1**	**20.4**	**50.1**
SH 21 SB	FM 1966	US 80	5.3	5.4	58	5.4	59	5.5	57
	FM 2720	FM 1966	3.0	2.8	63	3.0	60	2.9	62
	CR 129	FM 2720	1.0	1.0	58	1.1	51	1.1	55
	FM 2001	CR 129	3.6	3.4	63	3.5	61	3.4	64
	US 183	FM 2001	4.2	4.4	57	4.7	54	4.0	63
	SH 21 SB (S6) - TOTAL		**17.0**	**17.1**	**59.6**	**17.7**	**57.6**	**16.8**	**60.6**
SH 360 SB	LP 1 SB FRTG	LP 1 NB FRTG	0.3	0.5	34	0.3	51	0.4	45
	WALSH TARLTON	LP 1 SB FRTG	0.6	1.1	31	1.9	19	1.5	24
	SCOTTISH WOODS-WESTBANK	WALSH TARLTON	1.5	1.5	58	2.4	37	1.6	57
	LOST CREEK	SCOTTISH WOODS-WESTBANK	0.5	0.6	54	0.7	45	0.6	51
	RM 2244-BEE CAVE	LOST CREEK	0.9	2.1	25	1.6	34	1.7	30
	WESTLAKE	RM 2244-BEE CAVE	3.3	3.4	57	3.5	57	3.7	53
	FM 2222	WESTLAKE	1.9	7.6	15	3.6	31	3.0	38
	LAKEWOOD	FM 2222	1.0	1.0	57	1.0	56	1.0	57
	SPICEWOOD SPRINGS	LAKEWOOD	1.1	1.3	52	3.1	23	1.2	59
	SPICEWOODS SPR-BLUFFS	SPICEWOOD SPR	0.3	0.4	48	0.6	30	0.4	52
	GREAT HILLS TRL	SPICEWOODS SPR-BLUFFS	0.5	2.3	13	1.6	18	0.7	43
	US 183	GREAT HILLS TRL	0.9	3.9	14	2.0	26	1.2	46
	SH 360 SB - TOTAL		**12.7**	**25.8**	**29.5**	**22.3**	**34.2**	**16.8**	**45.4**

				AM		PM		OP	
			DIST (mile)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)
US 183 NB	IH 10	US 90-PIERCE	3.9	4.7	49	4.8	49	4.7	50
	US 90-PIERCE	AUSTIN ST-CR122	0.2	0.5	23	0.5	22	0.7	17
	AUSTIN ST-CR 122	FM 86	0.8	0.9	52	1.1	43	1.0	46
	FM 86	CR 114-TULIP TRAIL	6.3	5.9	64	5.9	64	6.1	63
	CR 114-TULIP TRAIL	FM 671	2.0	1.6	73	1.8	66	1.8	66
	FM 671	FM 20(BLACK JACK)	4.2	5.3	48	5.3	48	5.2	49
	FM 20(BLACK JACK)	FM 20(STATE PARK)	0.1	0.2	29	0.3	26	0.2	26
	FM 20(STATE PARK)	PRAIRIE LEA	0.8	1.5	30	1.4	34	1.3	35
	PRAIRIE LEA	SH 142	0.1	0.4	17	0.3	23	0.2	32
	SH 142	FM 672	0.5	0.9	33	0.8	40	0.8	36
	FM 672	FM 2001	0.5	0.7	45	0.7	45	0.7	44
	FM 2001	FM 1185	3.8	3.9	58	4.0	56	3.9	58
	FM 1185	SH 21	5.4	5.3	60	5.3	61	5.4	60
	SH 21	SH 130 EB FRTG	3.7	4.1	54	4.7	47	4.1	54
	SH 130 EB FRTG	SH 130 WB FRTG	0.1	0.1	43	0.2	32	0.2	27
	US 183 NB - TOTAL		**32.3**	**36.1**	**53.6**	**36.9**	**52.5**	**36.3**	**53.5**
US 79 EB	IH 35	MAYS ST	0.3	0.8	23	0.9	21	1.1	17
	MAYS ST	GEORGETOWN ST	0.7	1.6	28	1.4	31	1.6	27
	GEORGETOWN ST	SUNRISE ROAD	0.2	0.3	32	0.3	36	0.3	35
	SUNRISE ROAD	A W GRIMES BLVD	0.7	1.2	36	1.8	25	1.0	43
	A W GRIMES BLVD	RED BUDD LN	2.6	3.4	46	3.9	40	4.0	40
	RED BUDD LN	SH 130	2.4	3.1	45	2.9	48	2.5	57
	US 79 EB - TOTAL		**6.9**	**10.5**	**39.7**	**11.2**	**37.2**	**10.5**	**39.6**
FM 973 NB	US 183	FM 812	2.5	3.4	43	3.2	47	3.0	50
	FM 812	BURLESON-ELROY	1.8	2.1	49	2.8	37	2.5	41
	BURLESON-ELROY	PEARCE LN	1.2	1.5	48	1.7	42	1.7	43
	PEARCE LN	SH 71 SOUTH	1.7	4.6	23	3.7	29	3.0	35
	SH 71 SOUTH	SH 71 NORTH	0.1	0.5	15	0.4	20	0.4	18
	SH 71 NORTH	FM 969	4.2	6.1	41	5.7	44	5.2	48
	FM 969	DECKER LAKE	1.5	1.3	69	1.5	58	1.6	55
	DECKER LAKE	SH 130 SB FRTG	1.9	2.2	50	1.8	62	1.9	60
	SH 130 SB FRTG	SH 130 NB FRTG	0.1	0.2	34	0.1	54	0.1	54
	SH 130 NB FRTG	PARSONS	3.9	4.4	54	4.9	48	4.5	52
	PARSONS	US 290	0.7	2.4	17	3.4	12	3.2	12
	FM 973 NB - TOTAL		**19.5**	**28.7**	**40.8**	**29.1**	**40.2**	**27.2**	**43.1**
IH 10 EB	LOOP 410	FOSTER RD	1.9	1.7	65	1.8	61	1.8	64
	FOSTER RD	FM 1516	2.8	2.3	72	2.3	72	2.4	69
	FM 1516	LOOP 1604	1.6	1.3	72	1.3	72	1.4	68
	LOOP 1604	FM 1518	4.4	3.8	70	3.7	71	3.8	70
	FM 1518	FM 2538	1.8	1.5	71	1.5	74	1.6	70
	FM 2538	CR 315-SANTA CLARA	3.7	3.1	72	3.0	74	3.2	71
	CR 315-SANTA CLARA	FM 775	4.3	3.6	72	3.5	74	3.6	72
	FM 775	FM 725	2.9	2.4	72	2.3	74	2.4	72
	FM 725	SH 46	2.9	2.4	72	2.3	74	2.4	71
	SH 46	SH 123	2.9	2.4	72	2.3	77	2.4	73
	IH 10 EB - TOTAL		**29.1**	**24.5**	**71.3**	**24.1**	**72.5**	**24.8**	**70.4**
IH 35 NB	LOOP 82	SH 80	1.4	1.2	71	1.1	74	1.3	66
	FM 1102	LOOP 82	7.2	6.0	72	5.8	75	6.3	70
	FM 306	FM 1102	5.6	4.5	75	4.7	72	4.7	72
	SH 46	FM 306	2.3	1.9	71	1.9	71	1.9	71
	FM 725	SH 46	1.1	1.0	72	1.1	65	1.0	67
	LOOP 337 S	FM 725	3.0	2.4	75	2.4	75	2.5	73
	FM 1103	LOOP 337 S	6.1	5.0	75	5.0	73	5.2	71
	FM 3009	FM 1103	2.9	2.3	74	2.3	75	2.5	69
	LOOP 1604	FM 3009	4.1	3.4	71	4.2	58	3.6	69
	IH 35 NB - TOTAL		**33.7**	**27.7**	**73.1**	**28.5**	**71.1**	**28.8**	**70.2**

				AM		PM		OP	
			DIST (mile)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)
US 183 SB	US 90-PIERCE	IH 10	3.9	5.0	47	5.2	45	5.4	43
	AUSTIN-CR 122	US 90-PIERCE	0.2	1.2	10	1.2	9	0.4	26
	FM 86	AUSTIN-CR 122	0.8	1.0	47	1.1	43	1.0	45
	CR 114-TULIP TRAIL	FM 86	6.3	6.2	61	6.1	62	6.0	64
	FM 671	CR 114-TULIP TRAIL	2.0	1.9	61	1.9	62	1.9	63
	FM 20(BLACK JACK)	FM 671	4.2	4.8	53	4.7	55	4.9	52
	FM 20(STATE PARK)	FM 20(BLACK JACK)	0.1	0.2	32	0.3	23	0.2	27
	PRAIRIE LEA	FM 20(STATE PARK)	0.8	1.7	27	1.5	31	2.4	19
	SH 142	PRAIRIE LEA	0.1	0.4	17	0.4	18	0.2	30
	FM 672	SH 142	0.5	0.8	38	1.0	30	0.8	38
	FM 2001	FM 672	0.5	0.7	42	0.8	37	0.7	46
	FM 1185	FM 2001	3.8	4.0	57	4.0	57	4.0	57
	SH 21	FM 1185	5.4	5.5	59	5.6	57	5.5	58
	SH 130 EB FRTG	SH 21	3.7	3.9	57	4.2	52	4.0	55
	SH 130 WB FRTG	SH 130 EB FRTG	0.1	0.1	41	0.2	33	0.1	39
	US 183 SB - TOTAL		**32.3**	**37.6**	**51.6**	**38.2**	**50.7**	**37.6**	**51.6**
US 79 WB	MAYS ST	IH 35	0.3	1.7	11	1.3	14	1.2	16
	GEORGETOWN ST	MAYS ST	0.7	2.3	19	2.0	22	1.8	24
	SUNRISE ROAD	GEORGETOWN ST	0.2	0.3	35	0.3	33	0.3	32
	A W GRIMES BLVD	SUNRISE ROAD	0.7	1.3	34	1.1	42	1.3	35
	RED BUDD LN	A W GRIMES BLVD	2.6	4.1	38	4.7	34	4.4	36
	SH 130	RED BUDD LN	2.4	3.8	37	4.2	34	3.6	39
	US 79 WB - TOTAL		**6.9**	**13.6**	**30.6**	**13.6**	**30.6**	**12.6**	**33.1**
FM 973 SB	FM 812	US 183	2.5	4.4	34	3.6	41	3.5	43
	BURLESON-ELROY	FM 812	1.8	2.1	50	2.0	53	2.4	44
	PEARCE LN	BURLESON-ELROY	1.2	1.7	42	1.8	41	2.2	33
	SH 71 SOUTH	PEARCE LN	1.7	2.3	46	2.5	41	2.2	47
	SH 71 NORTH	SH 71 SOUTH	0.1	0.3	26	0.3	26	0.3	22
	FM 969	SH 71 NORTH	4.2	5.0	51	5.5	46	6.5	39
	DECKER LAKE	FM 969	1.5	2.5	35	2.5	36	2.0	46
	SH 130 SB FRTG	DECKER LAKE	1.9	1.9	58	2.0	55	2.0	56
	SH 130 NB FRTG	SH 130 SB FRTG	0.1	0.1	61	0.1	54	0.1	61
	PARSONS	SH 130 NB FRTG	3.9	4.4	53	4.7	50	4.0	58
	US 290	PARSONS	0.7	2.2	18	2.6	15	1.4	28
	FM 973 SB - TOTAL		**19.5**	**26.9**	**43.6**	**27.6**	**42.5**	**26.6**	**44.0**
IH 10 WB	FOSTER RD	LOOP 410	1.9	2.7	41	1.5	73	1.6	72
	FM 1516	FOSTER RD	2.8	2.5	68	2.4	70	2.3	72
	LOOP 1604	FM 1516	1.6	1.6	59	1.4	70	1.3	70
	FM 1518	LOOP 1604	4.4	3.7	72	3.6	73	3.6	74
	FM 2538	FM 1518	1.8	1.5	74	1.5	71	1.5	72
	CR 315-SANTA CLARA	FM 2538	3.7	3.0	74	3.0	74	3.1	73
	FM 775	CR 315-SANTA CLARA	4.3	3.8	67	3.8	67	3.7	70
	FM 725	FM 775	2.9	2.3	73	2.4	72	2.4	72
	SH 46	FM 725	2.9	2.4	72	2.4	72	2.4	72
	SH 123	SH 46	2.9	2.4	71	2.5	69	2.4	71
	IH 10 WB - TOTAL		**29.1**	**25.9**	**67.2**	**24.6**	**71.0**	**24.3**	**71.9**
IH 35 SB	SH 80	LOOP 82	1.4	1.1	76	1.2	72	1.3	66
	LOOP 82	FM 1102	7.2	5.9	73	6.1	72	6.1	72
	FM 1102	FM 306	5.6	4.7	72	4.6	73	4.6	73
	FM 306	SH 46	2.3	1.8	75	1.9	71	1.9	72
	SH 46	FM 725	1.1	0.9	80	1.0	73	0.9	79
	FM 725	LOOP 337 S	3.0	2.5	72	2.4	75	2.6	68
	LOOP 337 S	FM 1103	6.1	5.1	72	5.1	73	5.1	72
	FM 1103	FM 3009	2.9	2.4	71	2.4	72	2.2	79
	FM 3009	LOOP 1604	4.1	7.8	31	3.7	66	3.8	64
	IH 35 SB - TOTAL		**33.7**	**32.3**	**62.6**	**28.3**	**71.6**	**28.5**	**71.1**

				AM		PM		OP	
			DIST (mile)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)
SH 123 NB	STAPLES-HAYS	IH 35	0.3	0.6	28	0.6	26	1.2	14
	BROADWAY	STAPLES-HAYS	0.4	0.7	37	0.6	40	0.6	39
	DE ZAVALA	BROADWAY	0.3	0.6	33	0.6	30	0.8	25
	WONDER WORLD	DE ZAVALA	0.6	0.8	47	1.0	39	0.8	46
	CR 266	WONDER WORLD	1.2	1.7	41	1.4	51	1.9	38
	FM 1979	CR 266	3.9	4.1	58	4.6	51	4.4	54
	FM 1101	FM 1979	2.3	2.2	64	2.1	64	2.2	64
	FM 758	FM 1101	2.8	2.6	64	2.5	66	2.5	65
	FM 2623	FM 758	2.2	2.1	62	2.1	63	2.1	62
	LAUBACH-CORDOVA	FM 2623	3.0	3.4	52	3.6	50	3.5	51
	FM 20	LAUBACH-CORDOVA	0.6	0.8	49	0.9	41	0.7	51
	IH 10	FM 20	1.7	1.9	53	1.9	54	2.0	52
	SH 123 NB - TOTAL		**19.2**	**21.3**	**54.3**	**21.9**	**52.7**	**22.6**	**51.0**
FM 685 NB	US 290 EB FRTG	US 290 WB FRTG	0.1	0.2	31	0.2	28	0.2	30
	US 290 WB FRTG	ST JOHNS	0.3	0.7	29	0.8	24	0.6	32
	ST JOHNS	MCKIE-CORONADO HILLS	0.2	0.5	28	0.5	26	0.6	26
	MCKIE-CORONADO HILLS	US 183 SB FRTG	0.3	1.7	12	1.6	13	1.7	12
	US 183 SB FRTG	US 183 NB FRTG	0.0	0.1	22	0.2	19	0.1	32
	US 183 NB FRTG	RUTHERFORD	0.4	0.7	30	1.6	13	0.7	30
	RUTHERFORD	CROSS PARK	0.6	0.9	39	0.9	37	0.7	48
	CROSS PARK	FERGUSON	0.1	0.2	34	0.3	24	0.2	48
	FERGUSON	RUNDBERG	0.4	0.5	41	0.7	32	0.7	32
	RUNDBERG	BRAKER	1.7	2.2	46	2.2	46	2.3	44
	BRAKER	SHROPSHIRE	0.5	0.7	47	1.3	24	0.8	40
	SHROPSHIRE	FM 734	0.9	2.5	22	2.2	26	2.4	23
	FM 734	HOWARD	1.3	2.0	39	2.9	27	1.9	42
	HOWARD	WELLS BRANCH	1.6	2.5	40	2.7	36	2.0	48
	WELLS BRANCH	PECAN	1.1	1.5	47	2.1	33	2.6	26
	PECAN	PFLUGERVILLE	1.5	2.5	36	3.8	24	2.8	33
	PFLUGERVILLE	SH 130 SB FRTG	0.8	1.5	30	1.4	33	1.1	42
	SH 130 SB FRTG	SH 45-KELLY	0.6	1.0	38	2.3	16	1.0	37
	FM 685 NB - TOTAL		**12.5**	**21.8**	**34.5**	**27.5**	**27.3**	**22.2**	**33.9**
RM 620 EB	US 183	N LAKE CREEK PKWY	0.4	1.4	19	1.3	19	1.3	21
	N LAKE CREEK PKWY	FM 734-PARMER	1.6	2.9	32	3.6	26	2.3	41
	FM 734-PARMER	SH 45	1.3	1.8	44	2.3	34	1.7	46
	SH 45	GREAT OAKS	1.4	2.0	44	2.1	41	2.0	44
	GREAT OAKS	O'CONNER	0.5	0.8	33	0.8	35	0.7	38
	O'CONNER	WYOMING SPRINGS	0.7	1.4	29	1.1	36	0.9	45
	WYOMING SPRINGS	CR 173-CHISHOLM TRL	1.7	3.4	30	3.8	27	3.3	30
	CR 173-CHISHOLM TRL	IH 35	0.2	0.5	26	0.7	18	0.9	15
	RM 620 EB - TOTAL		**7.8**	**14.2**	**32.9**	**15.7**	**29.7**	**13.1**	**35.8**
GATTIS SCHOOL E	S MAYS ST	GREENLAWN BLVD	0.7	1.4	28	1.9	21	1.6	25
	GREENLAWN BLVD	A W GRIMES BLVD	0.5	1.3	24	1.0	32	1.9	16
	A W GRIMES BLVD	DOUBLE CREEK DR	0.7	1.4	29	2.2	18	1.1	36
	DOUBLE CREEK DR	HIGH COUNTRY BLVD	1.4	3.6	23	3.1	26	2.9	29
	HIGH COUNTRY BLVD	RED BUDD LN	0.2	0.8	17	0.9	15	0.5	25
	RED BUD LN	PRIEM LN	1.2	1.6	45	1.6	44	1.9	39
	PRIEM LN	SH 130	0.8	1.9	24	2.3	21	1.1	44
	GATTIS SCHOOL EB - TOTAL		**5.4**	**12.0**	**27.3**	**13.0**	**25.1**	**11.0**	**29.8**

				AM		PM		OP	
			DIST (mile)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)
SH 123 SB	IH 35	STAPLES-HAYS	0.3	0.6	27	0.4	41	0.6	29
	STAPLES-HAYS	BROADWAY	0.4	0.8	31	1.1	23	1.0	24
	BROADWAY	DE ZAVALA ST	0.3	0.6	33	0.6	32	0.6	33
	DE ZAVALA ST	WONDER WORLD	0.6	1.0	37	0.9	40	1.0	36
	WONDER WORLD	CR 266	1.2	1.7	43	2.0	36	1.0	69
	CR 266	FM 1979	3.9	4.1	57	4.1	58	4.2	55
	FM 1979	FM 1101	2.3	2.1	67	2.1	65	2.1	66
	FM 1101	FM 758	2.8	2.5	67	2.6	64	2.8	60
	FM 758	FM 2623	2.2	2.0	65	2.2	59	2.2	60
	FM 2623	LAUBACH-CORDOVA	3.0	4.0	44	3.6	49	3.1	57
	LAUBACH-CORDOVA	FM 20	0.6	0.8	48	0.7	51	1.0	36
	FM 20	IH 10	1.7	1.8	57	1.9	53	2.6	40
	SH 123 SB - TOTAL		**19.2**	**21.8**	**52.9**	**22.3**	**51.9**	**22.1**	**52.1**
FM 685 SB	US 290 WB FRTG	US 290 EB FRTG	0.1	0.2	33	0.2	33	0.2	30
	ST JOHNS	US 290 WB FRTG	0.3	1.4	14	0.9	23	0.7	31
	MCKIE-CORONADO HILLS	ST JOHNS	0.2	0.6	25	0.9	15	0.6	25
	US 183 SB FRTG	MCKIE-CORONADO HILLS	0.3	0.5	39	1.0	20	0.8	24
	US 183 NB FRTG	US 183 SB FRTG	0.0	0.1	29	0.1	27	0.1	32
	RUTHERFORD	US 183 NB FRTG	0.4	3.3	6	1.8	12	0.9	22
	CROSS PARK	RUTHERFORD	0.6	1.5	22	1.2	29	0.6	55
	FERGUSON	CROSS PARK	0.1	0.2	34	0.6	13	0.4	23
	RUNDBERG	FERGUSON	0.4	0.5	42	0.5	45	0.4	51
	BRAKER	RUNDBERG	1.7	2.3	43	2.2	45	2.1	49
	SHROPSHIRE	BRAKER	0.5	1.7	20	1.7	19	0.7	44
	FM 734	SHROPSHIRE	0.9	1.6	36	1.5	39	1.1	54
	HOWARD	FM 734	1.3	6.0	13	2.8	28	2.4	32
	WELLS BRANCH	HOWARD	1.6	4.3	23	2.6	38	2.0	49
	PECAN	WELLS BRANCH	1.1	2.4	29	1.3	52	1.7	40
	PFLUGERVILLE	PECAN	1.5	2.3	40	2.5	37	3.4	27
	SH 130 SB FRTG	PFLUGERVILLE	0.8	1.1	40	1.4	34	1.6	29
	SH 45-KELLY	SH 130 SB FRTG	0.6	1.0	36	0.7	49	0.8	46
	FM 685 SB - TOTAL		**12.5**	**30.9**	**24.3**	**23.6**	**31.8**	**20.3**	**36.9**
RM 620 WB	N LAKE CREEK PKWY	US 183	0.4	0.9	30	1.1	23	0.8	33
	FM 734-PARMER	N LAKE CREEK PKWY	1.6	2.9	32	3.6	26	2.3	41
	SH 45	FM 734-PARMER	1.3	2.1	38	3.2	25	2.0	41
	GREAT OAKS	SH 45	1.4	2.3	38	1.7	50	1.8	48
	O'CONNER	GREAT OAKS	0.5	1.5	18	0.6	46	0.6	44
	WYOMING SPRINGS	O'CONNER	0.7	1.0	41	0.9	45	0.8	50
	CR 173-CHISHOLM TRL	WYOMING SPRINGS	1.7	4.1	24	4.0	25	3.3	30
	IH 35	CR 173-CHISHOLM TRL	0.2	0.5	25	0.6	20	0.3	38
	RM 620 WB - TOTAL		**7.8**	**15.3**	**30.4**	**15.7**	**29.8**	**11.9**	**39.2**
GATTIS SCHOOL	GREENLAWN BLVD	S MAYS ST	0.7	1.7	23	2.7	14	2.3	17
	A W GRIMES BLVD	GREENLAWN BLVD	0.5	1.0	31	0.9	34	0.9	35
	DOUBLE CREEK DR	A W GRIMES BLVD	0.7	2.0	20	1.6	25	1.4	29
	HIGH COUNTRY BLVD	DOUBLE CREEK DR	1.4	4.5	18	3.1	27	3.1	26
	RED BUD LN	HIGH COUNTRY BLVD	0.2	0.4	30	0.7	18	0.4	32
	PRIEM LN	RED BUD LN	1.2	2.4	30	2.9	25	1.8	40
	SH 130	PRIEM LN	0.8	1.2	38	1.2	38	1.3	37
	GATTIS SCHOOL WB - TOTAL		**5.4**	**13.3**	**24.5**	**13.2**	**24.7**	**11.2**	**29.0**

				AM		PM		OP	
			DIST (mile)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)
PARMER LN NB	LOOP 1 NB FRTG	LOOP 1 SB FRTG	0.1	0.2	29	0.1	57	0.1	57
	LOOP 1 SB FRTG	AMHERST	0.6	0.9	38	0.8	47	0.7	49
	AMHERST	RIATA VISTA-LEGENDARY	1.6	1.8	54	2.2	44	1.7	57
	RIATA VISTA-LEGENDARY	MCNEIL	0.6	1.5	24	0.8	45	0.7	56
	MCNEIL	TAMAYO	1.1	1.2	52	1.8	36	1.2	55
	TAMAYO	ANDERSON MILL	0.3	0.4	56	0.4	52	0.4	56
	ANDERSON MILL	SH 45 EB FRTG	1.3	2.3	33	1.4	55	1.3	59
	SH 45 EB FRTG	SH 45 WB FRTG	0.1	0.1	32	0.1	44	0.1	44
	SH 45 WB FRTG	SPECTRUM	0.4	0.5	40	0.5	47	0.4	55
	SPECTRUM	LAKELINE-NEENAH	0.5	0.8	37	1.2	26	0.6	51
	LAKELINE-NEENAH	AVERY RANCH	0.7	1.6	27	1.3	34	1.4	31
	AVERY RANCH	BRUSHY CREEK	0.7	1.4	29	1.3	31	1.6	26
	BRUSHY CREEK	KENAI-RANCH TRAIL	1.1	1.3	51	1.7	39	1.3	49
	KENAI-RANCH TRAIL	COLONIAL PKWY	0.7	0.7	57	0.8	51	0.8	52
	COLONIAL PKWY	FM 1431	0.3	1.1	15	1.0	16	0.4	44
	PARMER LN NB - TOTAL		**9.9**	**15.8**	**37.7**	**15.2**	**39.2**	**12.5**	**47.5**

				AM		PM		OP	
			DIST (mile)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)	Time (Min)	Speed (MPH)
PARMER LN SB	LOOP 1 SB FRTG	LOOP 1 NB FRTG	0.1	0.1	36	0.2	26	0.2	26
	AMHERST	LOOP 1 SB FRTG	0.6	0.8	43	2.0	18	2.3	16
	RIATA VISTA-LEGENDARY	AMHERST	1.6	1.7	55	2.0	49	2.0	47
	MCNEIL	RIATA VISTA-LEGENDARY	0.6	0.7	52	1.3	29	0.7	50
	TAMAYO	MCNEIL	1.1	2.1	30	1.7	38	1.5	42
	ANDERSON MILL	TAMAYO	0.3	0.4	48	0.8	25	0.6	31
	SH 45 EB FRTG	ANDERSON MILL	1.3	1.5	52	2.1	36	1.7	43
	SH 45 WB FRTG	SH 45 EB FRTG	0.1	0.1	32	0.1	32	0.1	40
	SPECTRUM	SH 45 WB FRTG	0.4	0.9	23	2.0	11	1.2	18
	LAKELINE-NEENAH	SPECTRUM	0.5	1.8	17	0.7	45	0.6	55
	AVERY RANCH	LAKELINE-NEENAH	0.7	1.7	27	1.2	37	0.9	53
	BRUSHY CREEK	AVERY RANCH	0.7	2.3	18	1.6	26	0.9	47
	KENAI-RANCH TRAIL	BRUSHY CREEK	1.1	2.1	32	1.9	34	1.4	45
	COLONIAL PKWY	KENAI-RANCH TRAIL	0.7	0.8	51	0.7	55	1.1	37
	FM 1431	COLONIAL PKWY	0.3	0.5	36	0.6	28	0.5	33
	PARMER LN SB - TOTAL		**9.9**	**17.5**	**34.0**	**18.8**	**31.7**	**15.7**	**38.0**

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APPENDIX E

PEER REVIEW REPORT

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December 20, 2010

Ms. Marcella (Marcy) M. Saenz, P.E.
Chevy Chase Drive
Austin, Texas 78752

Subject: CTTP Traffic and Toll Revenue Study Due Diligence – Final Letter Report

Dear Ms. Saenz:

Jacobs Engineering Group Inc. (Jacobs) is pleased to submit this letter report documenting the results of our due diligence of the traffic and toll revenue study of the Central Texas Turnpike Project (CTTP) as prepared by Stantec and documented in the CTTP Traffic and Revenue Forecast 2010 Update, dated December 20, 2010 (CTTP T&R Study).

Jacobs would like to acknowledge the excellent cooperation provided by the Stantec team, composed mainly of David Schellinger and Markus Kusuma. The due diligence review was conducted under a necessarily constrained timeline to provide the appropriate documentation to TTA for their internal schedules. This being the case, there was limited opportunity to thoroughly probe and deeply investigate specific areas of the analysis which are noted in the applicable locations in this letter report.

Summary of Findings

Based on Jacobs limited review of the assumptions, methodology and results of the CTTP T&R Study, the following has been concluded:

- The traffic and toll revenue forecasts for SH 130 are considered reasonable and attainable;
- The short term traffic and toll revenue forecasts for the Northwest Elements (SH 45N and Loop 1 N) appear aggressive, with the longer term growth rates considered more reasonable; and
- The sensitivity forecasts regarding the reduction of the 5 axle toll rate to the 4 axle rate appear to be reasonable based upon the cursory review of the results.

There is strong growth of traffic and toll revenue forecasted for SH 130, backed by the expectation of reasonable levels of development in the corridor, improvements to feeding routes and continued congestion on the competing routes.

The forecasts of traffic and toll revenue for the Northwest Elements are deemed to be rather aggressive in the near term with more reasonable growth rates proposed for the long term. There is little indication from the assumptions and other supporting data that supports over 6 percent growth for the next five years, and continued growth through 2035.

These conclusions have been reached under an extremely tight schedule. It is possible that the data that the Stantec Team acquired for this analysis does support their findings, but Jacobs cannot make that determination based on the available data that was reviewed in the time frame allotted.

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Introduction

The CTTP as defined for this study includes SH 130 segments 1 through 4 and the Northwest Elements consisting of Loop 1 and SH 45N. Segments 1 through 4 of SH 130 stretches approximately 47 miles from IH 35 north of the City of Georgetown to the intersection of US 183 and SH 45SE in the southeastern section of the City of Austin. The SH 130 corridor parallels IH 35, offering an easterly relief route of the congested interstate, as well as opening eastern Williamson and Travis Counties to development opportunities.

The Northwest Elements offer improved mobility for motorists in northern Travis and southern Williamson Counties. Loop 1 Toll Road extends the toll-free portion of Loop 1north from Parmer Lane to SH 45N, while SH 45N runs east west connecting US 183 in the west with SH 130 in the east with major intermediate junctions at Loop 1 and IH 35.

This due diligence effort reviewed the assumptions, methodology and results of the Stantec traffic and toll revenue analysis as documented in the CTTP T&R Study as well as subsequent datasets provided by Stantec. This letter report follows the same format of the CTTP T&R Study Report presenting and commenting on the existing travel patterns (including the data collection effort), model validation and refinement, socioeconomic forecasts, roadway networks and revenue forecasts.

Existing Travel Patterns

The purpose of understanding the existing travel patterns in the region is to provide a dataset in which to calibrate a base year model. In this section the appropriateness of the data collection effort is reviewed with respect to providing the appropriate dataset in which to effectively calibrate the base year model.

Data Collection Program

The Stantec Team undertook a traffic data collection effort that consisted of both primary and secondary sources. The primary data collection occurred in September 2010 and included thirty four traffic counts that comprised the screenlines for the mainline plazas of the subject toll roads detailed by vehicle class (passenger car and truck) and hour. Additionally, Stantec collected time and distance surveys for 19 corridors in both directions and during three time periods: AM peak, PM peak and off-peak.

Stantec collected traffic and toll revenue data by month detailed by vehicle class and payment type for each toll plaza in the Central Texas region including SH 130, Loop1, SH 45N, SH 45SE and US 183A. TxDOT 2008 traffic maps and traffic data from previous studies were also used to round out the traffic calibration dataset.

Neither an origin and destination, trip characteristics survey or a state preference survey were conducted for this effort.

The calibration dataset consisted of 2008 daily traffic by vehicle and payment class for screenlines at the mainline plazas of SH 130, Loop 1N and SH 45N and travel speeds for AM, PM and off-peak travel on relevant roadways in the region. The 2010 traffic counts collected from the primary data collection were decreased by approximately 3.9 percent, assuming a regional annual growth rate of 2 percent from 2008 to 2010. The travel speeds collected in 2010 were used for the 2008 calibration data set.

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Jacobs Assessment

It is Jacobs' view that Stantec generally conducted the appropriate data collection effort for this study. There are, however, some aspects of the development of the calibration dataset that could have consequences on the calibration effort and subsequent forecast of traffic and toll revenue.

A screenline for traffic counts at the SH 45 SE mainline would have been appropriate since this connection from IH 35 is critical to SH 130 traffic levels. Additionally, traffic speeds on the following roadway segments would have provided a comprehensive understanding of delay on all competing and feeding roadways for the CTTP:

1. IH 35 from IH 410 to IH 10;
2. IH 10 from IH 410 to IH 35;
3. SH 71 from Loop 1 to SH 130;
4. SH 45 SE from IH 35 to SH 130; and
5. US 290E from IH 35 to SH 130.

It is possible that previous studies provided information the speeds on these links and general estimates could be sufficient for modeling purposes. The traffic count screenline on SH 45SE would have consisted of only on major competitive route to SH 45 SE and those volumes are relatively small as compared to the region traffic volume such that lack of data is not monumental.

It is understood that the 2010 primary data collection was used for a portion of the 2008 calibration dataset. The traffic counts were decreased by 2 percent per year to arrive at 2008 estimates and the travel speeds were not modified. Table 1 presents average weekday traffic for 2008 and 2009 on major roadways in Central Texas. As can be seen from the data, traffic was estimated to decrease from 2008 to 2009 at most of the chosen locations. There are three locations chosen for IH 35, one north of the SH 130 northern junction, one at the Colorado River (or Lady Bird Lake at this portion of the River) and one south of the current connection to SH 130 via SH 45 SE. It is only the lowest volume in the northern region that grew. Additionally, two more locations crossing the Colorado River are shown: Loop 1 and US 183, which further demonstrates the estimated loss in traffic from 2008 to 2009. Based on this, the traffic counts from the primary data collection that were reduced could be considered an aggressive approach to the forecasting effort, since during the calibration effort of the 2008 base year, lower traffic volumes than actually occurred in 2008 would be used for the competing routes. Thus the calibration would provide more of a share of traffic to toll roads which were calibrated to 2008 actual transaction totals.

Table 1: Average Weekday Traffic Counts on Major Roadways in Central Texas

Facility	Location	Year		Growth
		2008	2009	
IH 35	North of SH 130 and Georgetown	59,000	61,000	3.4%
	Crossing Lady Bird Lake	183,000	177,000	-3.3%
	South of SH 45SE	115,000	102,000	-11.3%
Loop 1	Crossing Lady Bird Lake	181,000	171,000	-5.5%
US 183	Crossing the Colorado River	93,000	89,000	-4.3%

Source: TxDOT Traffic Count Maps

The unmodified 2010 speeds on the feeding and competing routes that were used for the 2008 calibration could be considered an aggressive approach to the forecast as well. As volumes were generally higher in 2008 as compared to 2010, it can be assumed that speeds would be generally lower in 2008 as compared to 2010. Since speeds on the toll facilities being studied are essentially at free flow and have capacity to satisfy any reasonable gains in demand, no modification would be necessary for these roadways. However the competing roads, specifically IH 35, should demonstrate higher travel speeds in 2010 than in 2008. Based on the data collected, the 2008 calibration set assumes

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higher speeds on IH 35 than what was likely the case in 2008. This is an aggressive assumption since during calibration a percent share between IH 35 and SH 130 is determined based on a higher than actual speed on IH 35. Therefore when the actual speed on IH 35 is run in the model, it is logical that the percent share of traffic that will be estimated to take SH 130 will increase beyond that of 2008 experience.

It is also understood that the 2008 calibration dataset assumed 2010 infrastructure to be able to include SH 45 SE, a vital connection for the SH 130 corridor to IH 35 at the southern terminus of segment 4. This is deemed to be a reasonable assumption for calibration since this connection exists and is vital, yet 2008 traffic data is the most recent data available for the entire region. Furthermore, the adjustments made to 2008 traffic counts on IH 35 and other competing routes that used 2008 TxDOT counts based on this assumed connection are a reasonable approach.

In order to have a more robust calibration set, conduct of an origin and destination survey and a trip characteristics survey would have been helpful. It is understood that time constraints limited Stantec's ability to conduct such research which will be further discussed in the calibration and results section of this letter report.

The conduct of a stated preference survey would be superfluous for this analysis, as there have been numerous stated preference surveys conducted in the area, from which to start the toll diversion analysis and the revealed preference of the tolled corridors provide a much more robust data point for calibration procedures.

Overall the data collection program set is deemed adequate for an investment grade analysis of existing toll roads. The resulting 2008 calibration dataset has limitations based on both the methodology of its creation and the data from which it is created but overall it can be considered aggressive.

Model Validation and Refinement

A travel demand model has been paramount in the development of traffic and toll revenue estimates for the CTTP since the first study in 2002. In the study a new model was created to afford the analysis the most recent data available as well as more accurately forecast the impact of the opening of segments 5 and 6 of SH 130 in the near future.

Model Development and Calibration

For this project, Stantec created the Integrated Traffic Model (the model), defined as the combination of the Capital Area Metropolitan Planning Organization (CAMPO) travel demand model and the San Antonio-Bexar County Metropolitan Planning Organization (SABCMPO) travel demand model. The model stitched the northern external zones of the SABCMPO model and the southern external zones of the CAMPO model to create one roadway network. The individual models were used for the first three steps of the travel demand modeling process of trip generation, trip distribution and mode choice. After the individual trip tables by trip purpose are created in each model, they were joined together by means of an in-house application developed by Stantec, which distributed the inter-model trips in the same fashion that the original models distribute their respective Internal-External and the External-Internal trips.

The model also made use of the toll diversion assignment created by Stantec. Using a basic binary logit equation the share of traffic destined for the toll facility between an origin and destination with a specific trip purpose, vehicle class and payment type was determined. Key to the assumptions of this decision was the value of time, again a function of trip purpose, payment and vehicle class and estimated median income by zone in some cases.

The model was then calibrated against the calibration dataset described in the previous section. The steps in calibration were as follows: adjust capacities and queuing formula for speed calibration; trip table adjustment for screenline calibration by vehicle type; and revision of the toll diversion model equations to accurately estimate usage by payment class.

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After the base year model (2008) was calibrated, certain calibration factors were carried through the future years.

Jacobs Assessment

The review of the Integrated Traffic Model developed by Stantec was difficult as the component parts (the MPO models) and corresponding validation documentation, the routines created to meld the models together, nor the Integrated Model itself were available for review.

The can be no assessment of the robustness of the trip generation, trip distribution or mode choice of the model as the models themselves nor the calibration reports were available for review. The component and melded trip tables were not available for review either, so no comment can be made of those as to their ability to replicate current or future traffic patterns.

The values of time that were developed by trip purpose, vehicle class, payment class and time period were reasonable as they ranged from 40 to 60 percent of median income. Additionally, the toll bias factors by the same categories are reasonable as is the transition of toll share to zero for time savings less than 2 minutes.

Since the loaded network(s) and summaries of results were the only available information available to perform the review, most of this was concentrated in the assignment process.

Validation tests for the highway assignment process followed—to the extent possible—the FHWA guidelines. Using the loaded network(s) provided by Stantec for the validation year 2008 and the reported available counts, the first test was to compare observed traffic volumes with those estimated by the model on the highway network. This test was conducted for the entire network (whenever counts were available) and the toll facilities only. Figure 1and Figure 2 below summarize the correlation between counts and assigned volumes for all facility types and for toll facilities separately.

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Figure 1: Assigned Volumes versus Counts, All Facility Types

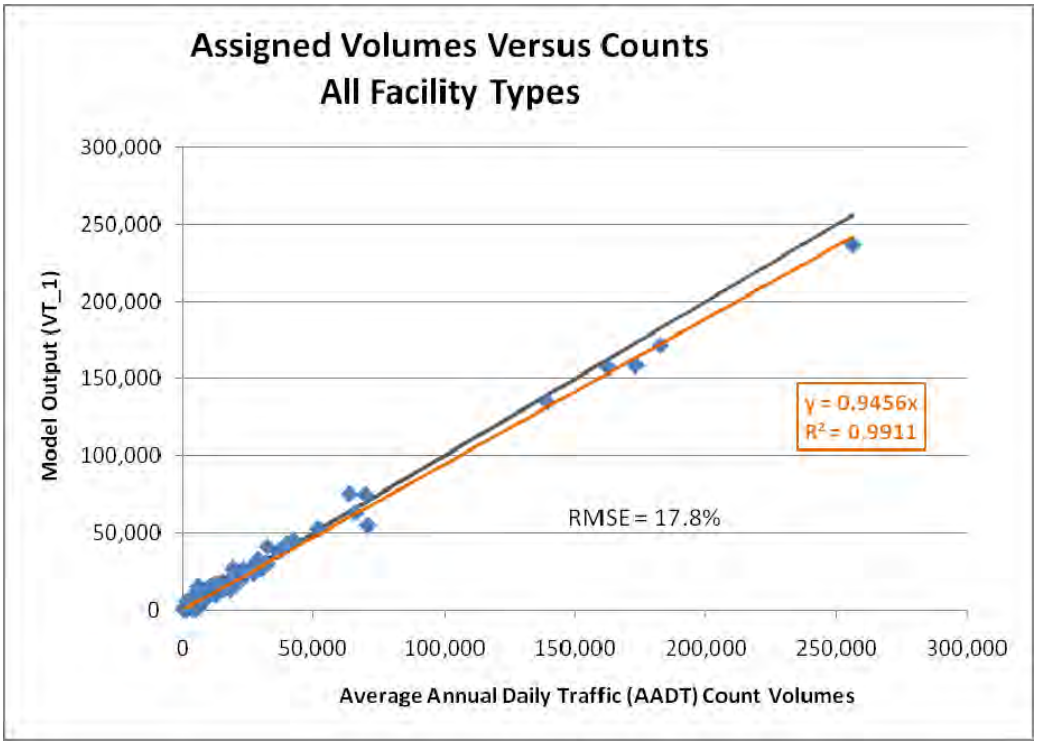

Figure 2:Assigned Volumes Versus Counts, Toll Facility Only

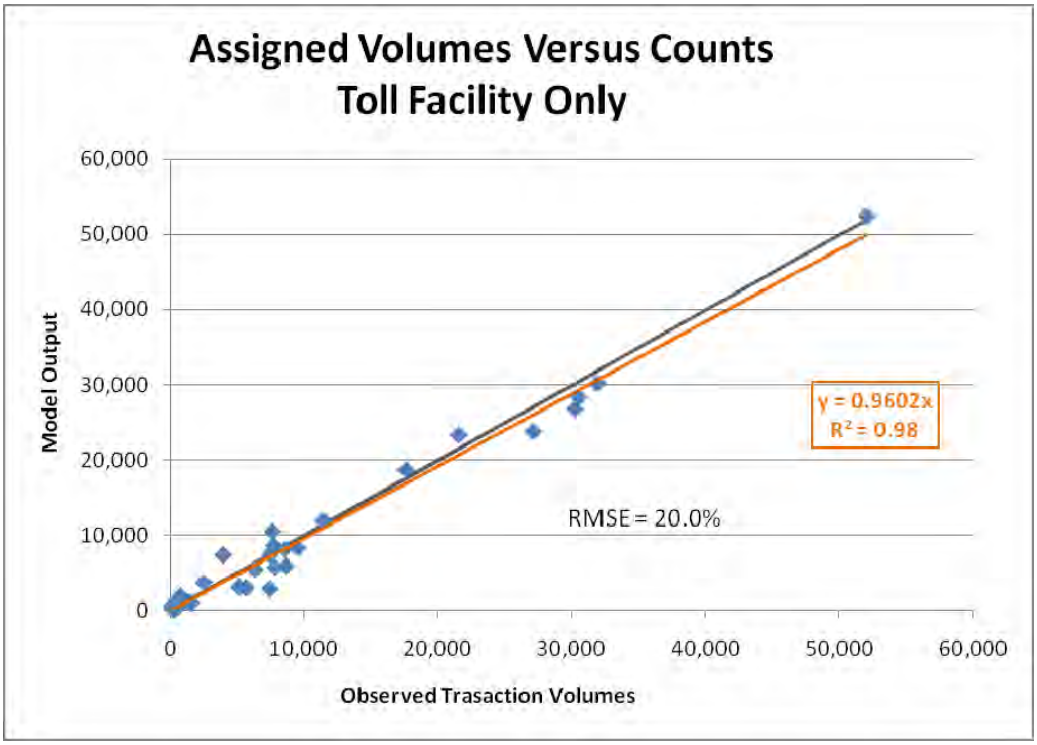

Figure 3

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The coefficient of determination (R^2) is greater than the recommended 0.88 value in both cases. Also the Percent Root Mean Square of the Error (%RSME) is less than the generally accepted 30 percent threshold. Both statistics seem to indicate a very good correlation.

Nevertheless, since the trip tables seemed to have been adjusted to match the screenline counts, it is difficult to assess—without further information—whether this excellent fit is due to the appropriateness of the models (both individuals as well as integrated), or the result of the algorithm(s) applied to integrate the individual trip tables into a general one.

In addition to reviewing the calibration based on traffic counts, a review of the speeds on the system was conducted. Using the 2008 loaded network, link speeds by facility type and time of day were summarized in terms of minimum, maximum and average speeds. Table 2, Table 3 and Table 4 present these results for AM, PM and Off Peak periods, respectively. It should be noted that the minimum congested speeds of 0 through 3 miles per hour typically represent very small links that provide replication of queuing at signalized intersections. The most significant comparison should be made between the average free flow speed and average congested speed as they represent the overall congestion on the network.

Table 2: 2008 AM Speed Estimates

AM		Free Flow Speed			Congested Speed		
FT	Facility Type	MIN	MAX	AVG	MIN	MAX	AVG
1	Limited-Access Facility	51	75	68	3	75	63
2	Expressway	48	62	52	1	62	48
3	Principal Arterial Divided	29	60	44	0	60	41
4	Principal Arterial Undivided	27	58	42	1	58	40
5	Minor Arterial Divided	25	51	37	0	51	33
6	Minor Arterial Undivided	23	48	39	1	48	36
7	Frontage Road	35	55	46	1	55	43
8	Collector/Local	22	46	32	0	46	30

Table 3: 2008 PM Speed Estimates

PM		Free Flow Speed			Congested Speed		
FT	Facility Type	MIN	MAX	AVG	MIN	MAX	AVG
1	Limited-Access Facility	51	75	68	1	75	63
2	Expressway	48	62	52	1	62	48
3	Principal Arterial Divided	29	60	44	0	60	41
4	Principal Arterial Undivided	27	58	42	2	58	40
5	Minor Arterial Divided	25	51	37	0	51	32
6	Minor Arterial Undivided	23	48	39	1	48	37
7	Frontage Road	35	55	46	1	55	43
8	Collector/Local	22	46	32	0	46	30

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Table 4: 2008 Off-Peak Speed Estimates

OP		Free Flow Speed			Congested Speed		
FT	Facility Type	MIN	MAX	AVG	MIN	MAX	AVG
1	Limited-Access Facility	51	75	68	9	75	65
2	Expressway	48	62	52	14	62	51
3	Principal Arterial Divided	29	60	44	5	60	43
4	Principal Arterial Undivided	27	58	42	5	58	41
5	Minor Arterial Divided	25	51	37	1	51	35
6	Minor Arterial Undivided	23	48	39	1	48	38
7	Frontage Road	35	55	46	1	55	45
8	Collector/Local	22	46	32	0	46	31

As stated many times in this section, the review of the model that is instrumental in the development of the traffic and toll revenue estimates, was very limited. It cannot be determined if the incredibly accurate calibration summaries provided here and in the report translates to future year accuracy.

Socioeconomic Forecasts

The socioeconomic projections are key inputs to the forecast of traffic and toll revenue. These datasets, including population, employment, households and median income generate the trips that access the roadway network.

Update to Demographic Projections

The Stantec Team updated the estimates of population, employment, households and median income by traffic analysis zone (TAZ) for the ten county model. The baseline estimates used were from the respective MPO for each component model. Additionally, the analysis benefited from previous demographic analysis in the region for previous updates to the CTTP T&R Study. Population and employment estimates were updated for TAZs within the SH 130 study area as appropriate based on windshield surveys, interviews with local planning agencies, digital aerial photography and other relevant literature, as described in the 2010 T&R Study. After such adjustments, the other TAZ population and employment estimates were adjusted to conform to county control totals.

Employment by sector was reviewed on a limited basis within the study corridor and adjusted at the TAZ and county level as appropriate. Median household income by TAZ that was provided by the MPO was deemed reasonable on all accounts except for rural zones that gained significant population. In those cases the median income was adjusted consistent with neighboring TAZs. Households were maintained in the same proportion to population as estimated by the respective MPOs.

Jacobs Assessment

The update of the socioeconomic datasets, both the methodology and results are reasonable. This conclusion is based upon the comparison of the population estimates to other available and sound sources, the review of the relationship between population and employment and the general economic outlook in the region.

To understand the population estimate, first the 2008 base data was verified against the US Census, then the forecast of various levels of geography were reviewed against other sources, starting with the full 10 county region, then the more applicable counties within CAMPO jurisdiction and then the sub-county areas that make up the study corridors

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for the CTTP. Then the resulting growth rates were compared to historical growth by county to understand predicted future potential.

Table 5 presents the 2008 population estimates that were used in the base year calibration compared to 2008 estimates from the US Census. For the full ten county region, the 2010 T&R Study estimates 0.5 percent less population than is reported by the US Census. Mostly the differences by county are very small, with the exception being Bexar, Comal and Guadalupe Counties. It is estimated that this discrepancy is a function of allocation along the county lines as both sources are very similar for the total for the five county region. This may be of concern if the roadways under study lay on the borders of these counties, but since the CTTP are counties away this appears not to be an issue. Overall the base year of 2008 is slightly conservative with regards to population estimates.

Table 5: Comparison of 2008 Population Estimates by County

	2008 Population Estimate		Difference	
County	Census	2010 T&R Study	Absolute	Percent
Travis	998,543	988,304	-10,239	-1.0%
Williamson	394,193	392,034	-2,159	-0.5%
Hays	149,476	147,552	-1,924	-1.3%
Bastrop	73,491	73,372	-119	-0.2%
Caldwell	36,899	36,649	-250	-0.7%
CAMPO Total	**1,652,602**	**1,637,911**	**-14,691**	**-0.9%**
Bexar	1,622,899	1,662,652	39,753	2.4%
Comal	109,635	96,684	-12,951	-11.8%
Guadalupe	117,172	87,174	-29,998	-25.6%
Kendall	32,886	32,833	-53	-0.2%
Wilson	40,398	40,979	581	1.4%
SABCMPO Total	**1,922,990**	**1,920,322**	**-2,668**	**-0.1%**
Grand Total	**3,575,592**	**3,558,233**	**-17,359**	**-0.5%**

For comparison of population projections of the 2010 T&R Study the following data sources were used: CAMPO, SABCMPO, Texas State Data Center (TSDC) and the Texas Water Development Board (TWDB). For the ten counties that comprise the CAMPO and SABCMPO area these sources were compared to the population estimates that were used in the Study. Table 6 presents population estimates for these counties which include Williamson, Travis, Caldwell, Hays, Bastrop, Bexar, Wilson, Kendall, Guadalupe, and Comal Counties. This information is also shown in Figure 4.

The TSDC offers four scenarios of projections, each using different historical perspective to estimate net migration for the county. The 0.0 scenario assumes zero net migration and therefore only population growth based on fertility and mortality estimates. The 0.5 scenario assumes approximately half of the rate of net migration that was experienced between 1990 and 2000 and the 1.0 scenario assumes the same rate of net migration for that same time period. The 2000 -2007 scenario assumes the same rate of net migration that occurred between 2000 and 2007 will occur in perpetuity. Depending on the region or county any of these scenarios may be deemed the most accurate. For the central and south central Texas region the 1.0 and 2000-2007 scenarios are aggressive views of the future, while the 0.0 scenario is the most conservative.

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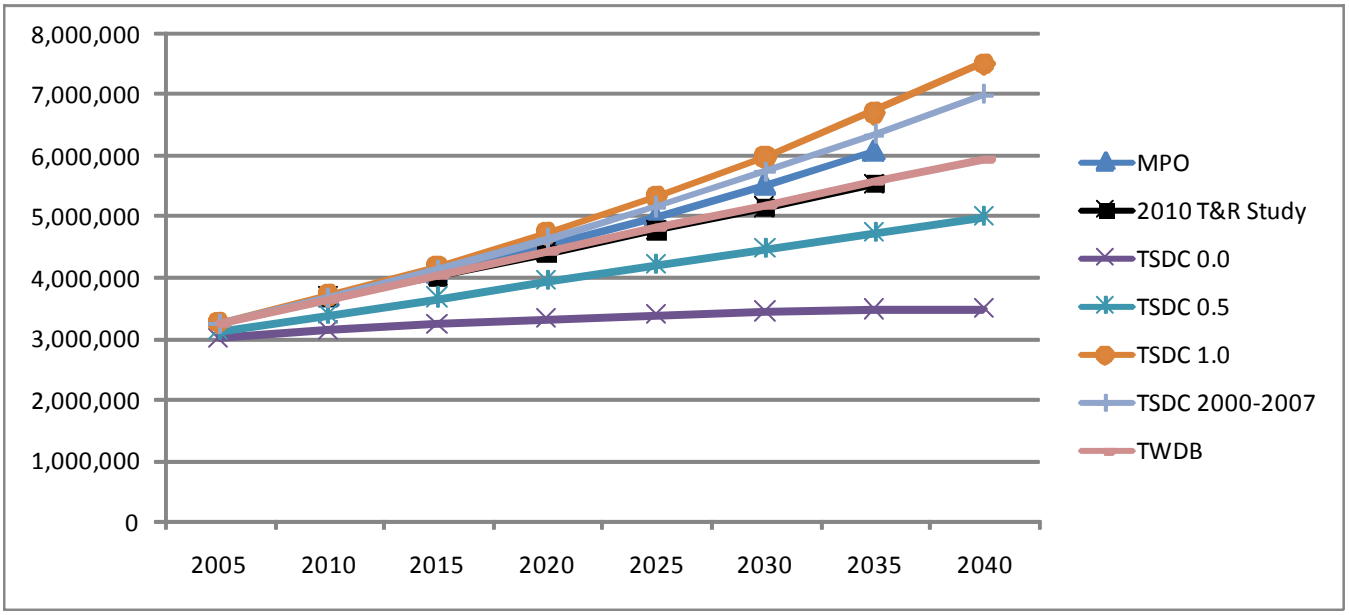
As shown in the table and figure, the 2010 T&R Study assumes population levels below both of the most aggressive scenarios from the TSDC and the MPOs. The 2010 T&R Study assumes higher growth than the 0.5 scenario and dramatically more than the 0.0. The forecast for the 2010 T&R Study is very much in line with the TWDB forecasts.

Table 6: Population Estimates for Ten County Area

	Population Estimates for 10 County Area						
Year	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			3,011,930	3,133,532	3,262,310	3,254,420	3,250,317
2010	3,686,636	3,694,330	3,135,506	3,402,717	3,703,585	3,680,152	3,643,575
2015	4,074,167	4,034,574	3,239,090	3,672,866	4,190,918	4,139,693	4,040,392
2020	4,528,818	4,406,881	3,324,987	3,942,900	4,726,198	4,634,080	4,437,209
2025	4,983,469	4,779,187	3,395,233	4,213,629	5,319,257	5,166,072	4,818,709
2030	5,530,665	5,156,954	3,447,037	4,483,348	5,977,516	5,738,683	5,200,208
2035	6,077,861	5,534,721	3,476,789	4,746,063	6,704,775	6,352,983	5,575,381
2040			3,483,835	4,998,895	7,504,162	7,003,463	5,950,554

Figure 4: Population Estimates for Ten County Area



Moving closer to the CTTP corridors the population estimates for the five counties that make up the CAMPO region were compared to the same data sources. Table 7 and Figure 5 present this information. Again the 2010 T&R Study assumes population estimates less than the two most aggressive scenarios from the TSDC and the estimates from CAMPO. The estimates are slightly higher than the TWDB in the out years, and again much higher than the 0.5 and 0.0 scenarios from the TWDB.

The same analysis was done for each of the 10 counties in the region and similar patterns emerged. This information is provided in Appendix A of this letter report.

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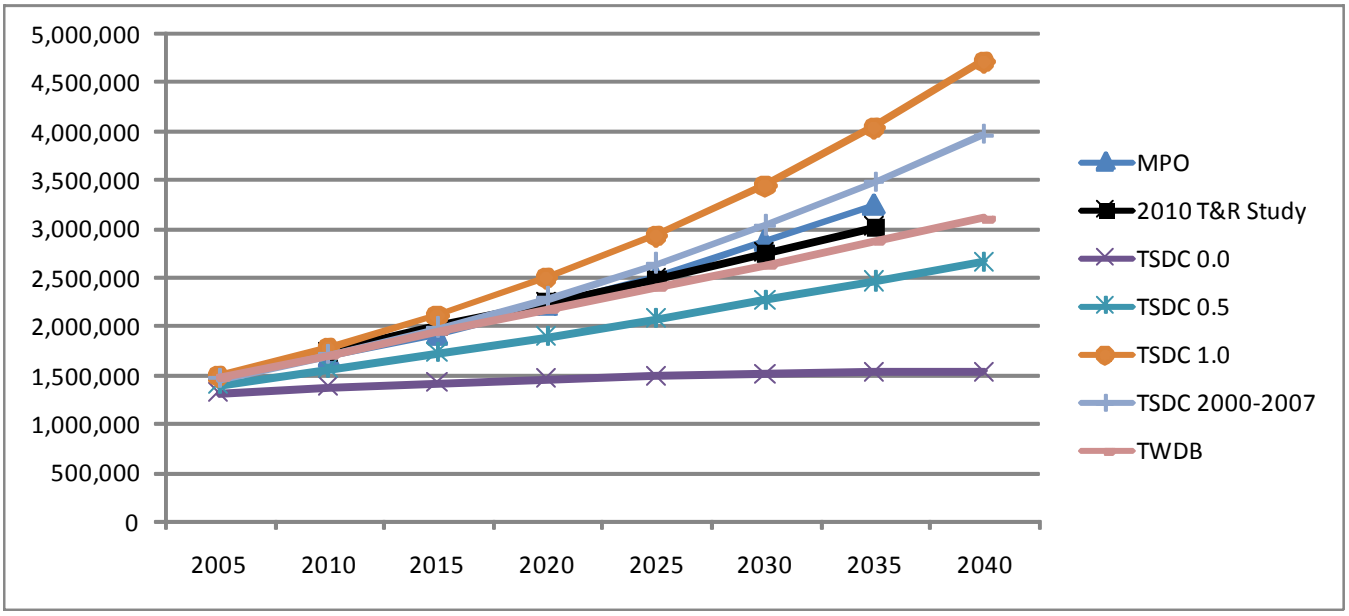
Table 7: Population Estimates for CAMPO region

Year	Population Estimates for 5 County CAMPO Area						
	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			1,320,079	1,405,087	1,496,971	1,466,939	1,474,839
2010	1,695,504	1,742,335	1,377,195	1,565,051	1,784,518	1,712,647	1,708,745
2015	1,919,968	2,003,396	1,424,072	1,730,267	2,115,353	1,986,359	1,942,963
2020	2,213,401	2,245,525	1,462,552	1,901,433	2,495,476	2,292,737	2,177,181
2025	2,506,834	2,487,653	1,495,444	2,082,566	2,937,076	2,638,667	2,403,143
2030	2,878,683	2,752,184	1,519,673	2,272,224	3,449,906	3,030,478	2,629,105
2035	3,250,531	3,016,715	1,532,702	2,466,185	4,040,489	3,471,516	2,869,510
2040			1,534,056	2,661,842	4,713,339	3,958,933	3,109,914

Figure 5: Population Estimates for CAMPO Region



While the population forecasts used for the 2010 T&R Study are within the range of forecasts from other sources, it is important to understand the projected growth rates in a historical context. The historical population totals and growth rates by county are presented in Table 8 and Table 9 for each region. The average annual growth rate in the CAMPO region decreased from 4.0 percent from 1990 to 2000 to 3.2 percent from 2000 to 2009, still representing strong growth in the region. The SABCMPO region remained consist with 1.9 and 2.0 annual growth rates for those same period respectively.

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Table 8: Historical Population Trends, CAMPO Region

Year	County					
	Travis	Williamson	Hays	Bastrop	Caldwell	Total
1990	576,407	139,551	65,614	38,263	26,392	846,227
2000	812,280	249,967	97,589	57,733	32,194	1,249,763
2001	847,960	276,567	104,854	61,258	33,705	1,324,344
2002	853,070	289,747	111,862	63,751	34,692	1,353,122
2003	862,641	302,392	116,283	66,128	35,231	1,382,675
2004	879,247	316,066	120,244	67,536	36,044	1,419,137
2005	901,701	331,620	126,324	68,751	36,167	1,464,563
2006	937,541	350,113	132,887	70,293	36,206	1,527,040
2007	969,892	372,021	141,950	72,127	36,600	1,592,590
2008	998,543	394,193	149,476	73,491	36,899	1,652,602
2009	1,026,158	410,686	155,545	74,876	37,810	1,705,075
Annual Percent Change						
2000 - 2001	4.4%	10.6%	7.4%	6.1%	4.7%	6.0%
2001 - 2002	0.6%	4.8%	6.7%	4.1%	2.9%	2.2%
2002 - 2003	1.1%	4.4%	4.0%	3.7%	1.6%	2.2%
2003 - 2004	1.9%	4.5%	3.4%	2.1%	2.3%	2.6%
2004 - 2005	2.6%	4.9%	5.1%	1.8%	0.3%	3.2%
2005 - 2006	4.0%	5.6%	5.2%	2.2%	0.1%	4.3%
2006 - 2007	3.5%	6.3%	6.8%	2.6%	1.1%	4.3%
2007 - 2008	3.0%	6.0%	5.3%	1.9%	0.8%	3.8%
2008 - 2009	2.8%	4.2%	4.1%	1.9%	2.5%	3.2%
Average Annual Percent Change						
1990 - 2000	3.5%	6.0%	4.0%	4.2%	2.0%	4.0%
2000 - 2009	2.4%	5.1%	4.8%	2.6%	1.6%	3.2%

Source: US Census (Note 2001 through 2009 is calculated on July 1, all others on April 1)

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Table 9: Historical Population Trends, SABCMPO Region

Year	County					
	Bexar	Comal	Guadalupe	Kendall	Wilson	Total
1990	1,185,394	51,832	64,873	14,589	22,650	1,339,338
2000	1,392,931	78,021	89,023	23,743	32,408	1,616,126
2001	1,414,634	81,419	92,045	24,511	33,262	1,645,871
2002	1,440,092	84,222	94,091	25,158	33,977	1,677,540
2003	1,462,550	86,919	96,400	26,190	35,003	1,707,062
2004	1,488,264	90,950	98,983	27,067	36,110	1,741,374
2005	1,512,654	94,626	102,259	28,391	36,915	1,774,845
2006	1,551,362	99,779	107,436	29,749	37,919	1,826,245
2007	1,590,146	104,751	112,365	31,171	39,146	1,877,579
2008	1,622,899	109,635	117,172	32,886	40,398	1,922,990
2009	1,651,448	114,525	121,432	34,053	40,749	1,962,207
Annual Percent Change						
2000 - 2001	1.6%	4.4%	3.4%	3.2%	2.6%	1.8%
2001 - 2002	1.8%	3.4%	2.2%	2.6%	2.1%	1.9%
2002 - 2003	1.6%	3.2%	2.5%	4.1%	3.0%	1.8%
2003 - 2004	1.8%	4.6%	2.7%	3.3%	3.2%	2.0%
2004 - 2005	1.6%	4.0%	3.3%	4.9%	2.2%	1.9%
2005 - 2006	2.6%	5.4%	5.1%	4.8%	2.7%	2.9%
2006 - 2007	2.5%	5.0%	4.6%	4.8%	3.2%	2.8%
2007 - 2008	2.1%	4.7%	4.3%	5.5%	3.2%	2.4%
2008 - 2009	1.8%	4.5%	3.6%	3.5%	0.9%	2.0%
Average Annual Percent Change						
1990 - 2000	1.6%	4.2%	3.2%	5.0%	3.6%	1.9%
2000 - 2009	1.7%	3.9%	3.2%	3.7%	2.3%	2.0%

Source: US Census (Note 2001 through 2009 is calculated on July 1, all others on April 1)

The purpose for the presentation of historical population trends is to understand the forecasted growth rates in the historical context. Table 10 and

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Table 11 present the historical and projected population estimates and growth that is assumed in the 2010 T&R Study by region. This information is also illustrated in Figure 6, Figure 7 and Figure 8, presenting the CAMPO, SABCMPO and totals respectively. The projected population growth rates at the county, 5 county (for each respective MPO) and the 10 county level are all lower than historical growth rates, except for three of the smaller counties, which are anticipated to mimic growth patterns of neighboring counties during the previous decade. While it would not be anticipated that future growth would outpace historical growth in this region, it is a reasonable assumption that growth would continue, albeit at this lesser rate.

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Table 10: Historical and Forecasted Population Estimates, CAMPO Region

Year	County					
	Travis	Williamson	Hays	Bastrop	Caldwell	Total
1990	576,407	139,551	65,614	38,263	26,392	846,227
2000	812,280	249,967	97,589	57,733	32,194	1,249,763
2009	1,026,158	410,686	155,545	74,876	37,810	1,705,075
2010	1,038,407	427,585	159,943	78,423	37,978	1,742,335
2015	1,163,665	516,462	190,920	91,050	41,299	2,003,396
2020	1,260,252	607,141	226,572	107,126	44,434	2,245,525
2025	1,356,840	697,820	262,223	123,201	47,569	2,487,653
2030	1,455,005	806,677	298,143	142,275	50,084	2,752,184
2035	1,553,170	915,534	334,063	161,348	52,599	3,016,715
Average Annual Percent Change						
1990 - 2000	3.5%	6.0%	4.0%	4.2%	2.0%	4.0%
2000 - 2009	2.6%	5.7%	5.3%	2.9%	1.8%	3.5%
2009 - 2010	1.2%	4.1%	2.8%	4.7%	0.4%	2.2%
2010 - 2015	2.3%	3.8%	3.6%	3.0%	1.7%	2.8%
2015 - 2020	1.6%	3.3%	3.5%	3.3%	1.5%	2.3%
2020 - 2025	1.5%	2.8%	3.0%	2.8%	1.4%	2.1%
2025 - 2030	1.4%	2.9%	2.6%	2.9%	1.0%	2.0%
2030 - 2035	1.3%	2.6%	2.3%	2.5%	1.0%	1.9%

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Table 11: Historical and Forecasted Population Estimates, SABCMPO Region

Year	County					
	Bexar	Comal	Guadalupe	Kendall	Wilson	Total
1990	1,185,394	51,832	64,873	14,589	22,650	1,339,338
2000	1,392,931	78,021	89,023	23,743	32,408	1,616,126
2009	1,651,448	114,525	121,432	34,053	40,749	1,962,207
2010	1,683,675	100,987	89,502	35,553	42,278	1,951,995
2015	1,736,234	111,745	95,323	42,352	45,524	2,031,178
2020	1,820,004	131,085	110,336	49,289	50,643	2,161,356
2025	1,903,773	150,425	125,349	56,225	55,762	2,291,534
2030	1,970,002	170,938	140,770	62,527	60,534	2,404,770
2035	2,036,231	191,451	156,190	68,828	65,306	2,518,006
Average Annual Percent Change						
1990 - 2000	1.6%	4.2%	3.2%	5.0%	3.6%	1.9%
2000 - 2009	1.9%	4.4%	3.5%	4.1%	2.6%	2.2%
2009 - 2010	2.0%	-11.8%	-26.3%	4.4%	3.8%	-0.5%
2010 - 2015	0.6%	2.0%	1.3%	3.6%	1.5%	0.8%
2015 - 2020	0.9%	3.2%	3.0%	3.1%	2.2%	1.3%
2020 - 2025	0.9%	2.8%	2.6%	2.7%	1.9%	1.2%
2025 - 2030	0.7%	2.6%	2.3%	2.1%	1.7%	1.0%
2030 - 2035	0.7%	2.3%	2.1%	1.9%	1.5%	0.9%

Figure 6: Historical and Forecasted Population, CAMPO Region

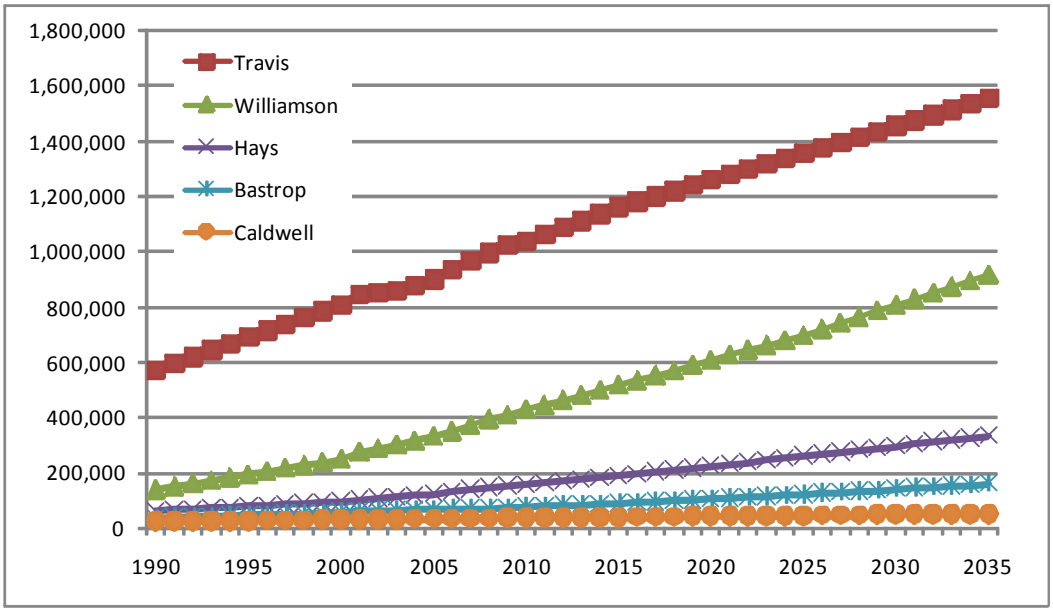

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Figure 7: Historical and Forecasted Population, SABCMPO Region

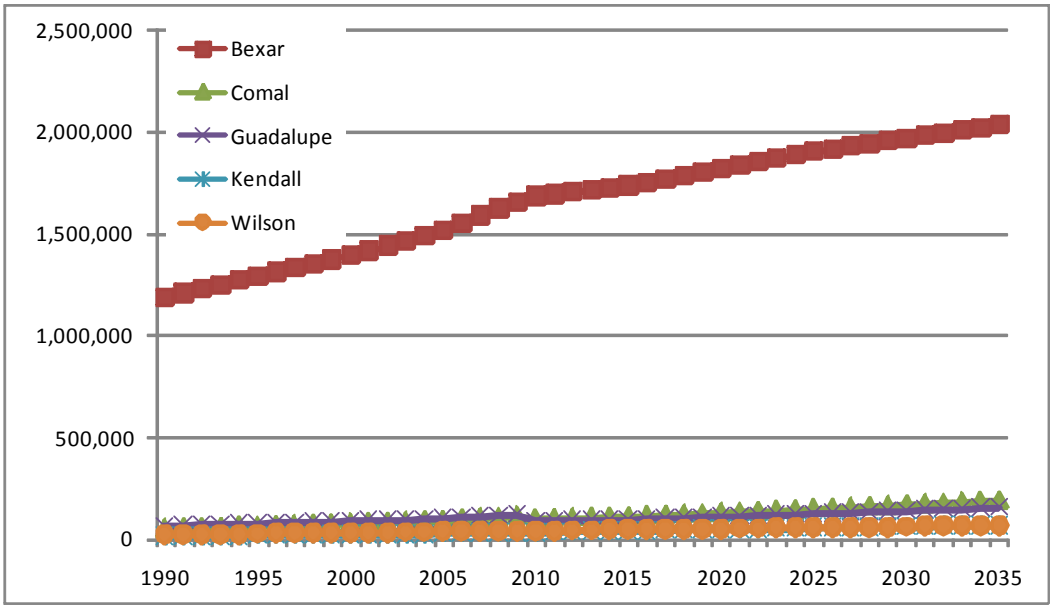
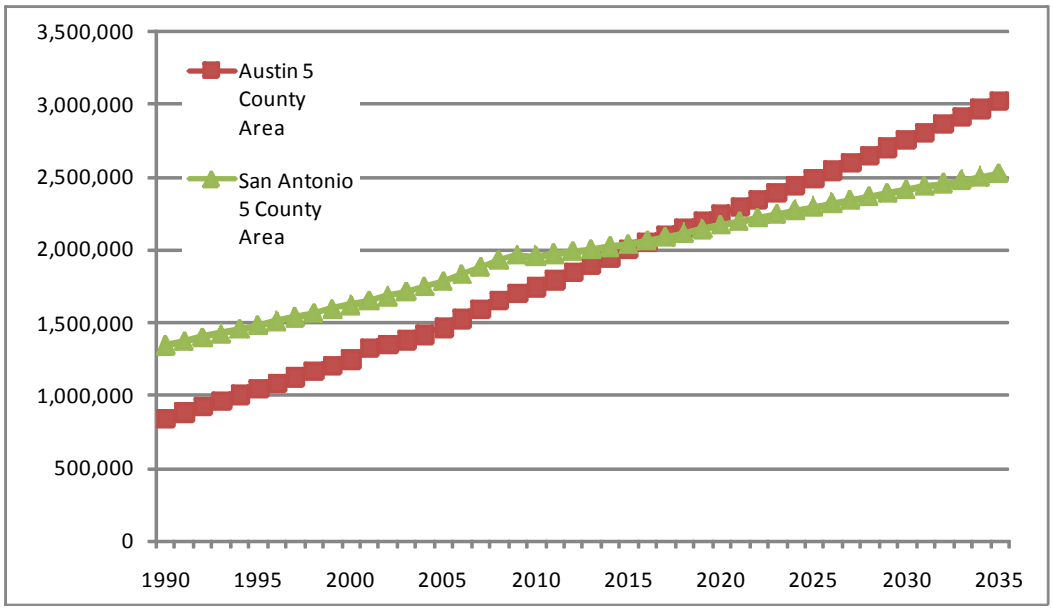


Figure 8: Historical and Forecasted Population, Totals



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After review of the population at the county level, the allocation of the county totals to the sub-county was reviewed. The entire 10 county region that make up the integrated model was broken into districts as described in the 2010 T&R Study. The map of these districts is provided in Appendix B. Table 12 and Table 13 compare the population estimates of CAMPO and the 2010 T&R Study for the districts that comprise Travis, Williamson and Hays County. The highlighted districts are in the SH 45 N, Loop 1 N and SH 130 corridor, with districts 4 and 6 in the SH 45 N and Loop 1 N corridor and districts 8 and 9 in the SH 130 corridor. As presented, the 2010 T&R Study estimates population growth to be allocated slightly differently than the MPO, with higher estimates in the SH 130 corridor and lower estimates in the SH 45N and Loop 1 corridor. While there are differences, it is reasonable to expect higher population growth in southeastern Travis County (District 9) as transportation access is provided to less expensive tracts of land. Additionally, it is reasonable to assume slow steady growth in the mature areas of Travis and Williamson County (Districts 4 and 6, respectively).

Table 12: Sub-County Population Comparison, 2008 and 2015

Map Number	Name	County	2008				2015			
			MPO	2010 T&R Study	Difference		MPO	2010 T&R Study	Difference	
					Absolute	Percent			Absolute	Percent
1	Central	Travis	331,798	338,969	7,171	2.2%	377,279	393,199	15,920	4.2%
2	South	Travis	150,333	153,580	3,247	2.2%	177,115	189,136	12,021	6.8%
3	Southwest	Travis	67,433	68,891	1,458	2.2%	69,988	73,886	3,898	5.6%
4	Northwest	Travis	175,428	179,223	3,795	2.2%	200,188	193,126	-7,062	-3.5%
5	Post Oak	Travis	28,922	29,547	625	2.2%	31,480	35,020	3,540	11.2%
6	Williamson Urban	Williamson	258,962	263,676	4,714	1.8%	330,794	347,752	16,958	5.1%
7	Georgetown	Williamson	57,982	57,301	-681	-1.2%	64,453	70,289	5,836	9.1%
8	Northeast	Travis	141,773	146,393	4,620	3.3%	168,954	188,067	19,113	11.3%
9	Southeast	Travis	70,451	71,701	1,250	1.8%	80,079	91,231	11,152	13.9%
10	Buda/Kyle	Hays	53,652	54,553	901	1.7%	87,900	72,219	-15,681	-17.8%
11	San Marcos	Hays	55,859	57,020	1,161	2.1%	64,550	76,626	12,076	18.7%
12	Western Hays Co.	Hays	35,248	35,979	731	2.1%	36,703	42,075	5,372	14.6%
13	Northwest W.C.	Williamson	14,995	15,412	417	2.8%	16,075	19,128	3,053	19.0%
14	Granger Lake	Williamson	8,756	8,996	240	2.7%	8,529	11,044	2,515	29.5%
15	Hutto	Williamson	25,316	26,540	1,224	4.8%	33,855	45,341	11,486	33.9%
16	Taylor	Williamson	19,559	20,109	550	2.8%	19,610	22,908	3,298	16.8%
4,6	NW Corridor		434,390	442,899	8,509	2.0%	530,982	540,878	9,896	1.9%
8,9	SH 130 Corridor		212,224	218,094	5,870	2.8%	249,033	279,298	30,265	12.2%

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Table 13:-County Population Comparison, 2025 and 2035

Map Number	Name	County	2025				2035			
			MPO	2010 T&R Study	Difference		MPO	2010 T&R Study	Difference	
					Absolute	Percent			Absolute	Percent
1	Central	Travis	423,228	423,928	700	0.2%	463,692	463,642	-50	0.0%
2	South	Travis	209,331	221,927	12,596	6.0%	226,640	238,283	11,643	5.1%
3	Southwest	Travis	86,984	93,013	6,029	6.9%	110,257	114,213	3,956	3.6%
4	Northwest	Travis	242,524	203,126	-39,398	-16.2%	284,931	216,174	-68,757	-24.1%
5	Post Oak	Travis	36,741	41,094	4,353	11.8%	42,801	46,648	3,847	9.0%
6	Williamson Urban	Williamson	451,706	458,563	6,857	1.5%	606,737	569,271	-37,466	-6.2%
7	Georgetown	Williamson	127,386	93,157	-34,229	-26.9%	214,738	149,694	-65,044	-30.3%
8	Northeast	Travis	220,332	253,367	33,035	15.0%	305,481	320,409	14,928	4.9%
9	Southeast	Travis	98,901	120,384	21,483	21.7%	121,479	153,801	32,322	26.6%
10	Buda/Kyle	Hays	140,251	110,554	-29,697	-21.2%	176,851	143,325	-33,526	-19.0%
11	San Marcos	Hays	88,501	102,197	13,696	15.5%	125,824	125,464	-360	-0.3%
12	Western Hays Co.	Hays	42,841	49,472	6,631	15.5%	68,570	65,274	-3,296	-4.8%
13	Northwest W.C.	Williamson	18,427	26,104	7,677	41.7%	27,122	39,166	12,044	44.4%
14	Granger Lake	Williamson	8,865	14,144	5,279	59.6%	11,540	19,361	7,821	67.8%
15	Hutto	Williamson	76,393	78,798	2,405	3.1%	138,787	94,246	-44,541	-32.1%
16	Taylor	Williamson	19,917	27,054	7,137	35.8%	27,560	43,796	16,236	58.9%
4,6	NW Corridor		694,230	661,689	-32,541	-4.7%	891,668	785,445	-106,223	-11.9%
8,9	SH 130 Corridor		319,233	373,751	54,518	17.1%	426,960	474,210	47,250	11.1%

Since growth in these districts (4, 6, 8 and 9) are key to the traffic and toll revenue forecasts, the growth rates assumed in the study are presented in Table 14. As shown, there is modest growth anticipated in these corridors, well within reason, especially based on past growth trends in the region.

Table 14: Population Estimates and Growth in Study Corridors

Year	NW Corridor		SH 130	
	Population	Growth	Population	Growth
2008	442,899		218,094	
2015	540,878	2.9%	279,298	3.6%
2025	661,689	2.0%	373,751	3.0%
2035	785,445	1.7%	474,210	2.4%

Employment totals were also reviewed focusing on the relationship to population estimates. Overall the employment estimates that were assumed for the 2010 T&R Study are much lower than those estimated by the respective MPOs. Table 15 presents the employment estimates from the MPO and the 2010 T&R Study. Table 16 presents the absolute and percent differences of these estimates. This reduction of employment for the Study could be considered a conservative approach, however since it is reduced in the base year, 2008, in which model calibration occurs, the trend over time must be understood, specifically the relationship to population, to fully gauge the impact of such an assumption.

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Table 15: Employment Estimates, 10 County Region

County	2008		2015		2025		2035	
	MPO	2010 T&R Study	MPO	2010 T&R Study	MPO	2010 T&R Study	MPO	2010 T&R Study
Travis	611,085	581,572	707,253	596,438	843,546	718,554	1,026,485	855,278
Williamson	130,516	115,690	165,661	134,194	252,970	183,043	400,329	239,062
Hays	52,137	46,843	71,878	54,162	104,563	74,728	144,786	98,778
Bastrop	16,274	13,865	23,526	16,079	37,296	22,185	58,172	29,325
Caldwell	8,588	6,887	12,030	7,729	16,330	10,664	20,517	14,096
CAMPO Total	**818,600**	**764,857**	**980,348**	**808,602**	**1,254,705**	**1,009,174**	**1,650,289**	**1,236,539**
Bexar	796,353	742,408	922,611	831,305	1,049,363	945,792	1,195,940	1,076,952
Comal	30,819	30,794	38,347	36,722	55,773	51,019	73,110	63,902
Guadalupe	24,016	23,908	29,978	28,872	44,024	39,057	57,949	48,424
Kendall	10,727	10,681	14,760	12,835	20,357	16,068	27,261	19,507
Wilson	7,382	6,539	9,719	7,517	13,446	9,436	16,985	10,800
SABCMPO Total	**869,297**	**814,330**	**1,015,415**	**917,251**	**1,182,963**	**1,061,372**	**1,371,245**	**1,219,585**
Grand Total	**1,687,897**	**1,579,187**	**1,995,763**	**1,725,853**	**2,437,668**	**2,070,546**	**3,021,534**	**2,456,124**

Table 16: Difference in Employment Estimates between MPO and 2010 T&R Study

County	2008		2015		2025		2035	
	Absolute	Percent	MPO	2010 T&R Study	MPO	2010 T&R Study	MPO	2010 T&R Study
Travis	-29,513	-4.8%	-110,815	-15.7%	-124,992	-14.8%	-171,207	-16.7%
Williamson	-14,826	-11.4%	-31,467	-19.0%	-69,927	-27.6%	-161,267	-40.3%
Hays	-5,294	-10.2%	-17,716	-24.6%	-29,835	-28.5%	-46,008	-31.8%
Bastrop	-2,409	-14.8%	-7,447	-31.7%	-15,111	-40.5%	-28,847	-49.6%
Caldwell	-1,701	-19.8%	-4,301	-35.8%	-5,666	-34.7%	-6,421	-31.3%
CAMPO Total	**-53,743**	**-6.6%**	**-171,746**	**-17.5%**	**-245,531**	**-19.6%**	**-413,750**	**-25.1%**
Bexar	-53,945	-6.8%	-91,306	-9.9%	-103,571	-9.9%	-118,988	-9.9%
Comal	-25	-0.1%	-1,625	-4.2%	-4,754	-8.5%	-9,208	-12.6%
Guadalupe	-108	-0.4%	-1,106	-3.7%	-4,967	-11.3%	-9,525	-16.4%
Kendall	-46	-0.4%	-1,925	-13.0%	-4,289	-21.1%	-7,754	-28.4%
Wilson	-843	-11.4%	-2,202	-22.7%	-4,010	-29.8%	-6,185	-36.4%
SABCMPO Total	**-54,967**	**-6.3%**	**-98,164**	**-9.7%**	**-121,591**	**-10.3%**	**-151,660**	**-11.1%**
Grand Total	**-108,710**	**-6.4%**	**-269,910**	**-13.5%**	**-367,122**	**-15.1%**	**-565,410**	**-18.7%**

Table 17 presents the ratio of employment to population assumed from the MPO estimates and that used for the 2010 T&R Study for the base and future years. As seen in the table, the 2010 T&R Study assumes a lower ratio than the MPO, as would be expected from the previous data. Additionally, the ratio decreases over time for the CAMPO region which is the most critical to the corridors under study. The ratio decreases from 0.47 to 0.41, exhibiting a conservative approach to the employment forecast, again understanding that the 2008 data calibrated the toll diversion model.

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Table 17: Ratio of Employment to Population, 10 County Region

County	2008		2015		2025		2035	
	MPO	2010 T&R Study	MPO	2010 T&R Study	MPO	2010 T&R Study	MPO	2010 T&R Study
Travis	0.63	0.59	0.64	0.51	0.64	0.53	0.66	0.55
Williamson	0.34	0.30	0.35	0.26	0.36	0.26	0.39	0.26
Hays	0.36	0.32	0.38	0.28	0.38	0.28	0.39	0.30
Bastrop	0.22	0.19	0.23	0.18	0.25	0.18	0.27	0.18
Caldwell	0.24	0.19	0.24	0.19	0.25	0.22	0.25	0.27
CAMPO Total	**0.51**	**0.47**	**0.51**	**0.40**	**0.50**	**0.41**	**0.51**	**0.41**
Bexar	0.48	0.45	0.51	0.48	0.52	0.50	0.54	0.53
Comal	0.32	0.32	0.30	0.33	0.30	0.34	0.30	0.33
Guadalupe	0.29	0.27	0.29	0.30	0.31	0.31	0.31	0.31
Kendall	0.33	0.33	0.33	0.30	0.33	0.29	0.34	0.28
Wilson	0.18	0.16	0.17	0.17	0.17	0.17	0.17	0.17
SABCMPO Total	**0.45**	**0.42**	**0.47**	**0.45**	**0.48**	**0.46**	**0.48**	**0.48**
Grand Total	**0.48**	**0.44**	**0.49**	**0.43**	**0.49**	**0.43**	**0.50**	**0.44**

The final two socioeconomic datasets that used as input to the estimation of tolled traffic and toll revenue are the number of households and median income by TAZ. The methodology employed by the Stantec Team is a reasonable approach, relying on the estimates of population and existing data for the median income. The relationship between population and households was maintained based on MPO estimates at the TAZ level, which is a reasonable assumption. The median income by TAZ was not changed from MPO assumptions, unless dramatic changes in population necessarily caused a demographic profile for the TAZ. Again, this is a reasonable approach.

Roadway Networks

The existing and planned future roadway networks are critical to understand as improvements to competing or feeding routes could have a positive or negative impact on SH 130m, SH 45 N and Loop 1 N tolled traffic and subsequently toll revenue.

Assumptions of Future Roadway Improvements

The Stantec Team reviewed the CAMPO 2035 Regional Transportation Plan, dated May 24, 2010 and interviewed officials in the region to understand the timing of improvements to transportation infrastructure in the region. Based on those discussions the roadway network in the model was updated for 2015, 2025 and 2035: the model years that were run. A similar procedure was used for the verification and update of the roadway networks in the SABCMPO area.

Jacobs Assessment

The methodology of reviewing the long range transportation plan, interviewing officials in the region to understand more detailed timing of the improvements and coding those improvements in the model that determine traffic demand for the project is a standard and reasonable approach to accurately reflect potential future build scenarios. Jacobs conducted spot checks on the roadway networks in the model and found no deficiencies. This spot check is

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not a full quality assurance/quality control check but a cursory review of random roadway links to verify that, at a minimum, those links were coded as documented in the report.

It is assumed that as is presented in Section 5 of the 2010 T&R Study accurately portrays the anticipated future roadway networks based on the Stantec Team's data collection effort. It is impossible for Jacobs to comment on the accuracy of such information.

Traffic and Revenue Forecast

The culmination of the analysis in a traffic and toll revenue study is the estimation of tolled traffic and toll revenue for the forecast period. The data collection, travel demand modeling and socioeconomic update provide estimates of weekday traffic by payment and vehicle class that is then converted to annual toll revenue through assumptions of ramp-up, annualization factors, toll schedule and others. In this section the methodology and assumptions of the development of the final traffic and toll revenue are reviewed.

Estimates of Traffic and Revenue

The toll schedule presented in the 2010 T&R Study report is consistent with the existing toll schedule and is assumed to be representative of the future planned toll increases. The axle factor to arrive at the toll schedule for vehicles with more than 2 axles is consistent with the existing toll schedule and operation on many toll facilities throughout the nation.

It is understood that these toll schedules were coded into the roadway network at the appropriate pay points (toll plazas) by vehicle and payment class. Then the highway assignment for the toll diversion model was run which determines route choice using a basic binary-logit equation that takes into account the utility of each route which includes the toll cost among other variables. At the completion of the model run, when equilibrium is achieved, traffic is assigned to each segment of the roadway network. Predetermined screenlines are then extracted from the network and post model adjustments are conducted to account for the small discrepancies at paypoints that remained upon the completion of the calibration process.

The resulting weekday traffic by vehicle and payment class is then converted to annual traffic, through an annualization factor, maintaining the same classes. The annual traffic is then reduced by violation rates by class (both vehicle and payment it is assumed) and ramp up factors, if applicable, to arrive at annual revenue traffic. This traffic is then multiplied by the applicable toll rate to estimate annual toll revenue. This is done for the model years 2015, 2025 and 2035 by paypoint for each facility under study.

Jacobs Assessment

The methodology the Stantec Team employed to arrive at annual toll traffic and toll revenue is industry standard and deemed reasonable. In this section, the assumptions that are imbedded in the conversion from weekday traffic to annual toll revenue are reviewed. These assumptions include annualization factor, violation rates and toll truck multiplier. Additionally, the overall forecast is assessed for reasonableness, which includes review of the following factors: screenline growth, screenline share, toll facility growth rates, payment class share and vehicle class share.

The annualization factor used of SH 130 was 320 and for SH 45N and Loop 1 N it was assumed to be 300 for the entirety of the forecast. Based on FY09 and FY10 data, the actual annualizaiton factors, the ratio of annual traffic to weekday traffic, for SH 130 were 336 and 337, respectively. For SH 45 N and Loop 1 N the actual annualization factors were and 322 and 313, respectively. The lower annualization assumptions in the 2010 T&R study are conservative but reasonable. As the corridors develop it is possible that the ratios will decrease as more commuters use the facility.

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The violation rates assumed in the forecast were based upon existing violation experience. It is possible that when segments 5 and 6 of SH 130 open there could be slightly higher violation rates due to the increased traffic but overall this assumption is reasonable.

The toll truck multiplier was also taken from existing data at the toll plazas. This factor, which is a function of the average number of axles of vehicles with more than 2 axles is estimated to be 2.5 for the full forecast of the Northwest elements, which is a reasonable assumption assuming that is the current multiplier. The truck toll multiplier for SH 130 is assumed to be 2.9 for the full forecast based on existing data. This could be considered conservative as there may be more 5 axle vehicles on SH 130 once segment 5 and 6 are open to traffic, again assuming 2.9 is the current truck toll multiplier.

It is assumed the SH 130 is still in the ramp-up stage, with anticipated completion in calendar year 2013. This is difficult to pinpoint and such an assumption, can greatly affect the near term forecast, however, SH 130 has shown strong growth rates by plaza, beyond that of the demographic growth in the area and therefore it is reasonable to assume that SH 130 is in the tail end of such a ramp-up period.

The traffic forecasts for SH 45 N, Loop 1 N and SH 130 were reviewed with focus on screenline growth, screenline share, payment class share and vehicle class share. First the Northwest elements will be discussed and then SH 130.

The estimated traffic and growth of the screenlines for the Northwest elements is presented in Table 18. There is strong growth expected from 2008 to 2015, especially for the western mainline of SH 45 N. The long term growth of traffic is much more modest, between 1.2 and 3.0 percent. It is questionable whether such year over year growth for the next five years can be attained.

Table 18: Screenline Traffic for NW Elements

Year	Screenline Total Volume		
	SH 45 N - West	SH 45 N - East	Loop 1
2008	190,006	114,721	504,224
2015	274,628	153,631	642,745
2025	355,147	206,237	747,597
2035	438,414	270,224	845,953
Average Annual Percent Change			
2008 - 2015	5.4%	4.3%	3.5%
2015 - 2025	2.6%	3.0%	1.5%
2025 - 2035	2.1%	2.7%	1.2%

The percent share of screenline traffic at each of the mainlines of the NW elements is presented in Table 19. It is expected that the percent share would grow over time as non-toll routes become increasingly congested and the tolled routes have available capacity to accommodate more traffic while still maintaining free flow speeds. As shown the share of screenline traffic does slightly increase over time and to reasonable levels. To note is the decrease at the eastern mainline plaza due to improvements to competing routes in 2015.

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Table 19: Screenline Share of Traffic at Mainline Plazas of NW Elements

Year	Screenline Share at Mainline Plazas		
	SH 45 N - West	SH 45 N - East	Loop 1
2008	15.9%	20.7%	10.4%
2015	17.8%	17.7%	11.0%
2025	19.7%	22.5%	12.3%
2035	22.7%	23.6%	14.2%

The traffic forecasts for all the toll plazas on SH 45 N and Loop 1 N are presented in Table 20. For fiscal years 2008 through 2010, actual transactions are shown. Apparent from the table, the forecast predicts very strong growth in the short term with an average annual growth rate from 2010 to 2015 of 6.8 percent for SH 45 N and 5.3 percent for Loop 1 N. In 2016 there are appropriate levels of decrease due to a planned toll increase, but then strong traffic growth continues through 2035 of 3.4 and 2.6 percent for SH 45 N and Loop 1 N respectively. Based on the limited review conducted, Jacobs is unable to determine the ability for these toll roads to demonstrate such growth rates.

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Table 20: Estimated Weekday Transaction for NW Elements

Fiscal Year	Weekday Transactions			
			Annual Growth	
	SH 45 N	Loop 1	SH 45 N	Loop 1 N
2008	*91,057*	*54,770*		
2009	*96,071*	*55,106*	5.5%	0.6%
2010	*98,446*	*56,900*	2.5%	3.3%
2011	103,505	59,218	5.1%	4.1%
2012	112,086	62,155	8.3%	5.0%
2013	121,883	65,145	8.7%	4.8%
2014	129,454	69,093	6.2%	6.1%
2015	136,491	73,555	5.4%	6.5%
2016	131,468	69,050	-3.7%	-6.1%
2017	135,971	70,884	3.4%	2.7%
2018	140,628	72,766	3.4%	2.7%
2019	145,444	74,698	3.4%	2.7%
2020	150,425	76,681	3.4%	2.7%
2021	155,577	78,717	3.4%	2.7%
2022	160,905	80,807	3.4%	2.7%
2023	166,416	82,953	3.4%	2.7%
2024	172,115	85,156	3.4%	2.7%
2025	178,010	87,417	3.4%	2.7%
2026	171,910	84,750	-3.4%	-3.1%
2027	179,219	87,398	4.3%	3.1%
2028	186,840	90,130	4.3%	3.1%
2029	194,785	92,947	4.3%	3.1%
2030	203,067	95,852	4.3%	3.1%
2031	211,702	98,848	4.3%	3.1%
2032	220,704	101,937	4.3%	3.1%
2033	230,089	105,123	4.3%	3.1%
2034	239,872	108,408	4.3%	3.1%
2035	250,072	111,797	4.3%	3.1%
2036	241,825	108,916	-3.3%	-2.6%
2037	244,244	110,006	1.0%	1.0%
2038	246,686	111,106	1.0%	1.0%
2039	249,153	112,217	1.0%	1.0%
2040	251,644	113,339	1.0%	1.0%
2041	254,161	114,472	1.0%	1.0%
2042	256,702	115,617	1.0%	1.0%

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The same review of screenline growth, screenline share and toll facility growth that was conducted for SH 45 N and Loop 1 N above is provided for SH 130 below.

The screenline traffic for each segment of SH 130 at the mainline plaza is presented in Table 21. There is much stronger growth estimated for the near term for the corridor than the longer term, when modest growth is projected. Since traffic has actually decreased on IH 35 from 2008 to 2009 and possibly 2010 as well, it may be difficult to achieve the levels of annual growth that is projected from 2008 to 2015. Assuming zero growth from 2008 to 2010 for the screenline for Segment 2 (which is not out of the question since there was 3.3 percent loss in traffic at the Colorado River from 2008 to 2009 as shown in Table 1) would need to grow over 4 percent per year to achieve the projected 2015 volume. The results from the modeling process may be considered aggressive in the short term.

Table 21: Screenline Traffic for SH 130

Year	Screenline Total Volume			
	Segment 1	Segment 2	Segment 3	Segment 4
2008	172,093	218,232	399,400	257,250
2015	220,678	266,023	483,498	327,526
2025	262,678	316,123	560,564	379,129
2035	320,901	368,926	658,793	430,045
Average Annual Percent Change				
2008 - 2015	3.6%	2.9%	2.8%	3.5%
2015 - 2025	1.8%	1.7%	1.5%	1.5%
2025 - 2035	2.0%	1.6%	1.6%	1.3%

The percent share of the screenline that is captured at the mainline plazas is presented in Table 22. As stated before, it is reasonable for the toll facility to increase the percent capture as the competing routes, in this case IH 35 and US 183, become more congested and the feeding routes, US 290E, SH 71E and SH 130 segments 5 and 6 are improved or developed. The increases shown are deemed reasonable.

Table 22: Screenline Share of Traffic at Mainline Plazas of SH 130

Year	Screenline Total Volume			
	Segment 1	Segment 2	Segment 3	Segment 4
2008	6.9%	10.7%	4.7%	3.2%
2015	7.2%	12.1%	5.2%	4.3%
2025	11.4%	14.9%	7.7%	6.8%
2035	15.4%	20.3%	9.8%	10.8%

The traffic forecast for SH 130 is presented in Table 23. Again, there is strong early growth anticipated on SH 130, which includes some ramp-up from the recent opening of SH 45 SE as well as SH 130 segments 5 and 6 in 2012. There are appropriate reductions in traffic due to planned toll increases but again, very strong growth, backed by the strong demographic projections in the corridor, over the longer term. While this forecast does assume strong growth, it is reasonable based upon the demographic growth and implementation of feeding transportation infrastructure on the horizon.

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Table 23: Estimated Weekday Transaction for SH 130

Fiscal Year	Weekday Transactions	
	Volume	Annual Growth
2008	*58,306*	
2009	*73,099*	25.4%
2010	*83,997*	14.9%
2011	90,209	7.4%
2012	101,267	12.3%
2013	109,444	8.1%
2014	117,621	7.5%
2015	125,799	7.0%
2016	115,312	-8.3%
2017	125,823	9.1%
2018	136,334	8.4%
2019	146,845	7.7%
2020	157,356	7.2%
2021	167,867	6.7%
2022	178,378	6.3%
2023	188,890	5.9%
2024	199,401	5.6%
2025	209,912	5.3%
2026	198,757	-5.3%
2027	208,698	5.0%
2028	218,630	4.8%
2029	228,501	4.5%
2030	238,260	4.3%
2031	247,855	4.0%
2032	257,231	3.8%
2033	266,333	3.5%
2034	275,106	3.3%
2035	283,494	3.0%
2036	270,899	-4.4%
2037	277,834	2.6%
2038	284,674	2.5%
2039	291,542	2.4%
2040	298,429	2.4%
2041	305,329	2.3%
2042	312,236	2.3%

It is understood that the breakdown of the total traffic numbers just discussed into the constituent payment and vehicle classes was done within the modeling process. Each class was modeled separately and the model assigned traffic to the various roadways. This process resulted in a certain number of vehicles for each class to be on the toll

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road and a subsequent share could be calculated. These shares for the NW Elements and SH 130 are presented in Table 24 and Table 25, respectively, with 2008 representing existing experience on the facilities.

For the NW Elements there is anticipated to be very little change over the existing experience during the forecast period. This is a reasonable assumption as the roadways are heavily commuter but do have some regional travel such that it would be difficult to increase ETC share under the current tolling policy. Likewise, there is no reason to believe that the share between cash and video would change over time under the current tolling policy. It is also reasonable to assume that the share of trucks and autos will stay relatively constant over time, as is shown in the table.

Table 24: Class Share for NW Elements

	Payment Class			Vehicle Class	
Year	ETC	Cash	Video	Auto	Truck
2008	78%	15%	7%	97.8%	2.2%
2015	78%	15%	7%	97.5%	2.5%
2025	78%	15%	7%	97.0%	3.0%
2035	78%	15%	7%	96.0%	4.0%

The percent share by class for SH 130 is much different as the facility caters to more regional travel as well as may have the opportunity to service more trucks in the future. The increase in the percent share paying by ETC over time is reasonable, with the general increase in the adoption of such payment but not quite reaching the more local percentages of 80 to 85 percent seen elsewhere. The increase in the percent share of trucks is very strong. There is a limited increase in 2015 after segments 5 and 6 are opened but it is apparent that congestion on IH 35 will push more trucks to SH 130 in the future. The concern is the risk to revenue based on this one assumption, or result from the modeling process.

Table 25:Class Share for SH 130

	Payment Class			Vehicle Class	
Year	ETC	Cash	Video	Auto	Truck
2008	63.7%	8.7%	27.7%	90.5%	7.5%
2015	65.9%	8.7%	25.4%	91.1%	8.9%
2025	67.8%	8.3%	23.9%	87.0%	13.0%
2035	71.3%	6.9%	21.7%	81.6%	18.4%

The resulting revenue forecasts from the previously presented transaction forecast by facility are presented in Table 26. The growth rates of the toll revenue forecasts follow the transaction forecasts growth rates fairly closely, except for toll increase years, where they diverge. Similar to the comment on the transaction forecast of the Northwest elements, the strong revenue growth for the facility may not be supported by the data available. The facility is not experiencing ramp-up and does not have the opportunity of large scale new development as it is in the more developed portions of southern Williamson and northern Travis Counties, as opposed to SH 130 which is opening tracts of land to development.

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Table 26: Annual Toll Revenue Forecast, NW Elements and SH 130

	Annual Toll Revenue ($Millions)			
Fiscal Year	NW Elements	Annual Growth	SH 130	Annual Growth
2008	*$29,419*		*$19,456*	
2009	*$31,793*	8.1%	*$27,114*	39.4%
2010	*$31,736*	-0.2%	*$35,324*	30.3%
2011	$32,430	2.2%	$38,095	7.8%
2012	$34,524	6.5%	$43,166	13.3%
2013	$37,164	7.6%	$47,086	9.1%
2014	$39,612	6.6%	$51,007	8.3%
2015	$42,089	6.3%	$54,927	7.7%
2016	$53,824	27.9%	$75,457	37.4%
2017	$55,531	3.2%	$83,370	10.5%
2018	$57,294	3.2%	$91,282	9.5%
2019	$59,114	3.2%	$99,195	8.7%
2020	$60,993	3.2%	$107,107	8.0%
2021	$62,933	3.2%	$115,020	7.4%
2022	$64,937	3.2%	$122,933	6.9%
2023	$67,006	3.2%	$130,845	6.4%
2024	$69,142	3.2%	$138,758	6.0%
2025	$71,348	3.2%	$146,671	5.7%
2026	$87,894	23.2%	$184,921	26.1%
2027	$91,296	3.9%	$194,183	5.0%
2028	$94,831	3.9%	$203,433	4.8%
2029	$98,507	3.9%	$212,627	4.5%
2030	$102,327	3.9%	$221,718	4.3%
2031	$106,299	3.9%	$230,655	4.0%
2032	$110,429	3.9%	$239,388	3.8%
2033	$114,722	3.9%	$247,865	3.5%
2034	$119,185	3.9%	$256,034	3.3%
2035	$123,825	3.9%	$264,320	3.2%
2036	$146,872	18.6%	$289,257	9.4%
2037	$149,809	2.0%	$296,662	2.6%
2038	$152,805	2.0%	$303,967	2.5%
2039	$155,861	2.0%	$311,300	2.4%
2040	$158,979	2.0%	$318,653	2.4%
2041	$160,568	1.0%	$326,022	2.3%
2042	$162,174	1.0%	$333,397	2.3%

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Sensitivity Analysis

As is typically part of a T&R Study, a sensitivity analysis is conducted to understand the implications on traffic and toll revenue under different conditions. These analyses often test the impact of a change in the demographic forecast or under different toll schedules.

Truck Toll Rate Sensitivity

The Stantec Team develop an alternate traffic and toll forecast assuming a decrease in the 5 axle toll rate to that of the 4 axle toll rate. This was the only change to the assumptions of the analysis.

Jacobs Assessment

Based upon the very limited review during the portion of one day, of the results of the sensitivity analysis, it appears that it is reasonable. Based on existing traffic data on SH 130, approximately 10 percent of the vehicles have more than 2 axles. If it were assumed that 100 percent of those vehicles were 5 axle and were afforded a discount and there was no inducement of traffic to the facility, which would be highly unlikely in a toll decrease scenario, then it is estimated that the revenue results for SH 130 would be within 2 to 4 percent generally of the revenue estimate presented by Stantec. This lowers to 1.5 to 2.5 percent when compared to the full CTTP toll revenue forecast. It is reasonable to estimate the level of inducement suggested by Stantec in the sensitivity analysis and thus the estimates are reasonable.

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Sincerely,
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APPENDIX A

Population Projections by County

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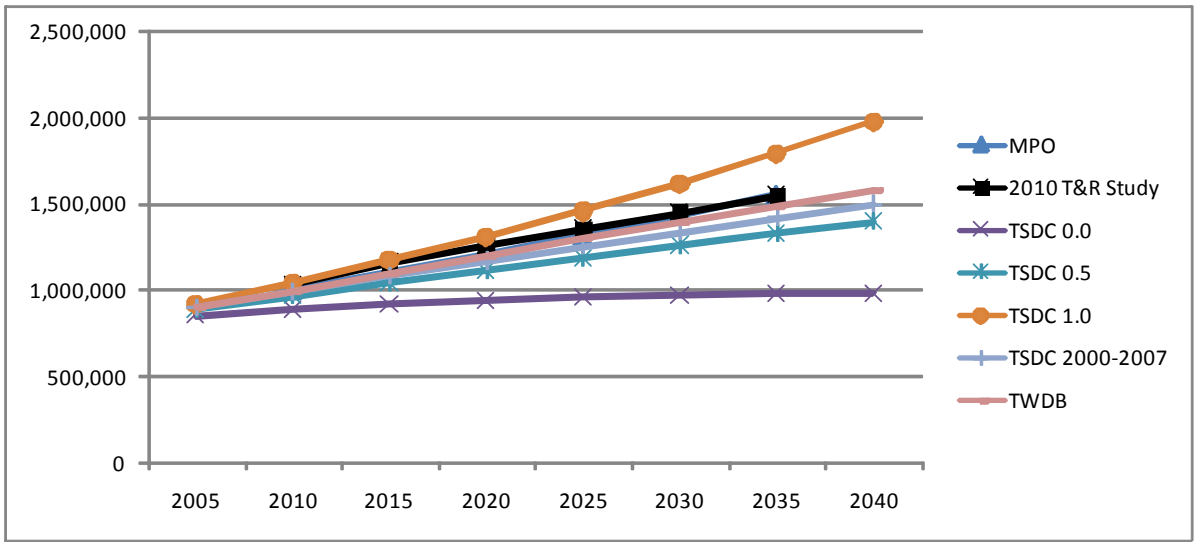
Year	Population Estimates for Travis County						
	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			856,764	889,233	923,390	900,720	907,767
2010	1,005,837	1,038,407	892,889	966,129	1,047,051	992,773	1,003,253
2015	1,105,083	1,163,665	921,100	1,040,606	1,178,607	1,082,986	1,102,255
2020	1,211,562	1,260,252	942,861	1,112,034	1,315,256	1,168,738	1,201,256
2025	1,318,041	1,356,840	961,875	1,184,447	1,461,680	1,252,760	1,301,705
2030	1,436,661	1,455,005	975,929	1,257,213	1,620,878	1,336,648	1,402,153
2035	1,555,281	1,553,170	982,845	1,327,936	1,793,353	1,419,856	1,492,611
2040			981,610	1,394,738	1,977,411	1,498,569	1,583,068



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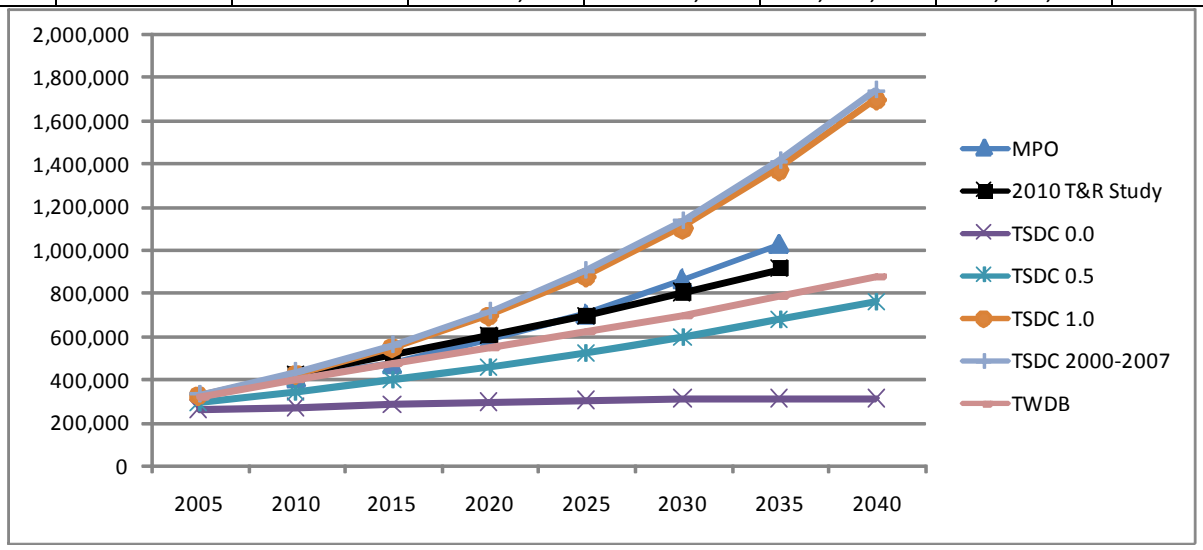
Year	Population Estimates for Williamson County						
	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			263,750	295,615	330,562	332,812	324,940
2010	410,640	427,585	275,068	344,667	428,789	435,355	408,743
2015	473,316	516,462	285,474	398,544	548,339	560,673	481,078
2020	588,005	607,141	295,315	458,587	695,777	715,395	553,412
2025	702,694	697,820	304,125	526,035	879,113	905,742	627,373
2030	864,589	806,677	310,381	599,805	1,103,684	1,137,513	701,334
2035	1,026,484	915,534	313,535	678,352	1,374,393	1,415,185	790,852
2040			314,071	760,632	1,696,161	1,742,619	880,370



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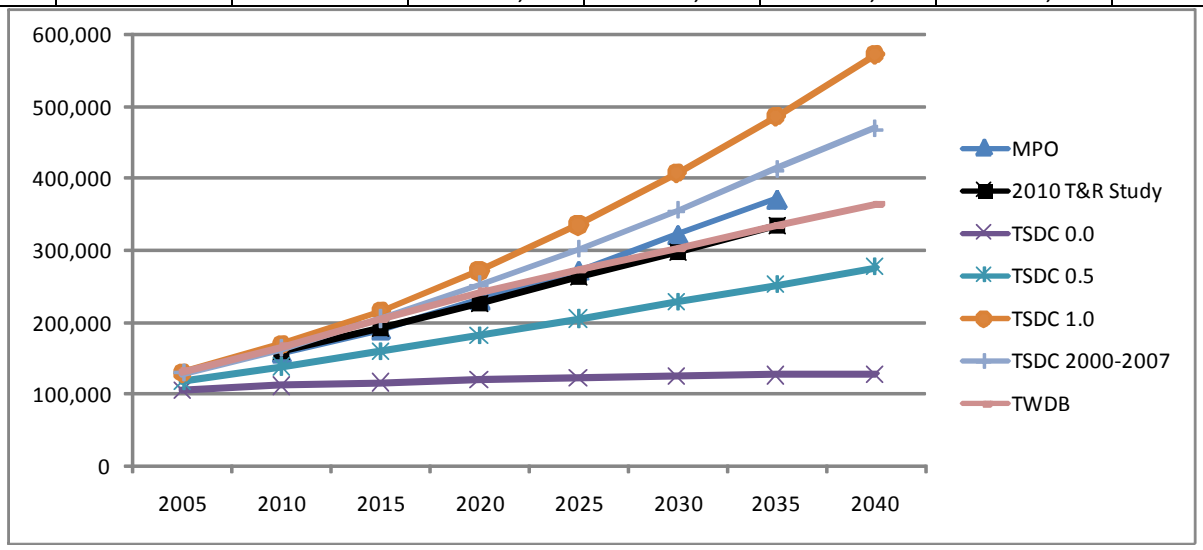
Year	Population Estimates for Hays County						
	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			106,211	117,873	130,895	129,067	131,966
2010	157,443	159,943	112,285	137,816	169,302	164,078	166,342
2015	189,153	190,920	117,095	158,921	215,679	204,397	204,197
2020	230,373	226,572	121,014	181,508	271,388	250,886	242,051
2025	271,593	262,223	123,563	204,357	335,014	301,541	272,423
2030	321,419	298,143	125,493	227,912	406,665	355,508	302,795
2035	371,245	334,063	127,015	251,884	485,731	412,455	333,237
2040			127,983	276,103	570,869	469,394	363,678



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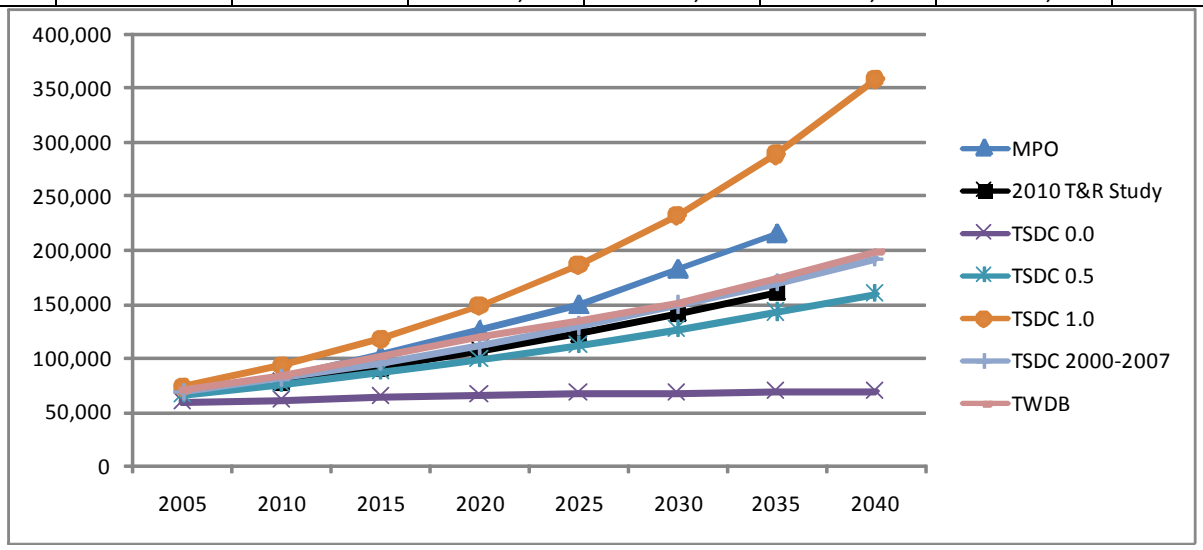
Year	Population Estimates for Bastrop County						
	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			59,913	66,381	73,451	68,987	71,091
2010	81,634	78,423	62,109	76,150	93,068	81,717	84,449
2015	102,289	91,050	64,193	87,133	117,504	96,023	102,595
2020	125,737	107,126	66,007	99,329	147,998	112,096	120,740
2025	149,185	123,201	67,525	112,722	185,630	129,924	136,052
2030	182,319	142,275	68,612	127,167	231,777	149,340	151,364
2035	215,452	161,348	69,278	142,709	288,189	170,164	175,456
2040			69,715	159,776	357,688	192,599	199,548



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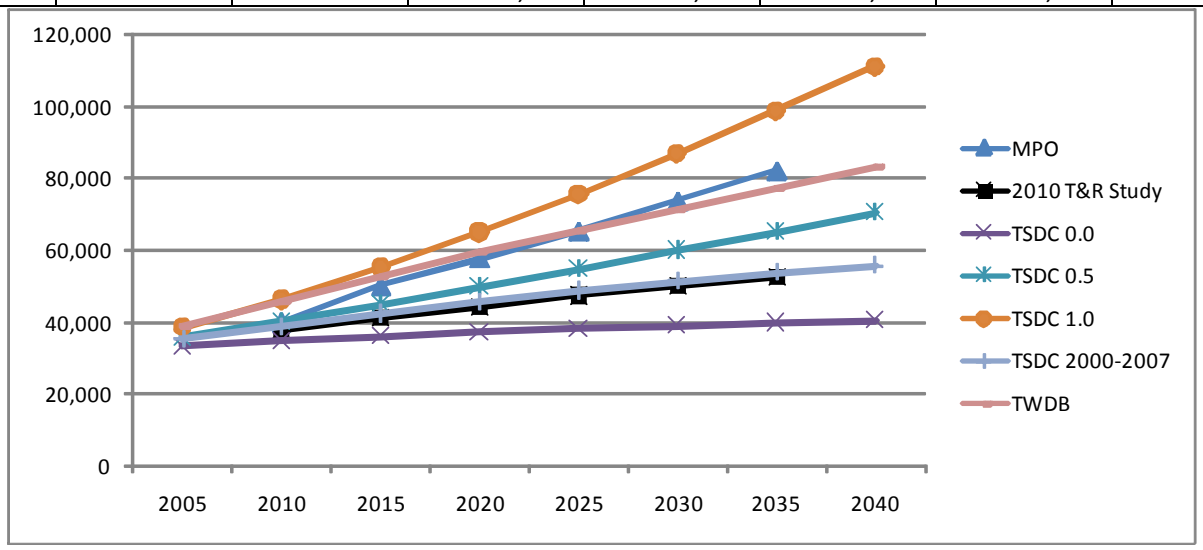
Year	Population Estimates for Caldwell County						
	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			33,441	35,985	38,673	35,353	39,076
2010	39,951	37,978	34,844	40,289	46,308	38,724	45,958
2015	50,127	41,299	36,210	45,063	55,224	42,280	52,840
2020	57,724	44,434	37,355	49,975	65,057	45,622	59,722
2025	65,321	47,569	38,356	55,005	75,639	48,700	65,591
2030	73,695	50,084	39,258	60,127	86,902	51,469	71,459
2035	82,069	52,599	40,029	65,304	98,823	53,856	77,355
2040			40,677	70,593	111,210	55,752	83,250



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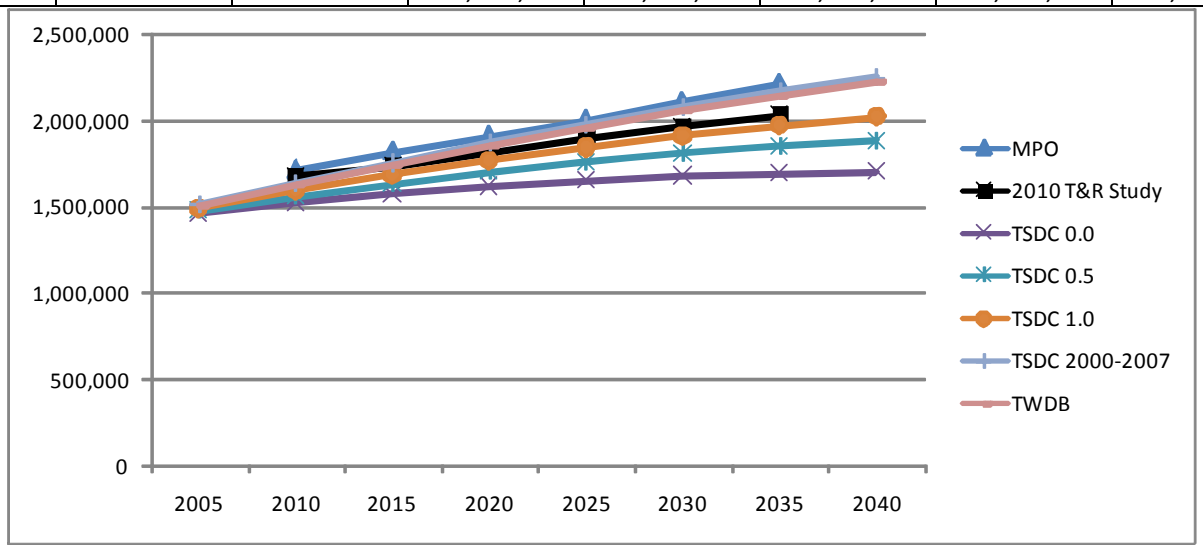
Year	Population Estimates for Bexar County						
	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			1,464,211	1,479,946	1,494,075	1,514,927	1,512,433
2010	1,716,261	1,683,675	1,525,587	1,561,702	1,592,438	1,636,642	1,631,935
2015	1,823,424	1,736,234	1,576,591	1,636,631	1,685,832	1,755,755	1,744,840
2020	1,915,701	1,820,004	1,619,483	1,704,153	1,770,578	1,870,589	1,857,745
2025	2,007,977	1,903,773	1,654,271	1,762,636	1,846,059	1,978,613	1,958,429
2030	2,113,947	1,970,002	1,681,291	1,813,101	1,913,230	2,078,549	2,059,112
2035	2,219,916	2,036,231	1,698,648	1,854,050	1,971,895	2,170,654	2,141,000
2040			1,705,454	1,884,509	2,021,463	2,253,060	2,222,887



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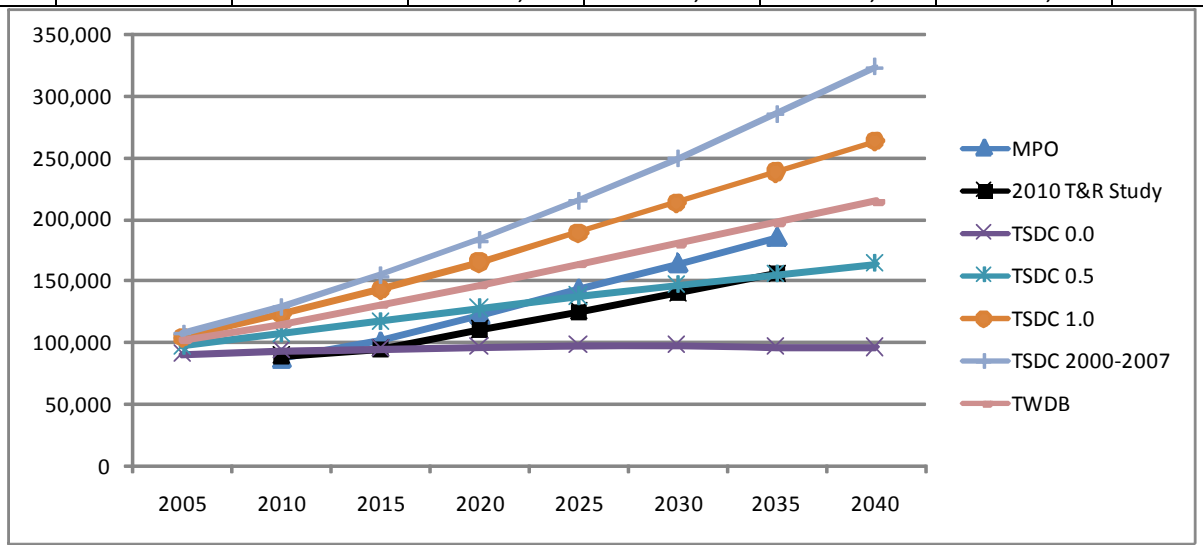
Year	Population Estimates for Guadalupe County						
	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			91,225	97,835	105,000	107,369	101,951
2010	88,017	89,502	93,494	107,310	122,982	128,975	114,878
2015	101,770	95,323	95,780	117,510	143,258	154,221	130,695
2020	122,768	110,336	97,392	127,944	165,613	182,995	146,511
2025	143,765	125,349	98,178	138,045	189,380	214,835	163,618
2030	164,746	140,770	98,072	147,476	213,635	248,990	180,725
2035	185,727	156,190	97,340	156,112	238,150	285,077	197,819
2040			96,197	164,202	262,969	323,129	214,912



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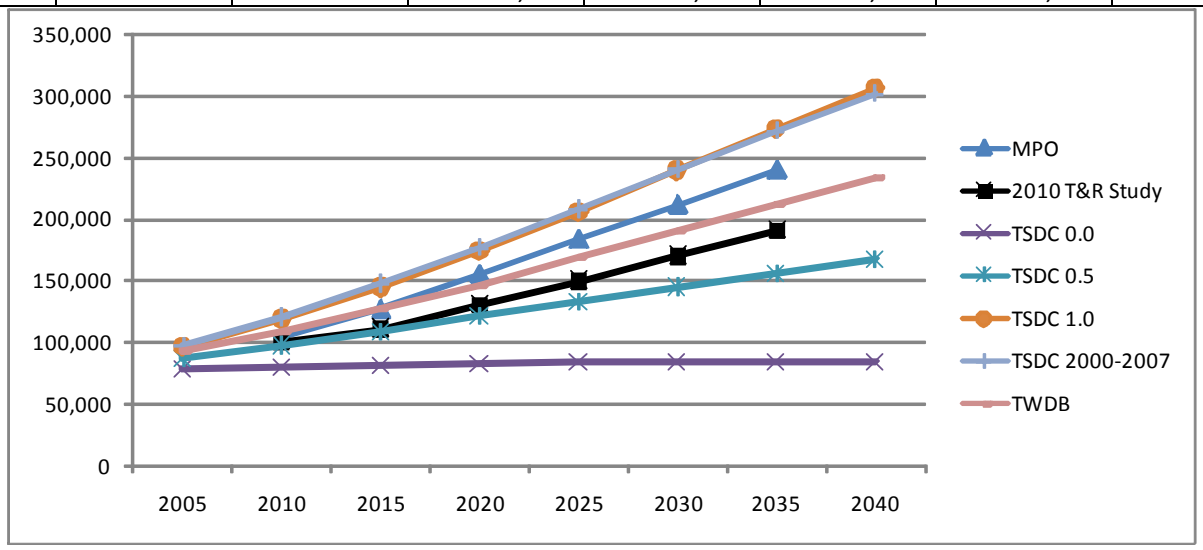
Year	Population Estimates for Comal County						
	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			79,155	87,590	96,954	97,524	93,120
2010	104,904	100,987	80,532	98,015	119,150	121,020	108,219
2015	127,507	111,745	82,124	109,359	144,788	147,869	127,544
2020	155,709	131,085	83,449	121,424	173,922	177,105	146,868
2025	183,911	150,425	84,220	133,621	205,915	208,244	168,871
2030	212,099	170,938	84,497	145,471	239,374	240,383	190,873
2035	240,286	191,451	84,479	156,807	272,873	271,734	212,419
2040			84,441	167,774	305,924	301,616	233,964



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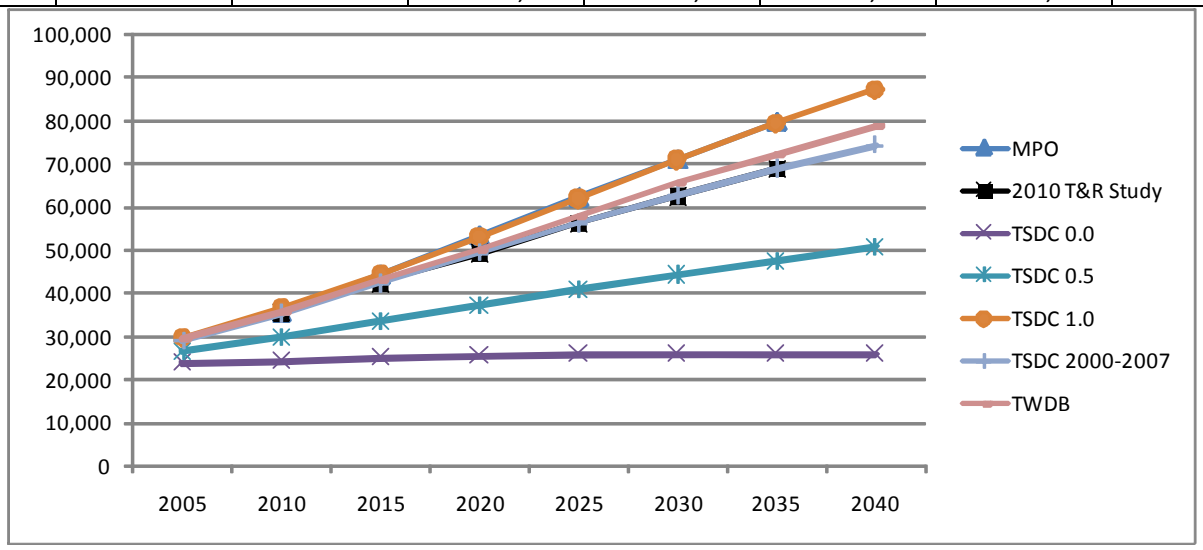
Year	Population Estimates for Kendall County						
	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			23,992	26,692	29,678	29,047	29,732
2010	35,733	35,553	24,427	29,939	36,620	35,351	35,720
2015	44,289	42,352	25,126	33,575	44,466	42,350	43,002
2020	53,235	49,289	25,725	37,307	53,009	49,401	50,283
2025	62,181	56,225	26,039	40,999	62,029	56,223	58,018
2030	70,881	62,527	26,073	44,411	71,052	62,749	65,752
2035	79,580	68,828	26,044	47,603	79,560	68,826	72,221
2040			26,105	50,744	87,319	74,353	78,690



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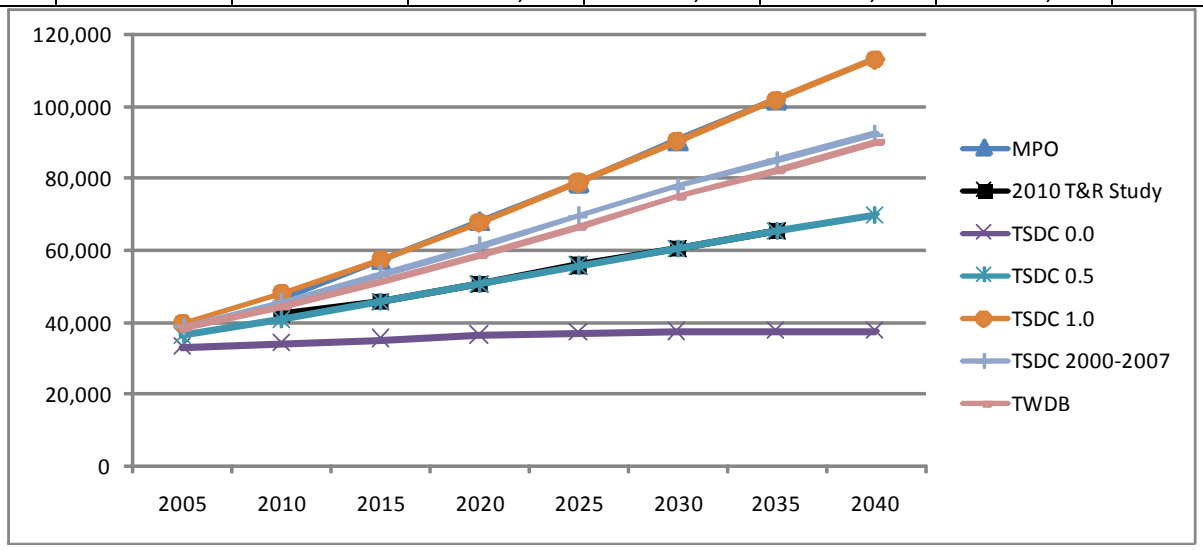
Year	Population Estimates for Wilson County						
	MPO	2010 T&R Study	TSDC 0.0	TSDC 0.5	TSDC 1.0	TSDC 2000-2007	TWDB
2005			33,268	36,382	39,632	38,614	38,243
2010	46,217	42,278	34,271	40,700	47,877	45,517	44,078
2015	57,209	45,524	35,397	45,524	57,221	53,139	51,350
2020	68,005	50,643	36,386	50,639	67,600	61,253	58,621
2025	78,801	55,762	37,081	55,762	78,798	69,490	66,631
2030	90,311	60,534	37,431	60,665	90,319	77,534	74,641
2035	101,821	65,306	37,576	65,306	101,808	85,176	82,414
2040			37,582	69,824	113,148	92,372	90,187



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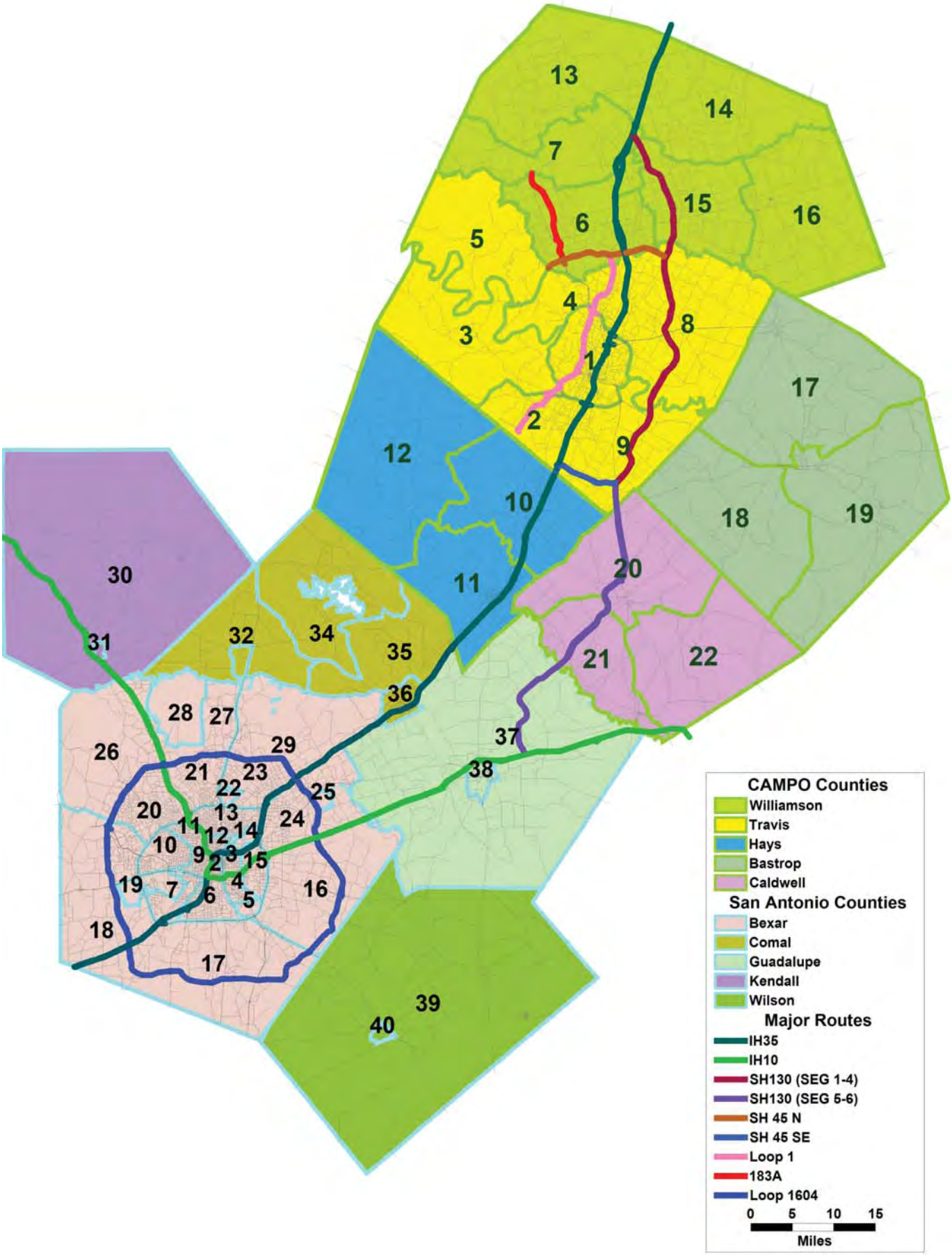
APPENDIX B

Integrated Model District Map

Integrated Model by County and District



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APPENDIX F

ORIGINAL OPINION OF BOND COUNSEL

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March 5, 2009

TEXAS TRANSPORTATION COMMISSION
CENTRAL TEXAS TURNPIKE SYSTEM
FIRST TIER REVENUE REFUNDING PUT BONDS,
SERIES 2009
DATED FEBRUARY 1, 2009
$149,275,000

AS BOND COUNSEL for the Texas Transportation Commission (the "Commission) the governing body of the Texas Department of Transportation (the "Department"), we have examined into the legality and validity of the issue of bonds described above (the "Bonds"), which bear interest from the dates and mature on the dates specified on the face of the Bonds, all in accordance with the minute order of the Commission authorizing the issuance of such Bonds adopted on November 20, 2008 (the "Authorizing Minute Order"), the Indenture of Trust dated as of July 15, 2002, (the "Master Indenture") between the Commission and The Bank of New York Mellon Trust Company, National Association, as Trustee (successor to JPMorgan Trust Company as successor to Bank One, National Association), and the Fifth Supplemental Indenture of Trust dated as of February 1, 2009 between the Commission and The Bank of New York Mellon Trust Company, National Association as Trustee (the "Fifth Supplemental Indenture"). The Master Indenture and Fifth Supplemental Indenture are collectively referenced as the "Indenture." Terms used herein and not otherwise defined shall have the meaning given in the Fifth Supplemental Indenture.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Commission, the executed Indenture and other pertinent instruments relating to the authorization, issuance, and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Commission and the Department upon which certificates and documents we rely as to certain matters stated below. We have also examined one of the executed Bonds which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Commission, as the governing body of the Department, is an agency of the State of Texas, created and operating under the Constitution and laws of the State of Texas and is authorized to issue the Bonds under Chapter 228, Texas Transportation Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended. It is further our opinion that the Bonds have been duly authorized;

that all conditions precedent to the delivery of the Bonds have been fulfilled; and that the Bonds have been duly issued and delivered, all in accordance with law, and that, except as the enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally or by principles of equity which permit the exercise of judicial discretion (i) the Bonds are First Tier Obligations; (ii) the covenants and agreements in the Indenture constitute valid and binding obligations of the Commission, and the Bonds constitute valid and legally binding obligations of the Commission which, together with the Texas Turnpike Authority Central Texas Turnpike System Revenue Bonds, Series 2002-A (the "Series 2002-A Bonds") and the Texas Turnpike Authority Central Texas Turnpike System First Tier Revenue Note (the "2002 Note") are secured equally and ratably, on a parity, by a first lien on, pledge of and security interest in the Trust Estate established by the Indenture and are payable as to principal and interest solely from the sources provided therein, including the Revenues of the Central Texas Turnpike System (the "System"); and (iii) the Indenture is authorized by law, has been duly executed and delivered, and is valid and legally binding upon and enforceable by the parties thereto in accordance with its terms and provisions.

THE COMMISSION has reserved the right, subject to the restrictions stated in the Indenture, to issue Additional First Tier Obligations which also may be secured by the Indenture on a parity with the Bonds, the Series 2002-A Bonds and the 2002 Note. The Commission also has reserved the right to amend the Indenture in the manner provided therein and under some (but not all) circumstances amendments thereto must be approved by the Secured Owners of a majority of all Outstanding Obligations secured by the Indenture.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation or from any source whatsoever other than as described in the Indenture.

IT IS FURTHER OUR OPINION THAT except as discussed below, under existing statutes, judicial decisions, regulations, and published rulings of the Internal Revenue Service, 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, and assuming compliance with the below mentioned representations and covenants, 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, as amended (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the Commission with, certain representations and covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Commission to comply with such representations and covenants may cause the interest on the Bonds includable in gross income retroactively to the date of issuance of the Bonds.

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 Commission as the taxpayer. We observe that the Commission 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.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation.

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.

WE EXPRESS NO OPINION as to any insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Commission, and, in that capacity, we have been engaged by the Commission for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the System, or the financial condition or capabilities of the Commission, or the disclosure thereof in connection with the sale of the Bonds or the System, 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 and have relied solely on certificates executed by officials of the Commission as to the current outstanding indebtedness of and reports executed or furnished by the Commission and its engineers and consultants for the System and the estimated future revenues and operating expenses of the System.

Respectfully,

McCall, Parkhurst & Horton L.L.P.

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Attachment 1, Part B

Central Texas Turnpike System
General Engineering Consultant's Annual Inspection Report

Texas Department of Transportation

Central Texas Turnpike Project

Annual Inspection Report
Fiscal Year 2010

Prepared by PBSJ®

General Engineering Consultant

PBS&J

An employee-owned company

May 7, 2010

Mr. Mark Tomlinson, P.E.
Director of the Texas Turnpike Authority
Texas Department of Transportation
125 East 11th Street
Austin, TX 78701

Subject: FY 2010 Inspection of the Central Texas Turnpike Project

Dear Mr. Tomlinson:

As General Engineering Consultant to the Central Texas Turnpike Project (CTTP) and in accordance with Section 707 of the Indenture of Trust, PBS&J is pleased to submit to you twenty copies of the FY 2010 Central Texas Turnpike Project Annual Inspection Report.

The condition of the project is excellent with an overall rating of 95. This is a combined rating for the three components of the CTTP, SH 45, Loop 1 and SH 130. The results of this year's inspection are indicative of the age of the project and the proactive manner in which the project is maintained.

The inspection does reveal that a number of elements are in less than fair condition, however, the Austin District has a comprehensive maintenance contract in place and funded for routine maintenance sufficient to address these issues. Also, the Texas Turnpike Authority has contracts in place to address the issues identified within the toll facilities and buildings. There is an area of pavement on the southbound approach to the Loop 1 mainline toll plaza that is in need of repair. There is reserve maintenance funding in place to make this capital improvement and the Austin District is determining scope of work for the required improvement.

This report contains a comprehensive summary of inspection results in tabular form. Additionally, photographs and graphics have been included to illustrate the major system elements. The introductions, Inspection Results and Recommendations are included in the body of the report. Appendix A-Selected photographs of existing conditions, Appendix B-Inspection worksheets and Appendix C-Bridge Reports are included in the CD in the back of the report.

If you have any questions, please feel free to call.

Sincerely,

Stephen W. Austin, P.E.

Cc: Lowell Choate, P.E.
Doug Woodall P.E.

6504 Bridge Point Parkway • Suite 200 • Austin, Texas 78730 • Telephone 512.327.6840 • Fax 512.327.2453 • www.pbsj.com

Annual Inspection Report

For the fiscal Year ending August 31, 2010

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Executive Summary

As General Engineering Consultant to the Central Texas Turnpike Project (CTTP) and in accordance with Section 7.07 of the Indenture of Trust, dated July 15, 2002 between the Texas Transportation Commission and Bank One, National Association, as Trustee, PBS&J is pleased to submit the Central Texas Turnpike Project Annual Inspection Report for the Fiscal Year ending August 31, 2010. The findings contained in this report are based upon the assessment of inspection data compiled for the roadway, facilities, and structures components; in coordination with the Texas Department of Transportation (TxDOT) Maintenance and Finance Offices and the Texas Turnpike Authority Office; and PBS&J's general knowledge of the condition of CTTP facilities.

This is the third annual inspection of the CTTP since it opened to traffic. The overall condition of the CTTP is very good. The system's primary feature, its 65 miles of roadway, is in like new condition with only minor deficiencies noted. The roadway achieved an overall score of 95. No single element achieved a score less than 80, with the exception of cracking which rated a score of 78 overall. Most of the cracking observed was not in excess of what is expected and allowable in the pavement method utilized on these roadways.

The FY 2010 annual inspection also revealed that all facilities (buildings) are in very good condition overall. The majority of the deficiencies found are cosmetic in nature. Bridges, which are inspected under the Federal Bridge Inspection Program, are reported in good condition. The summary of the bridge reports are included.

TxDOT has programmed approximately $11.37 million in FY 2010 for routine and periodic maintenance for the CTTP. These funds are used for maintenance of all highway and structure assets and other safety related upgrades. Funding for routine and periodic maintenance for FY 2011, sufficient to address all deficiencies noted in this report, will be determined for approval by the Texas Transportation Commission.

In addition to the analysis of inspection results, this report presents the current status of the CTTP with respect to the Texas Condition Assessment Program (TxCAP). The TxDOT commitment to system improvement and preservation is obvious. By continually monitoring system conditions and ensuring that its facilities are maintained in top condition, TxDOT is better able to provide for the safety and convenience of its patrons while maintaining a safe investment for bondholders.

Section 1: Introduction

1. Introduction

1.1 General Description and Procedure of Inspection

The CTTP annual inspection is conducted based on the three major categories of the system: roadways, facilities, and structures. The roadway inspection features three general categories of roadway elements: pavement, traffic operations and roadside. The facilities inspection is based on three general building types: the Customer Service Center Building, toll plaza administration buildings (mainline plazas), and toll plaza buildings (ramps). In addition to the three building types, canopy structures are present at each mainline and ramp plaza. The major elements in each of the three building types are subdivided into four categories and are detailed in Section 2.3 Facilities. All roadways and facilities were inspected by PBS&J, the CTTP General Engineering Consultant. This report reflects the findings of the roadway and building inspections that were accomplished for FY 2010. Selected photographs of roadway and facility components are included in Appendix A.

The visual inspection of all structures was conducted during this year's field inspection. The structures inspection includes bridges, overhead/cantilever signs, and High Mast Light Towers (HMLTs). A summary of all the Federal Bridge Inspection Reports for bridges within the CTTP indicates no major deficiencies with any of the Project's bridges. The bridge summary is located in Appendix C.

All three roadways within the CTTP were inspected utilizing the TxCAP scoring system. The TxCAP program combines data from three different divisions' reporting systems: The Texas Maintenance Assessment Program (TxMAP), the Pavement Management Information System (PMIS) and the Texas Traffic Assessment Program (TxTAP) to assess the CTTP's assets. The development of TxCAP eliminates duplication of the three separate scoring systems and provides a simplified and concise scoring scale. The system is based on a 5-point rating scale.

The TxCAP rating, which supports the findings of the annual inspection, allows a comparison of the CTTP roadway conditions to the statewide standard. The ratings assigned to the CTTP can be used to make general recommendations on system components needing improvement. A summary of the TxCAP rating system is described in more detail and the scores are included in the roadway section of this report. The rating system utilized by the Central Texas Turnpike Project is defined in detail in Section 2, Subsection 2.2, Roadways.

All inspections are conducted in accordance with standard procedures developed by the Federal Highway Administration and Texas Department of

Transportation (TxDOT) and involve an extensive visual examination of all elements relative to the category of inspection. A detailed tabulation of the conditions observed on the date of the field inspection is prepared in the form of inspection worksheets. The worksheets are spot-checked in the field to verify accuracy and consistency and the results are reviewed and summarized for presentation in Appendix B.

1.2 Description of Central Texas Turnpike Project

In FY 2010, the CTTP is comprised of three main roadway components. The first component, the Loop 1 Extension, is approximately three miles in length and runs north from FM 734 (Parmer Lane) to the SH 45 interchange. SH 45, the second of CTTP's three highways, currently begins west of US 183 at Ridgeline Blvd. and extends east approximately 13 miles to the SH 130/SH 45 interchange north of Pflugerville. The third component, SH 130 currently begins north of Georgetown, Texas and extends 49 miles south to US 183 in southeast Travis County. All three of the CTTP highways are multi-lane, limited access toll facilities. The three highways combined provide 65 centerline miles to Texas' Intrastate Highway System, and include 210 bridges and 57 buildings. The system's main roadway components are summarized in Table 1 and illustrated in Figure 1.

Table 1

Central Texas Turnpike Project Components

Component	Centerline Mile Lengths
	Mi.
Loop 1	3
State Highway 45	13
State Highway 130	49
Total	**65**

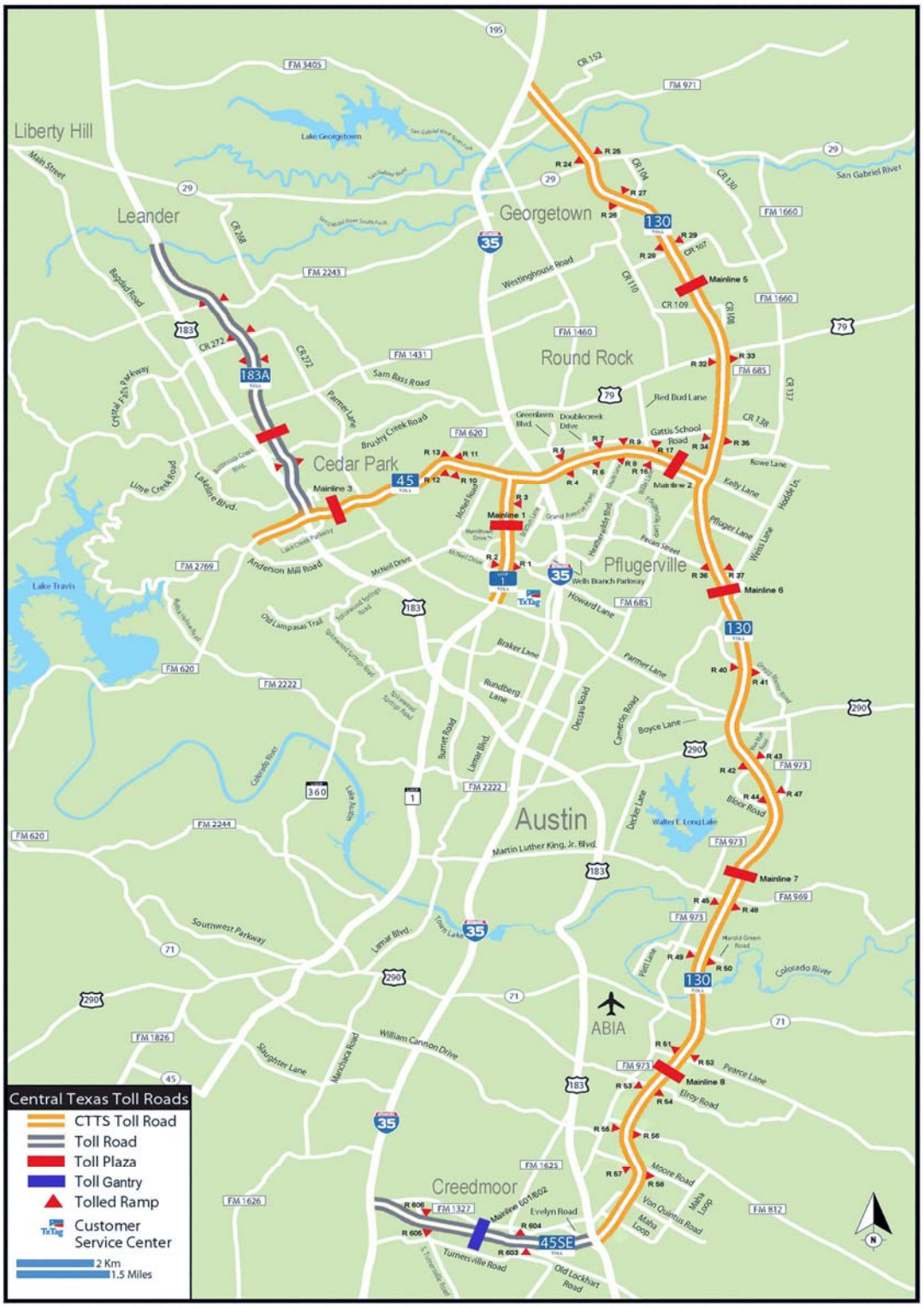

Figure 1 - Central Texas Toll Roads

Section 2: FY 2010 Maintenance Inspection Results

2. FY 2010 Maintenance Inspection Results

2.1 Introduction

The findings of the FY 2010 Annual Inspection of the Central Texas Turnpike Project are based on an extensive evaluation of the roadway, facility, and structures inspections and are outlined in the following paragraphs. The TxDOT ratings assigned to the various roadway elements are presented, along with a general description of the condition of the system's roadways, buildings and structures at the time of inspection.

No major deficiencies were found in any of the three categories of the 2010 inspection; roadways, facilities or structures that have been completed and are in service.

The CTTP inspection does not take into account the criticality of the elements in relationship to each other. When reviewing deficiencies, one should remember that a number of considerations influence the desired level of service. These include safety, protection of private and public investment, comfort, economics, environmental impact, aesthetics, and funding constraints. A pavement failure, for example, would receive priority over a deficiency in litter removal because it may have an immediate impact on the safety of the patron.

2.2 Roadways

The roadway inspection is divided into three general categories of roadway elements: pavement, traffic operations and roadside features. A sketch identifying the major elements of a typical roadway is included as Figure 2.

PBS&J utilized a Roadway Rating Procedure (RRP) based on using the original 25 roadway elements outlined in the TxCAP document. The ratings and descriptions of the numerical grading system are based on a five-point system, as used in the TxCAP system, as shown in Table 2. The 5-point system is converted to a percentage by multiplying each rating by twenty. The resulting score is then weighted by applying the TxCAP values outlined in Table 3 to determine the overall score for each category. Each category's overall score is then weighted according to appropriate TxCAP values to obtain a total composite score for the entire roadway system.

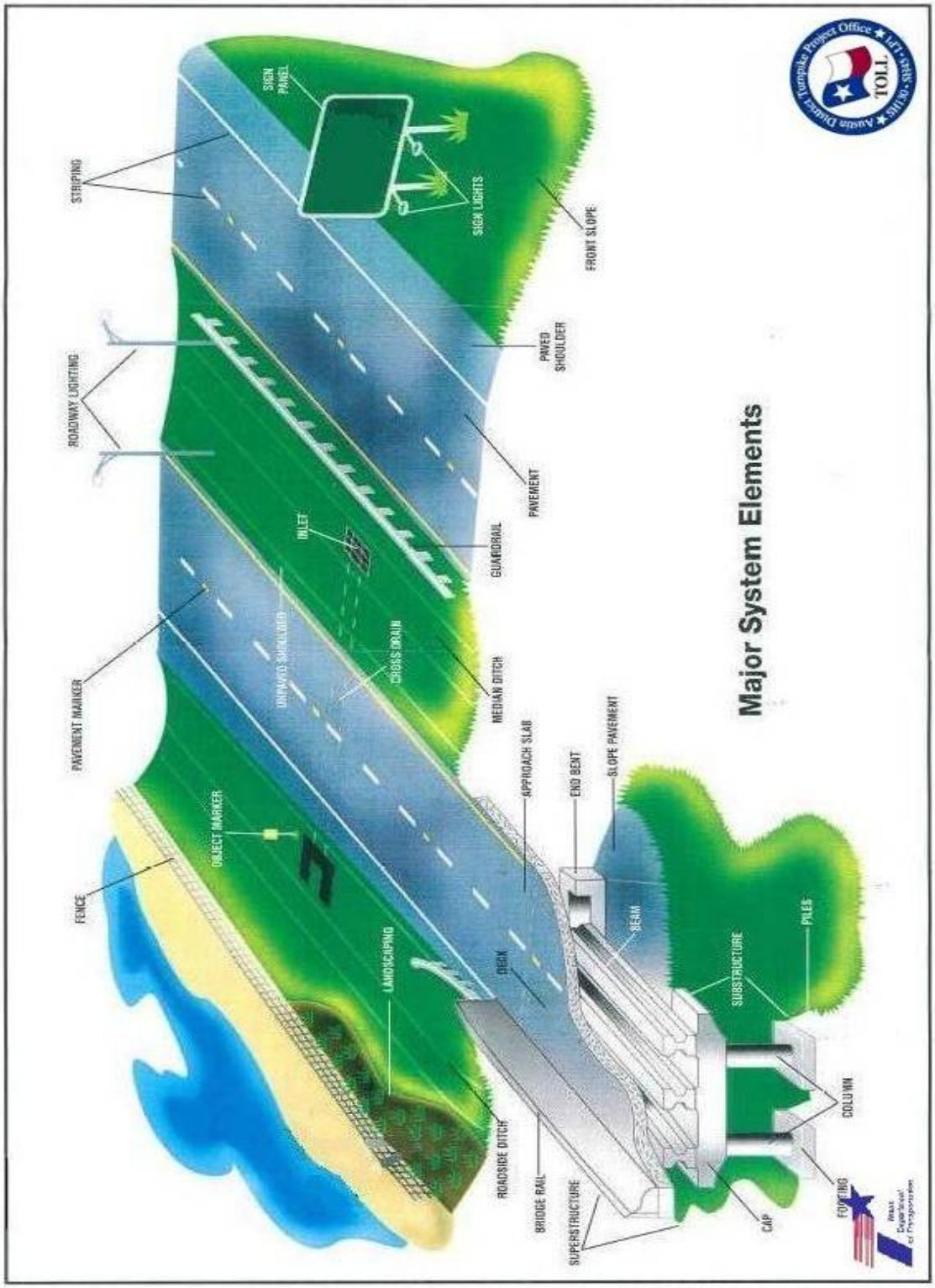

Figure 2 – Major System Elements

Table 2 **CTTP Roadway Inspection Rating Scale**		
Grade	Rating	Description
5	Excellent	No deficiencies noted. Feature is in like new condition
4	Good	No maintenance is necessary. Feature appearance and functionality/operability are good.
3	Degraded	Maintenance is required to protect public or system. Feature appearance and functionality/operability are below average.
2	Unsatisfactory	Immediate repair is required to protect public or system. Feature appearance and functionality/operability are substandard.
1	Emergency	Immediate maintenance is required to protect public or system. Feature appearance and functionality/operability are unacceptable.

Five elements; railroad crossings, signals, work zones, mailboxes and general public rating contained in the traffic operations and roadside categories were not applicable to this project. These elements are not scored in this year's inspection. The TxCAP weighted scores of the remaining elements were increased proportionally to obtain the 100-point maximum as shown in Table 3.

This information is entered directly into a database located on laptop computers in the field for later compilation and reporting for each roadway. Inspection results are separated by roadway/ramp segment and lane direction.

All of the major elements contained within each category are in Tables 4 through 6. In addition, the scores for each major element are included. A rating of two or below on the field inspection worksheets indicates that the portion of the element is degraded and reported as deficient. All three roadways contained within the CTTP are summarized in Table 7. The inspection results shown include all major categories of Turnpike roadway facilities: mainline roadways, ramps and interchanges.

The results of this year's annual inspection indicate that the Turnpike System roadway facilities are in like new condition and are being maintained in an overall excellent condition. No major roadway deficiencies were identified by the Turnpike Systems annual inspection.

Table 3
TxCAP Roadway Weighted Scoring Values

Pavement Score	**Original Percentage**	**Adjusted Percentage**
Rutting (PMIS)	17.50%	17.50%
Cracking (PMIS)	17.50%	17.50%
Failures (PMIS)	24.00%	24.00%
Ride (PMIS)	16.00%	16.00%
Edges (TxMAP)	12.00%	12.00%
Shoulders (TxMAP)	13.00%	13.00%
Traffic Operations Score		
Raised Pavement Markers (TxMAP)	10.00%	11.76%
Striping, Pavement Graphics (TxMAP)	20.00%	23.53%
Attenuators (TxMAP)	5.00%	5.88%
Delineators (TxMAP)	15.00%	17.65%
Shoulder Texturing (TxMAP)	5.00%	5.88%
Roadside Signs (TxTAP)	30.00%	35.29%
Railroad Crossings (TxTAP)	N/A (5.0%)	0.00%
Signals (TxTAP)	N/A (10.0%)	0.00%
Work Zones (TxTAP)	N/A (0.0%)	0.00%
Roadside Score		
Vegetation Management (TxMAP)	13.00%	18.57%
Litter (TxMAP)	6.00%	8.57%
Sweeping (TxMAP)	11.00%	15.71%
Trees and Brush (TxMAP)	8.00%	11.43%
Drainage (TxMAP)	12.00%	17.14%
Encroachments (TxMAP)	8.00%	11.43%
Guardrails (TxMAP)	7.00%	10.00%
Guardrail End Treatments (TxMAP)	5.00%	7.14%
Mailboxes (TxMAP)	N/A (7.0%)	0.00%
General Public Rating (TxMAP)	N/A (23.0%)	0.00%
Overall Score		
Pavement	**50.00%**	**50.00%**
Traffic Operations	**25.00%**	**25.00%**
Roadside	**25.00%**	**25.00%**

2.2.1 Pavement

The pavement category includes; rutting, cracking, pavement failures, ride rating, edges and shoulders. Pavement throughout the CTTP was generally found in like new condition and achieved an overall score of 94. The lowest pavement element score, cracking, received a score of 75 and was noted on SH 45. There were no major deficiencies on any of the three roadway systems reported by the annual inspection.

Figure 3 - Typical Roadway Section

TxDOT Austin District Maintenance has noted the need for the repair of pavement on the southbound approach to the ML 1 toll plaza on Loop 1. Testing and analysis is underway to determine the requirements of the repair.

2.2.2 Traffic Operations

The Traffic Operations category ratings are based on the condition of all features that guide, protect, and assist the patron while traveling the Turnpike System's roadways and interchanges. A Traffic Operations score rating of 94 was achieved. No single element on any of the three roadways was found to be in less than good condition.

The TxCAP rating system does not include an evaluation of lighting systems, but as has been done in previous years, a nighttime inspection of the CTTP was performed in order to assess the overall condition of the system lights. High mast light towers and cobra head streetlights were examined as part of this inspection. The majority of the system was in working order. However, many lights were found to be in need of service.

High mast light towers are present at the major interchanges within the CTTP system. The high mast towers at the SH 45/IH 35 interchange were observed to have approximately 5 to 6 bulbs out at each of the light towers. The SH 45/SH 130 and SH 130/IH 35 interchanges each had one tower that was not operating at all, but the remaining towers at these locations appeared to be functioning normally. Several of the towers at the SH 45/US 183 and SH 45/Loop 1 interchanges exhibited only 1 or 2 bulbs out each, and the towers at the SH 130 interchanges with US 290 and SH 71 appeared to be fully functional.

Cobra head streetlights are present at many areas throughout the CTTP, most frequently at interchanges and tolling locations. A majority of these lights were functioning properly; however there were lights out at most mile segments along the three corridors. Additionally, several circuits were noted as not functioning on all three of the CTTP system's highways. Locations of the non-functioning lights are detailed in the inspection worksheets located in Appendix B.

Figure 4 – Roadside Sign and Pavement Symbols

2.2.3 Roadside

The determination of the Roadside score for roadside features is generally based upon the consideration of vegetation management, litter removal, drainage structures, and other elements located outside of the paved travel way (Figure 2). The roadside category is in excellent condition and has achieved an overall score of 97. There were no characteristics that rated lower than 86. The lowest element, vegetation management, was found on SH 130. A combination of sparse and/or missing turf in combination with minor erosion contributed to the reduced score. Some of the vegetation management issues may be attributed to the severe drought conditions present through the summer of 2009 that were quickly followed by intense rains.

Figure 5 – Deteriorated Shoulder and Turf Condition

Figure 6 – Desired Shoulder and Turf Condition

Table 4
Condition of CTTP Roadway Elements – Loop 1
FY 2010

Category	Component	Component Score	Maximum Score	Sub Score	TxCAP Weighted Value	Weighted Score
Pavement Score	Rutting	1,400	1,400	100	17.50%	17.5
	Cracking	3,780	4,700	80	17.50%	14.1
	Failures	1,400	1,400	100	24.00%	24.0
	Ride	1,400	1,400	100	16.00%	16.0
	Edges	1,400	1,400	100	12.00%	12.0
	Shoulders	1,660	1,900	87	13.00%	11.4
Loop 1 - Pavement Score						95
Traffic Operations Score	Raised Pavement Markers	1,260	1,300	97	11.76%	11.4
	Striping, Pavement Graphics	1,480	1,800	82	23.53%	19.3
	Attenuators	1,200	1,200	100	5.88%	5.9
	Delineators	1,500	1,600	94	17.65%	16.5
	Shoulder Texturing	1,500	1,700	88	5.88%	5.2
	Roadside Signs	1,275	1,275	100	35.29%	35.3
	Railroad Crossings	0	0	0	0.00%	0.0
	Signals	0	0	0	0.00%	0.0
	Work Zones	0	0	0	0.00%	0.0
Loop 1 - Traffic Operations Score						94
Roadside Score	Vegetation Management	1,280	1,300	98	18.57%	18.3
	Litter	1,380	1,400	99	8.57%	8.4
	Sweeping	1,400	1,400	100	15.71%	15.7
	Trees and Brush	800	800	100	11.43%	11.4
	Drainage	1,217	1,243	98	17.14%	16.8
	Encroachments	800	800	100	11.43%	11.4
	Guardrails	1,400	1,400	100	10.00%	10.0
	Guardrail End Treatments	1,400	1,400	100	7.14%	7.1
	Mailboxes	0	0	0	0.00%	0.0
	General Public Rating	0	0	0	0.00%	0.0
Loop 1 - Roadside Score						99
Category Score	Pavement	11,040	12,200	95	50.00%	47.5
	Traffic Operations	8,215	8,875	94	25.00%	23.4
	Roadside	9,677	9,743	99	25.00%	24.8
Loop 1 - Total Roadway Score						**96**

Table 5
Condition of CTTP Roadway Elements – SH 45
FY 2010

Category	Component	Component Score	Maximum Score	Sub Score	TxCAP Weighted Value	Weighted Score
Pavement Score	Rutting	5,100	5,100	100	17.50%	17.5
	Cracking	8,300	11,000	75	17.50%	13.2
	Failures	5,156	5,180	100	24.00%	23.9
	Ride	5,100	5,100	100	16.00%	16.0
	Edges	5,200	5,200	100	12.00%	12.0
	Shoulders	5,260	6,400	82	13.00%	10.7
SH 45 - Pavement Score						**93**
Traffic Operations Score	Raised Pavement Markers	3,820	4,700	81	11.76%	9.6
	Striping, Pavement Graphics	4,860	5,700	85	23.53%	20.1
	Attenuators	3,900	3,900	100	5.88%	5.9
	Delineators	2,900	3,300	88	17.65%	15.5
	Shoulder Texturing	4,510	4,550	99	5.88%	5.8
	Roadside Signs	4,445	4,475	99	35.29%	35.1
	Railroad Crossings	0	0	0	0.00%	0.0
	Signals	0	0	0	0.00%	0.0
	Work Zones	0	0	0	0.00%	0.0
SH 45 - Traffic Operations Score						**92**
Roadside Score	Vegetation Management	4,540	4,700	97	18.57%	17.9
	Litter	5,120	5,400	95	8.57%	8.1
	Sweeping	5,020	5,100	98	15.71%	15.4
	Trees and Brush	3,000	3,000	100	11.43%	11.4
	Drainage	4,386	4,486	98	17.14%	16.8
	Encroachments	3,000	3,000	100	11.43%	11.4
	Guardrails	4,600	4,600	100	10.00%	10.0
	Guardrail End Treatments	4,600	4,600	100	7.14%	7.1
	Mailboxes	0	0	0	0.00%	0.0
	General Public Rating	0	0	0	0.00%	0.0
SH 45 - Roadside Score						**98**
Category Score	Pavement	34,116	37,980	93	50.00%	46.6
	Traffic Operations	24,435	26,625	92	25.00%	23.0
	Roadside	34,266	34,886	98	25.00%	24.6
SH 45 - Total Roadway Score						**94**

Table 6
Condition of CTTP Roadway Elements – SH 130
FY 2010

Category	Component	Component Score	Maximum Score	Sub Score	TxCAP Weighted Value	Weighted Score
Pavement Score	Rutting	17,200	17,200	100	17.50%	17.5
	Cracking	24,200	30,600	79	17.50%	13.8
	Failures	17,120	17,180	100	24.00%	23.9
	Ride	17,200	17,200	100	16.00%	16.0
	Edges	17,200	17,200	100	12.00%	12.0
	Shoulders	18,120	21,100	86	13.00%	11.2
SH 130 - Pavement Score						**94**
Traffic Operations Score	Raised Pavement Markers	16,120	17,000	95	11.76%	11.2
	Striping, Pavement Graphics	16,300	18,300	89	23.53%	21.0
	Attenuators	7,500	7,500	100	5.88%	5.9
	Delineators	16,420	17,400	94	17.65%	16.7
	Shoulder Texturing	17,010	18,550	92	5.88%	5.4
	Roadside Signs	17,095	17,150	100	35.29%	35.2
	Railroad Crossings	0	0	0	0.00%	0.0
	Signals	0	0	0	0.00%	0.0
	Work Zones	0	0	0	0.00%	0.0
SH 130 - Traffic Operations Score						**95**
Roadside Score	Vegetation Management	18,087	21,033	86	18.57%	16.0
	Litter	16,920	17,700	96	8.57%	8.2
	Sweeping	17,360	17,500	99	15.71%	15.6
	Trees and Brush	13,540	13,700	99	11.43%	11.3
	Drainage	16,163	16,671	97	17.14%	16.6
	Encroachments	13,540	13,700	99	11.43%	11.3
	Guardrails	17,200	17,200	100	10.00%	10.0
	Guardrail End Treatments	17,200	17,200	100	7.14%	7.1
	Mailboxes	0	0	0	0.00%	0.0
	General Public Rating	0	0	0	0.00%	0.0
SH 130 - Roadside Score						**96**
Category Score	Pavement	111,040	120,480	94	50.00%	47.2
	Traffic Operations	90,445	95,900	95	25.00%	23.8
	Roadside	130,010	134,704	96	25.00%	24.0
SH 130 - Total Roadway Score						**95**

Table 7
Condition of CTTP Roadway Elements – All Roadways
FY 2010

Category	Component	Component Score	Maximum Score	Sub Score	TxCAP Weighted Value	Weighted Score
Pavement Score	Rutting	23,700	23,700	100	17.50%	17.5
	Cracking	36,280	46,300	78	17.50%	13.7
	Failures	23,676	23,760	100	24.00%	23.9
	Ride	23,700	23,700	100	16.00%	16.0
	Edges	23,800	23,800	100	12.00%	12.0
	Shoulders	25,040	29,400	85	13.00%	11.1
CTTP (All Roadways) - Pavement Score						**94**
Traffic Operations Score	Raised Pavement Markers	21,200	23,000	92	11.76%	10.8
	Striping, Pavement Graphics	22,640	25,800	88	23.53%	20.6
	Attenuators	12,600	12,600	100	5.88%	5.9
	Delineators	20,820	22,300	93	17.65%	16.5
	Shoulder Texturing	23,020	24,800	93	5.88%	5.5
	Roadside Signs	22,815	22,900	100	35.29%	35.2
	Railroad Crossings	0	0	0	0.00%	0.0
	Signals	0	0	0	0.00%	0.0
	Work Zones	0	0	0	0.00%	0.0
CTTP (All Roadways) - Traffic Operations Score						**94**
Roadside Score	Vegetation Management	23,907	27,033	88	18.57%	16.4
	Litter	23,420	24,500	96	8.57%	8.2
	Sweeping	23,780	24,000	99	15.71%	15.6
	Trees and Brush	17,340	17,500	99	11.43%	11.3
	Drainage	21,766	22,400	97	17.14%	16.7
	Encroachments	17,340	17,500	99	11.43%	11.3
	Guardrails	23,200	23,200	100	10.00%	10.0
	Guardrail End Treatments	23,200	23,200	100	7.14%	7.1
	Mailboxes	0	0	0	0.00%	0.0
	General Public Rating	0	0	0	0.00%	0.0
CTTP (All Roadways) - Roadside Score						**97**
Category Score	Pavement	156,196	170,660	94	50.00%	47.1
	Traffic Operations	123,095	131,400	94	25.00%	23.6
	Roadside	173,953	179,333	97	25.00%	24.2
Total Central Texas Toll Roadway Score						**95**

2.3 Facilities

The facilities inspection is based on three general building types: The Customer Service Center Building, toll plaza administration buildings (mainline plazas), and toll plaza buildings (ramps). In addition to the three building types, canopy structures are present at each mainline and ramp plaza. The major characteristics of each building type are subdivided into four categories: architectural, tollbooths, mechanical, and electrical components. Fifty-seven buildings currently exist and were in service at the time of the FY 2010 inspection. Approximately 6,354 facility asset items were inspected, of which, 69 were rated as being in less than fair (rating of 2 or less) condition, for a deficiency rate of 1.09 percent. However, it should be pointed out that, in most cases, these deficiencies represented an aesthetics problem and not structural or safety issues. The CTTP system building quantities are detailed in Table 8.

Table 8
Central Texas Turnpike Building Quantities - FY 2010

Building Types	Loop 1	SH 130	SH 45	Totals
Customer Service Center	1	0	0	1
Mainline Plazas	1	8	2	11
Ramp Plazas	3	30	12	45
Totals	5	38	14	57

As part of the inspection process, all relevant structural components and associated mechanical and electrical systems for all facilities are visually inspected. The ratings are assigned based on the conditions observed and the descriptions of the numerical grading system are based on the same five-point system utilized for the roadway system elements (Table 3). Elements rated deficient are compared to the total number of elements inspected to achieve a percent deficient for each element in each category. A summary of the results for each of the three roadways are contained in Tables 9 through 11, and a system-wide summary is shown in Table 12.

Elements that reported the highest deficiency rate were walks and curbs systems (site grounds with incomplete landscaping) at 40%.

There have been concerns regarding concrete pavement cracks where the toll collection system is installed. Currently the pavement score does not show a deficiency, but throughout the CTTS there are small cracks which have the potential to affect the toll system's collection capabilities. These locations require continual monitoring in order to determine the appropriate time for pavement rehabilitation or replacement. This is not expected to occur during FY 2011, but is anticipated sometime in the next several years.

2.3.1 Customer Service Center

The TxTag Customer Service Center (CSC), as shown in Figure 7 below, provides customer service and account management support for TxDOT's toll projects throughout the state. "TxTag" is the toll transponder that patrons use to pay tolls electronically by establishing a pre-paid account. The CSC also provides system and accounting services for Pay by Mail customers who are billed monthly for their tolls. As the primary center for customer service, the CSC houses TxDOT's customer call center and website support services.

The customer service center became operational in July 2006, and now operates six days a week, 12 hours each weekday and 9 hours on Saturday with approximately 150 employees. With the focus of toll collection moving from manual collection to all electronic (AET), the CSC role has become more important in the collection and accounting of toll revenue. The CSC system database houses information on daily transactions, the toll revenue due by toll collection type, the interoperable revenue due from other agencies and financial reporting information. Other staff include general administration, quality assurance, accounting and reconciliation, human resources, and facility administration.

Figure 7 - Customer Service Center

2.3.2 Mainline and Ramp Plaza Facilities and Canopies

The toll plaza administration facilities and canopies are located either as part of a mainline toll plaza or ramp toll plaza facility. The canopies typically extend from the administration buildings outward, over the tollbooths or toll collection equipment located between the travel lanes. The administration buildings not located at ramp toll plazas are connected to the toll collection booths/equipment by means of an underground tunnel. This facilitates the transport of personnel, toll collection data, and supplies.

Figure 8 - Ramp Canopy

2.3.3 Tollbooths

All tollbooths, including forty that have been decommissioned were inspected during the FY 2010 inspection. Tollbooths and related subcomponents were noted in excellent condition throughout the CTTP. Only one tollbooth element, Toll A/C at 9.24% was rated deficient within the system. It was noted that 8 of the 9 tollbooth AC's found deficient were in booths that have been taken out of service. A typical tollbooth configuration is pictured below in Figure 9. The condition of the elements and the corresponding deficiencies for each of these categories is summarized in Tables 9 through 11, with a system-wide summary shown in Table 12.

Figure 9 - Tollbooth

2.3.4 Mechanical

Mechanical elements include plumbing fixtures, sewer/septic lines and well and water lines. Five plumbing fixtures were noted in less than fair condition within the system.

2.3.5 Electrical

Of the 1298 total elements in the electrical category, only eleven elements were noted as deficient for an overall deficiency rate of 0.85%. Seven of the deficient elements are non-functioning GFI receptacles located at several facilities throughout the system. No generators were found to be deficient.

Figure 10 – Facility Generator

Table 9

Condition of CTTP Facilities - Loop 1 - FY 2010

Category	Element	Number Inspected	Number Rated Less Than Fair	Percent Deficient
Architectural	Parking Area & Drive Pvm't	39	1	2.56%
	Walks And Curbs	4	0	0.00%
	Area Lights	6	0	0.00%
	Site Drainage	0	0	0.00%
	Irrigation System	2	0	0.00%
	Exterior Walls	18	2	11.11%
	Exterior Trim	4	0	0.00%
	Exterior Windows	78	0	0.00%
	Exterior Doors	22	0	0.00%
	Interior Walls & Ceilings	575	0	0.00%
	Interior Windows & Sills	0	0	0.00%
	Interior Doors	116	0	0.00%
	Interior Flooring	137	1	0.73%
	Fire Extinguishers & Cabinets	38	0	0.00%
	Toilet Partitions & Screens	1	0	0.00%
	Bath Accessories	5	0	0.00%
	Lockers	0	0	0.00%
	Interior Signs	28	1	3.57%
	Roofs	3	1	33.33%
	Air Conditioners	174	1	0.57%
	Tunnel	8	0	0.00%
	Elevators, Dumbwaiters	2	0	0.00%
Toll Booths	Exterior Booth	14	0	0.00%
	Interior Booth	14	0	0.00%
	Toll Doors	14	0	0.00%
	Window	14	0	0.00%
	Counter/Drawer	19	0	0.00%
	Toll Light	8	0	0.00%
	Toll A/C	31	3	9.68%
	Underside Of Roof	4	0	0.00%
	Traffic Lights	28	0	0.00%
	Area Lights	6	0	0.00%
	Signs	32	0	0.00%
	Concrete Pavement	9	0	0.00%
	Nose Flashers (In Gator Heads)	0	0	0.00%
	Concrete Bumpers (Parking Stops)	0	0	0.00%
	Traffic Signal	0	0	0.00%
	Toll Indicator	24	0	0.00%
Mechanical	Plumbing Fixtures	42	1	2.38%
	Sewer / Septic Lines	0	0	0.00%
	Well / Water Lines	0	0	0.00%
Electrical	Building Electrical Fixtures	385	3	0.78%
	Generators	9	0	0.00%

Table 10

Condition of CTTP Facilities - SH 45 - FY 2010

Category	Element	Number Inspected	Number Rated Less Than Fair	Percent Deficient
Architectural	Parking Area & Drive Pvm't	90	1	1.11%
	Walks And Curbs	4	0	0.00%
	Area Lights	6	0	0.00%
	Site Drainage	0	0	0.00%
	Irrigation System	2	0	0.00%
	Exterior Walls	28	0	0.00%
	Exterior Trim	14	0	0.00%
	Exterior Windows	26	0	0.00%
	Exterior Doors	18	2	11.11%
	Interior Walls & Ceilings	256	2	0.78%
	Interior Windows & Sills	0	0	0.00%
	Interior Doors	53	1	1.89%
	Interior Flooring	65	0	0.00%
	Fire Extinguishers & Cabinets	27	0	0.00%
	Toilet Partitions & Screens	0	0	0.00%
	Bath Accessories	15	0	0.00%
	Lockers	2	0	0.00%
	Interior Signs	15	0	0.00%
	Roofs	3	0	0.00%
	Air Conditioners	104	0	0.00%
	Tunnel	8	1	12.50%
	Elevators, Dumbwaiters	4	0	0.00%
Toll Booths	Exterior Booth	14	0	0.00%
	Interior Booth	14	0	0.00%
	Toll Doors	14	0	0.00%
	Window	14	0	0.00%
	Counter/Drawer	29	0	0.00%
	Toll Light	28	0	0.00%
	Toll A/C	40	2	5.00%
	Underside Of Roof	14	0	0.00%
	Traffic Lights	65	2	3.08%
	Area Lights	6	0	0.00%
	Signs	68	0	0.00%
	Concrete Pavement	30	0	0.00%
	Nose Flashers (In Gator Heads)	0	0	0.00%
	Concrete Bumpers (Parking Stops)	0	0	0.00%
	Traffic Signal	0	0	0.00%
	Toll Indicator	50	0	0.00%
Mechanical	Plumbing Fixtures	32	2	6.25%
	Sewer/Septic Lines	0	0	0.00%
	Well/Water Lines	0	0	0.00%
Electrical	Building Electrical Fixtures	299	2	0.67%
	Generators	16	0	0.00%

Table 11

Condition of CTTP Facilities - SH 130 - FY 2010

Category	Element	Number Inspected	Number Rated Less Than Fair	Percent Deficient
Architectural	Parking Area & Drive Pvm't	195	0	0.00%
	Walks And Curbs	27	14	51.85%
	Area Lights	23	0	0.00%
	Site Drainage	0	0	0.00%
	Irrigation System	8	0	0.00%
	Exterior Walls	77	0	0.00%
	Exterior Trim	38	0	0.00%
	Exterior Windows	55	0	0.00%
	Exterior Doors	29	0	0.00%
	Interior Walls & Ceilings	486	0	0.00%
	Interior Windows & Sills	0	0	0.00%
	Interior Doors	97	1	1.03%
	Interior Flooring	110	3	2.73%
	Fire Extinguishers & Cabinets	39	0	0.00%
	Toilet Partitions & Screens	2	0	0.00%
	Bath Accessories	23	3	13.04%
	Lockers	2	0	0.00%
	Interior Signs	36	0	0.00%
	Roofs	13	1	7.69%
	Air Conditioners	235	1	0.43%
	Tunnel	0	0	0.00%
	Elevators, Dumbwaiters	0	0	0.00%
Toll Booths	Exterior Booth	20	0	0.00%
	Interior Booth	29	0	0.00%
	Toll Doors	21	0	0.00%
	Window	20	0	0.00%
	Counter/Drawer	35	1	2.86%
	Toll Light	76	0	0.00%
	Toll A/C	48	6	12.50%
	Underside Of Roof	37	0	0.00%
	Traffic Lights	124	2	1.61%
	Area Lights	23	0	0.00%
	Signs	136	0	0.00%
	Concrete Pavement	84	0	0.00%
	Nose Flashers (In Gator Heads)	0	0	0.00%
	Concrete Bumpers (Parking Stops)	0	0	0.00%
	Traffic Signal	0	0	0.00%
	Toll Indicator	86	0	0.00%
Mechanical	Plumbing Fixtures	70	2	2.86%
	Sewer/Septic Lines	0	0	0.00%
	Well/Water Lines	0	0	0.00%
Electrical	Building Electrical Fixtures	614	6	0.98%
	Generators	59	0	0.00%

Table 12

Condition of Facilities - CTTP (All Roadways) - FY 2010

Category	Element	Number Inspected	Number Rated Less Than Fair	Percent Deficient
Architectural	Parking Area & Drive Pvm't	324	2	0.62%
	Walks And Curbs	35	14	40.00%
	Area Lights	35	0	0.00%
	Site Drainage	0	0	0.00%
	Irrigation System	12	0	0.00%
	Exterior Walls	123	2	1.63%
	Exterior Trim	56	0	0.00%
	Exterior Windows	159	0	0.00%
	Exterior Doors	69	2	2.90%
	Interior Walls & Ceilings	1,317	2	0.15%
	Interior Windows & Sills	0	0	0.00%
	Interior Doors	266	2	0.75%
	Interior Flooring	312	4	1.28%
	Fire Extinguishers & Cabinets	104	0	0.00%
	Toilet Partitions & Screens	3	0	0.00%
	Bath Accessories	43	3	6.98%
	Lockers	4	0	0.00%
	Interior Signs	79	1	1.27%
	Roofs	19	2	10.53%
	Air Conditioners	513	2	0.39%
	Tunnel	16	1	6.25%
	Elevators, Dumbwaiters	6	0	0.00%
Toll Booths	Exterior Booth	48	0	0.00%
	Interior Booth	57	0	0.00%
	Toll Doors	49	0	0.00%
	Window	48	0	0.00%
	Counter/Drawer	83	1	1.20%
	Toll Light	112	0	0.00%
	Toll A/C	119	11	9.24%
	Underside Of Roof	55	0	0.00%
	Traffic Lights	217	4	1.84%
	Area Lights	35	0	0.00%
	Signs	236	0	0.00%
	Concrete Pavement	123	0	0.00%
	Nose Flashers (In Gator Heads)	0	0	0.00%
	Concrete Bumpers (Parking Stops)	0	0	0.00%
	Traffic Signal	0	0	0.00%
	Toll Indicator	160	0	0.00%
Mechanical	Plumbing Fixtures	144	5	3.47%
	Sewer/Septic Lines	0	0	0.00%
	Well/Water Lines	0	0	0.00%
Electrical	Building Electrical Fixtures	1,298	11	0.85%
	Generators	84	0	0.00%

2.4 Structures

The structures inspection consisted of a visual inspection of the bridge deck, deck joints, related vehicle containment elements, approach slabs, overhead/cantilever signs, and HMLTs. No major deficiencies were found during the assessment for any of the categories related to the CTTP structures. In addition, a summary of the Federal Bridge Inspection Reports for the CTTP bridges were compiled and reviewed. It should be noted that no significant deficiencies were reported or observed that pose a safety threat to users of Central Texas Turnpike Project. Table 13 shown below summarizes all major structures of the CTTP.

Table 13

Quantities of CTTP Major Structures - FY 2010

Category	Loop 1	SH 45	SH 130	TOTALS
Bridges	15	69	126	210
Overhead/Cantilever Signs	21	64	65	150
High-Mast Light Towers	3	49	23	75
Totals	39	182	214	435

2.4.1 Bridges

The Federal Bridge Inspection Summary Report (Appendix C) was compiled, reviewed, and is included on the CD located in the CD jacket inside the back cover of this report. The bridge components and major elements are listed in Table 14. The biennial inspection is based on three main components, comprised of a total of 93 elements and 117 sub-elements for fixed bridges only. A numerical score is generated for each component based on the rating scale shown in Table 15. At the time this report was prepared, 132 of the 210 bridges within the CTTP had been inspected since last year's report. Based on conversations with TxDOT, the remaining 78 bridges are currently under inspection and the results will be available for next year's Annual Inspection Report. A review of the Federal Bridge Inspection Summary Report found no major deficiencies on any bridge within the CTTP. Of the 210 bridges within the CTTP only 3 (1.4%) had a rating in any category as low as 6 (Satisfactory). The remainder of the ratings were all in the 7 to 9 range (Good to Excellent).

Figure 11 - Bridges

Table 14 **Bridge Components**		
Deck	**Substructure**	**Superstructure**
Concrete Deck/Slab	Column or Pile	Closed/Open Girders
Deck Joints	Hollow Core Pile	Stringer
Approach Slabs	Pier Wall	Thru Truss
Bridge Railing	Abutment	Deck Truss
	Pile Cap/Footing	Arch
	Pile Jacket	Floor Beams
	Cap	Culvert
	Abutment Slope Protection	Bearings
	Bulkhead/Seawall	Unpainted Steel Superstructure
	Fender/Dolphin System	Painted Steel Superstructure
	Wingwall/Retaining Wall	Prestressed Concrete Superstructure
	Mechanically Stabilized Earth Wall	Reinforced Concrete Superstructure

Table 15 **Bridge Inspection Rating Scale**		
Grade	**Rating**	**Description**
9	Excellent	All elements are in excellent condition.
8	Very Good	There were no problems noted.
7	Good	Element has some minor problems. Minor maintenance may be needed.
6	Satisfactory	Element shows some minor deterioration. Maintenance may be needed.
5	Fair	Element is sound, but may have minor section loss. Minor rehabilitation may be needed.
4	Poor	Element exhibits advanced section loss. Major rehabilitation may be needed.
3	Serious	Element has loss of section that has seriously affected the structure. Repair of rehabilitation is required immediately.
2	Critical	Element shows advanced deterioration. It may be necessary to close the bridge until corrective action is taken.
1	Imminent Failure	Bridge is closed to traffic. Corrective action may permit light service.
0	Failed	Bridge is out of service and beyond corrective action.

2.4.2 Overhead/Cantilever Signs

Overhead and cantilever signs, such as the one pictured in Figure 12, are suspended above the travel way by large support structures and are included in the roadside category. These signs provide critical directional information, guiding the patron throughout the Central Texas Turnpike Project. TxDOT performed an inspection of the overhead/cantilever structures at the completion of their construction. At that time, none of the overhead/cantilever sign components and subcomponents inspected was noted as being in less than fair condition. We recommend that TxDOT conduct a biennial inspection of the overhead/cantilever sign components included in the assessment as listed in Table 16 below. The standard five point TxCAP rating scale was utilized to assess the condition of all overhead/cantilever sign structures.

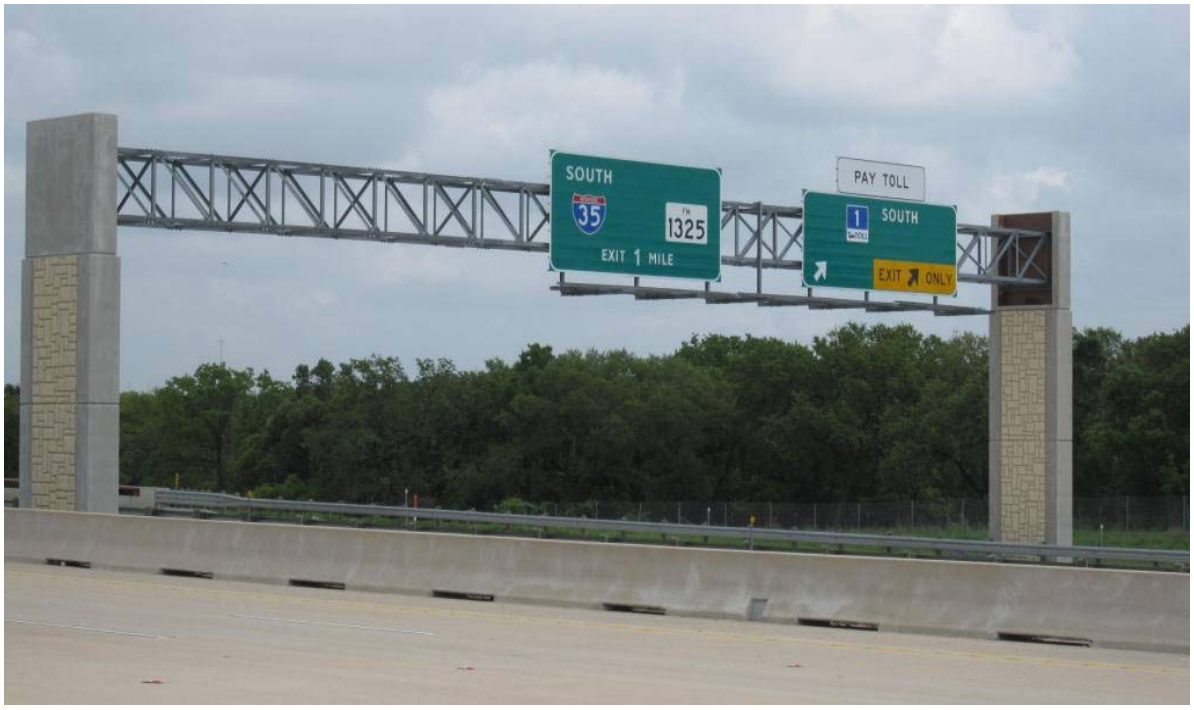

Figure 12 - Overhead Sign Structure

Table 16 **Overhead/Cantilever Sign Components**	
Overlane Sign Structure Foundation	Overlane Sign Structure Horizontal Member
	Overlane Sign Structure Vertical Member

2.4.3 High Mast Light Towers (HMLTs)

Similar to overhead/cantilever signs, HMLTs were inspected by TxDOT at the completion of their construction. No deficiencies were noted during the post construction inspection. These structures, like the one pictured in Figure 13, provide illumination for improved nighttime visibility at various locations along the CTTP, such as interchanges and toll facilities. The condition of high mast light towers is determined by the two components listed in Table 17 below. We recommend that TxDOT conduct a biennial inspection of the structural components of the High Mast Light Towers.

Figure 13 – High Mast Light Tower

Table 17 **High Mast Light Tower Components**	
High Mast Light Tower Foundation	High Mast Light Towers

Section 3: Program Status, Commitments, and Recommendations

3. Program Status, Commitments, and Recommendations

3.1 Program Status

The condition of the roadway, building and structure assets of the CTTP is excellent. This is due both to the project having been opened to traffic recently and the proactive maintenance program that has been put in place by TxDOT.

3.2 Programmed Commitments

As required by the bond indenture, the Texas Transportation Commission (TTC) approved the FY 2010 maintenance budget prior to the start of the fiscal year. The amounts approved were $9,281,334 for routine maintenance and $2,090,000 for the maintenance reserve account for 'Unusual and Extraordinary Maintenance' or periodic maintenance.

It is expected that TxDOT will expend approximately $8,300,000 this fiscal year for routine maintenance. TxDOT has preliminarily programmed $8,650,000 for routine maintenance for the CTTP for the Fiscal Year 2011. This funding level is appropriate to address the deficiencies identified by this report to continue to maintain the facility properly.

The maintenance reserve for FY 2010 was estimated to repair pavement at two locations. The first location is at the southbound approach to the mainline toll plaza (ML 1) on Loop 1 and the second location is on the eastbound frontage road along SH 45 between CR 172 and La Frontera Blvd. As of the date of this report, those improvements have not been made.

The repair for the Loop 1 pavement was estimated at $440,000. The Austin District has initiated testing and analysis of the section to determine the scope of the improvements required. The cost for this repair will be included in the maintenance reserve requirements for FY 2011.

It has been determined that the eastbound frontage road along SH 45 was constructed prior to the CTTP and is not considered a part of the CTTP. The repair at this location is to be funded from non-CTTP sources and not from the reserve maintenance account.

PBS&J will work with TxDOT and will review and comment on the proposed Maintenance and Reserve account funding levels prior to the approval of those funding levels at the August 2010 TTC meeting. The Maintenance Reserve account will be reviewed to ensure that the appropriate funding for FY 2011 is in place for necessary repairs.

3.3 Recommendations

- Those elements identified as sub-standard should be addressed and returned to the proper level.
- TxDOT initiate an inspection program for overhead and cantilever sign components.
- TxDOT initiate an inspection program for high mast light towers.
- TxDOT should use the maintenance reserve funds to repair the Loop 1 pavement as noted.

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