

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 07-65**

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the CTRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, the CTRMA identified the proposed 183-A Turnpike Project (the "Project") as its initial project in a petition filed under the RMA rules and has subsequently undertaken to cause the Project to be constructed under the terms of a Comprehensive Development Agreement; and

WHEREAS, Section 370.181(c) of the Texas Transportation Code provides that an authority such as the CTRMA may contract with any state or local government for the services of peace officers provided by that government; and

WHEREAS, the Board of Directors in Resolution No. 07-01, dated January 31, 2007, agreed that such law enforcement and policing services should be provided by the City of Cedar Park, Texas ("Cedar Park"), and

WHEREAS, pursuant to Resolution No. 07-01, the CTRMA and Cedar Park entered into an Interlocal Cooperation Agreement-183-A Turnpike Law Enforcement Services dated effective February 22, 2007 (the "Interlocal Agreement"); and

WHEREAS, the Interlocal Agreement authorized Cedar Park to provide law enforcement services to the CTRMA on the Project with a three phased approach that included safety and incident management, traffic enforcement, and toll violations enforcement, all in accordance with the direction of and cooperation with the CTRMA; and

WHEREAS, Section 370.177(a) of the Texas Transportation Code provides that "[the] operator of a vehicle who drives or tows a vehicle through a toll collection facility and does not pay the proper toll commits an offense" with a fine not to exceed \$250.00 to be enforced in a court of proper jurisdiction, and Section 370.177(h) provides for the collection by the court of the proper toll and an administrative fee to be paid to the authority (in this case, the CTRMA); and

WHEREAS, to date, the focus of the CTRMA's efforts through the Interlocal Agreement has been on safety and incident management as well as traffic enforcement; however, it is now the CTRMA's desire that Cedar Park also provide toll violations enforcement at the Park Street Plaza and the Brushy Creek Plazas (all of which are in the city limits of Cedar Park) pursuant to

Sections 3(a) and 3(d) of the Interlocal Agreement and Section 370.177(a) and (h) of the Texas Transportation Code; and

WHEREAS, CTRMA staff recommends that the CTRMA give direction to and cooperate with Cedar Park under the terms of the Interlocal Agreement to have toll violations enforcement services provided by Cedar Park through its Police Department and court system for violations at the Park Street Plaza and the Brushy Creek Plazas in accordance with the relevant statutes.


NOW THEREFORE, BE IT RESOLVED, that the CTRMA Board of Directors directs the Executive Director and CTRMA staff to give ongoing direction to and cooperate with Cedar Park under the terms of the Interlocal Agreement to have toll violations enforcement services provided by Cedar Park through its Police Department and court system for violations at the Park Street Plaza and the Brushy Creek Plazas under the relevant statutes; and


BE IT FURTHER RESOLVED, that the Executive Director and CTRMA staff are directed to insure that all aspects of the three phased approach to law enforcement services for the Project as provided under the Interlocal Agreement continue to be emphasized for the safety and convenience of the CTRMA's customers.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 7th day of November, 2007.

Submitted and reviewed by:

Approved:

  
\_\_\_\_\_  
Tom Nielson  
General Counsel for the Central  
Texas Regional Mobility Authority

  
\_\_\_\_\_  
Robert E. Tesch  
Chairman, Board of Directors  
Resolution Number 07-65  
Date Passed 11/7/07

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 07-66**

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, the CTRMA is charged with funding and developing transportation improvements throughout the region to help solve the current mobility crisis and to improve the quality of life for residents of Central Texas; and

WHEREAS, CTRMA staff, working in partnership with the Austin District of the Texas Department of Transportation, developed a proposed "CTRMA/TxDOT Regional Implementation Program" (the "Program") which provides for the funding and development of various transportation system improvements through tolling of new roadway capacity; and

WHEREAS, in Resolution 04-62, dated December 8, 2004, the CTRMA Board of Directors adopted formal toll policies for the CTRMA (the "Toll Policies") that were consistent with the Program and reflected input received through public comment and a public hearing held by the CTRMA for such purpose; and

WHEREAS, the Board of Directors anticipated in Resolution 04-62 that the Toll Policies would be subject to revision and amendment from time to time to insure that the Toll Policies best implement the mission and goals of the CTRMA in its efforts to serve the public regarding mobility matters; and

WHEREAS, certain provisions of the Toll Policies are no longer consistent with the desired operation of various transportation improvements developed under the Program; and

WHEREAS, CTRMA staff has undertaken development of various proposed amendments and revisions to the Toll Policies for the CTRMA and such proposed revisions to the Toll Policies are attached hereto as Attachment "A" ("Revisions to Toll Policies"); and


WHEREAS, CTRMA staff has undertaken with Stantec Consulting Services, Inc., the CTRMA's Traffic Consultant, the necessary review and analysis of the fiscal results of such revisions as required under the bond covenants the CTRMA is subject to in order to fully consider the impact of the proposed Revisions to Toll Policies; and

WHEREAS, the initial review and analysis has been completed and the Board of Directors has determined that the Revisions to Toll Policies are acceptable and in the best interest of furthering CTRMA's efforts to serve the public regarding mobility matters.

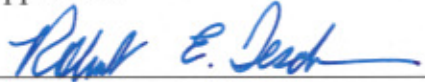
NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the CTRMA hereby adopts the Revisions to the Toll Policies attached hereto as Attachment "A" and hereby amends the CTRMA Toll Policies accordingly, effective as of the date all necessary fiscal review and analysis has been delivered to the CTRMA in final form acceptable to the CTRMA and other relevant parties under applicable bond covenants; and

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 7th day of November, 2007.

Submitted and reviewed by:

  
\_\_\_\_\_  
Tom Nielson  
Legal Counsel for the Central  
Texas Regional Mobility Authority

Approved:

  
\_\_\_\_\_  
Robert E. Tesch  
Chairman, Board of Directors  
Resolution Number 07-66  
Date Passed 11/7/07

**ATTACHMENT "A"**  
**TO**  
**RESOLUTION 07-66**  
**REVISIONS TO TOLL POLICIES**

**Brushy Creek Ramps Flat Rate**  
**and**  
**3-4 Axle Rates**

The CTRMA Board of Directors has, by passage of its Resolution 07-66 dated November 7, 2007, adopted certain revisions to the Toll Policies of the Authority.

Revisions to the Toll Policies are reflected either in the Policies and Procedures for Toll Collection Operations on the CTRMA Turnpike System ("Policies and Procedures Document") originally adopted December 8, 2004, or as included in the Toll Rates Structure (the "Official Statement Toll Rate Structure") included in the Official Statement dated February 16, 2005 in connection with the CTRMA issuance of various debt obligations (the "Official Statement");

To the extent authorized revisions have been made to the Policies and Procedures Document, such revisions are reflected therein, and the authorized revisions to the Official Statement Toll Rate Structure are as stated below:

The following revisions to the Official Statement Toll Rate Structure are authorized and adopted as follows:

**1. Flat Rate at Brushy Creek Ramps, 183-A Toll Project.** The Official Statement Toll Rate Structure, as previously amended, provided that the toll rates at the Brushy Creek Ramps on the 183-A Toll Project between the hours of 6 am and 10 pm would vary based upon the number of axles of each vehicle. Further, the toll booths at the Brushy Creek Ramps were to be manned between the hours of 6 am and 10 pm to allow for collection of cash toll payments as well as determination of the number of axles on a vehicle paying a cash toll. However, it has been determined that significant efficiencies will be realized if this provision is revised.

This revision provides that all vehicles traveling through any of the Brushy Creek Ramps' lanes will be charged the toll rate established for passenger cars, regardless of the number of axles on a vehicle. In addition, it will no longer be necessary for the Brushy Creek Ramps toll collections booths to be manned at any time, if desired by the CTRMA.

**2. Four Axle Rate to be the Same as Three Axle Rate.** The Official Statement Toll Rate Structure provides that toll rates increase based upon the number of axles a vehicle has over two axles. Therefore, a vehicle with four axles pays a higher toll rate than a vehicle with three axles. However, it has been determined that a majority of four axle vehicles utilizing CTRMA facilities consist of a motorized vehicle towing a small trailer with two additional axles. These type vehicles generally do not cause wear or damage to CTRMA facilities in significant excess over the wear and damage caused by a vehicle with three axles. Therefore, the toll rates for all four-

axle vehicles shall be the same toll rate as those charged for three-axle vehicles. This is consistent with the CTRMA's efforts to provide equitable toll rates for its customers.

This revision only applies to four-axle vehicles. All other rates based on axle count shall remain as established from time to time by the CTRMA.

The above revisions shall be deemed part of the Official Statement Toll Rate Structure as provided in Resolution No. 07-66, unless and until further revised by the CTRMA Board of Directors by appropriate resolution and in accordance with the provisions of the Official Statement.

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 07-67**

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the CTRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, in Resolution No. 04-19, dated May 5, 2004, the Board of Directors approved participation in the Texas County & District Retirement System ("TCDRS") to provide benefits to CTRMA employees under the Central Texas Regional Mobility Authority TCDRS Plan (the "Plan"); and


WHEREAS, the Plan requires certain authorizations from time to time by the Board of Directors regarding certain provisions of the Plan; and

WHEREAS, the Board of Directors has reviewed the TCDRS "Authorization to Maintain TCDRS Plan Provisions, Plan Year 2008" attached hereto as Attachment "A".


NOW THEREFORE, BE IT RESOLVED, that the Board of Directors adopts the "Authorization to Maintain TCDRS Plan Provisions, Plan Year 2008" attached hereto as Attachment "A" and authorizes the Executive Director, as the Presiding Officer of the CTRMA, to execute and deliver the "Authorization to Maintain TCDRS Plan Provisions, Plan Year 2008" to the TCDRS, and take such further action as is required to fulfill the requirements of TCDRS regarding the same. Such further action shall include transmittal of the executed document along with a copy of this Resolution to the appropriate TCDRS staff.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 7th day of November, 2007.

Submitted and reviewed by:

  
Tom Nielson  
General Counsel for the Central  
Texas Regional Mobility Authority

Approved:

  
Robert E. Tesch  
Chairman, Board of Directors  
Resolution Number 07-67  
Date Passed 11/7/07

**Central Texas Regional Mobility Authority, #712**  
**Authorization to maintain TCDRS plan provisions**  
**Plan year 2008**

With respect to the participation of Central Texas Regional Mobility Authority in the Texas County & District Retirement System (TCDRS) for the 2008 plan year, the following order was adopted:

1. Central Texas Regional Mobility Authority makes no change in the plan provisions for non-retirees.
2. With respect to annuities being paid to retirees or their beneficiaries, Central Texas Regional Mobility Authority (**check one box**):

does not adopt a cost-of-living adjustment (COLA).

adopts a \_\_\_\_% CPI-based COLA.

adopts a \_\_\_\_% flat-rate COLA.

3. With no changes being made to the plan provisions for members for Plan Year 2008, the required employer contribution rate for Plan Year 2008 will be the following:

|   |   |  |
|---|---|--|
| (a) Required rate without COLA:         |   | 12.59%                                 |
| (b) COLA rate:                          | + | _____ (enter 0 if not adopting a COLA) |
| (c) <b>Total required rate (a + b):</b> | = | <u>12.59</u>                           |

4. Employers may elect to pay a rate greater than the **total required rate** listed above. Central Texas Regional Mobility Authority adopts for Plan Year 2008 (**check one box**):

the **total required rate** listed above.

add a new elected rate of \_\_\_\_\_%.

5. In the event the 2008 total required rate as set out above exceeds 11%, and if a current waiver of that limit is not on file with TCDRS, the Governing Board of Central Texas Regional Mobility Authority hereby waives the 11% limit on the rate of employer contributions and such waiver will remain effective with respect to future plan years until properly revoked by official action.

**Certification**

I certify that the foregoing authorization concerning the participation of Central Texas Regional Mobility Authority in TCDRS for Plan Year 2008 truly and accurately reflects the official action taken during a properly posted and noticed meeting on November 7, 2007, by the Governing Board of Central Texas Regional Mobility Authority as such action is recorded in the official minutes.

\_\_\_\_\_  
Presiding Officer of Central Texas Regional Mobility Authority

Dated: November 7, 2007



**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 07-68**

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") is empowered to procure such goods and services as it deems necessary to assist with its operations and to study and develop potential transportation projects, and is responsible to insure accurate financial records are maintained using sound and acceptable financial practices; and

WHEREAS, close scrutiny of CTRMA expenditures for goods and services, including those related to project development, as well as close scrutiny of CTRMA's financial condition and records is the responsibility of the Board of Directors and its designees through procedures the Board may implement from time to time; and

WHEREAS, the Board of Directors has adopted policies and procedures intended to provide strong fiscal oversight and which authorize the Executive Director, working with the CTRMA's Chief Financial Officer, to review invoices, approve disbursements, and prepare and maintain accurate financial records and reports; and


WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of September 2007 and has caused a Financial Report to be prepared which is attached hereto as Attachment "A."


NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Report for September 2007, attached hereto as Attachment "A."

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 7th day of November, 2007.

Submitted and reviewed by:

Approved:

  
\_\_\_\_\_  
Tom Nielson  
General Counsel for the Central  
Texas Regional Mobility Authority

  
\_\_\_\_\_  
Robert E. Tesch  
Chairman, Board of Directors  
Resolution Number 07-68  
Date Passed 11/7/07

**Central Texas Regional Mobility Authority  
Income Statement  
All Operating Departments**

| Revenue                 | Budget              | Actual Year          | Percent       | Actual Year          |
|-------------------------|---------------------|----------------------|---------------|----------------------|
|                         | FY 2008             | To Date<br>9/30/2007 | Of Budget     | To Date<br>9/30/2006 |
| Toll Revenue-Cash-183A  | 1,800,000.00        | 492,631.95           | 27.37%        | 0.00                 |
| Toll Revenue-TxTag-183A | 6,500,000.00        | 3,307,223.87         | 50.88%        | 0.00                 |
| Interest Income         | 1,369,790.00        | 1,062,830.55         | 77.59%        | 122,522.82           |
| Reimbursed Expenditures | 20,060.00           | 15,045.03            | 75.00%        | 12,633.39            |
| <b>Total Revenue</b>    | <b>9,689,850.00</b> | <b>4,877,731.40</b>  | <b>50.34%</b> | <b>135,156.21</b>    |

| Expenditures                      | Budget              | Actual Year          | Percent       | Actual Year          |
|-----------------------------------|---------------------|----------------------|---------------|----------------------|
|                                   | FY 2008             | To Date<br>9/30/2007 | Of Budget     | To Date<br>9/30/2006 |
| Regular                           | 1,431,950.00        | 278,581.11           | 19.45%        | 227,130.13           |
| Part Time                         | 20,000.00           | 2,330.63             | 11.65%        | 0.00                 |
| Overtime                          | 7,000.00            | 157.41               | 2.25%         | 419.09               |
| Contractual Employees             | 30,000.00           | 32,746.03            | 109.15%       | 43,250.00            |
| TCDRS                             | 181,533.00          | 34,747.76            | 19.14%        | 30,600.16            |
| FICA                              | 74,339.00           | 11,786.78            | 15.86%        | 10,962.16            |
| FICA MED                          | 21,591.00           | 3,941.01             | 18.25%        | 3,238.27             |
| Health Insurance                  | 134,542.00          | 23,569.46            | 17.52%        | 21,410.43            |
| Life Insurance                    | 1,697.00            | 419.20               | 24.70%        | 300.75               |
| Auto Allowance                    | 16,000.00           | 1,750.00             | 10.94%        | 1,750.00             |
| Other Benefits                    | 117,697.00          | 15,218.22            | 12.93%        | 9,868.05             |
| Unemployment Taxes                | 855.00              | 109.80               | 12.84%        | 188.00               |
| <b>Total Salaries &amp; Wages</b> | <b>2,037,204.00</b> | <b>405,357.41</b>    | <b>19.90%</b> | <b>349,117.04</b>    |

| Contractual Services               | Budget              | Actual Year          | Percent      | Actual Year          |
|------------------------------------|---------------------|----------------------|--------------|----------------------|
|                                    | FY 2008             | To Date<br>9/30/2007 | Of Budget    | To Date<br>9/30/2006 |
| <b>Professional Services</b>       |                     |                      |              |                      |
| Accounting                         | 9,000.00            | 1,825.97             | 20.29%       | 1,775.23             |
| Auditing                           | 50,000.00           | 16,060.00            | 32.12%       | 11,000.00            |
| General Engineering Consultant     | 445,000.00          | 0.00                 |              | 0.00                 |
| General System Consultant          | 425,000.00          | 0.00                 |              | 0.00                 |
| Toll Collection contract           | 1,879,111.00        | 126,071.82           | 6.71%        | 0.00                 |
| Toll collection mgt admi           | 131,460.00          | 0.00                 |              | 0.00                 |
| CSC mgt admin                      | 84,074.00           | 0.00                 |              | 0.00                 |
| Facility management                | 176,017.00          | 4,444.84             | 2.53%        | 0.00                 |
| Facility management                | 63,017.00           | 5,173.45             | 8.21%        | 0.00                 |
| Toll perform plan                  | 35,106.00           | 0.00                 |              | 0.00                 |
| Human Resources                    | 30,000.00           | 7,933.30             | 26.44%       | 130.40               |
| Legal                              | 150,000.00          | 5,951.20             | 3.97%        | 585.00               |
| Photography                        | 15,000.00           | 259.00               | 1.73%        | 0.00                 |
| Traffic & Revenue Consultants      | 50,000.00           | 0.00                 |              | 0.00                 |
| Communications and Marketing       | 150,000.00          | 0.00                 |              | 0.00                 |
| Transcripts                        | 1,000.00            | 0.00                 |              | 0.00                 |
| <b>Total Professional Services</b> | <b>3,693,785.00</b> | <b>167,719.58</b>    | <b>4.54%</b> | <b>13,490.63</b>     |

|   | Budget<br>FY 2008   | Actual Year<br>To Date<br>9/30/2007 | Percent<br>Of Budget | Actual Year<br>To Date<br>9/30/2006 |
|---|---------------------|-------------------------------------|----------------------|-------------------------------------|
| <b>Other Contractual Services</b>       |                     |                                     |                      |                                     |
| IT Services                             | 683,240.00          | 5,821.24                            | 0.85%                | 1,665.25                            |
| Graphic Design Services                 | 20,000.00           | 0.00                                |                      | 0.00                                |
| Website Maintenance                     | 20,000.00           | 95.00                               | 0.48%                | 4,041.25                            |
| Research Services                       | 45,000.00           | 0.00                                |                      | 0.00                                |
| Copy Machine                            | 13,000.00           | 2,037.31                            | 15.67%               | 1,653.48                            |
| Software licenses                       | 24,000.00           | 7,258.80                            | 30.25%               | 7,259.80                            |
| Advertising                             | 56,000.00           | 1,380.00                            | 2.46%                | 7,665.89                            |
| Direct Mail                             | 20,000.00           | 0.00                                |                      | 0.00                                |
| Video Production                        | 10,000.00           | 0.00                                |                      | 34,487.98                           |
| Television                              | 20,000.00           | 0.00                                |                      | 116,845.25                          |
| Radio                                   | 50,000.00           | 600.00                              | 1.20%                | 0.00                                |
| Other Public Relations                  | 0.00                | 1,032.73                            |                      | 13,933.75                           |
| Security Contracts                      | 350,000.00          | 34,612.00                           | 9.89%                | 134.40                              |
| Cell Phones                             | 6,800.00            | 1,616.28                            | 23.77%               | 1,317.50                            |
| Local                                   | 55,252.00           | 2,081.10                            | 3.77%                | 1,545.75                            |
| Long Distance                           | 2,000.00            | 77.97                               | 3.90%                | 223.82                              |
| Internet                                | 8,472.00            | 1,078.52                            | 12.73%               | 918.00                              |
| Other Communication Expense             | 1,000.00            | 162.30                              | 16.23%               | 20.26                               |
| Dues & Subscriptions                    | 1,850.00            | 26.00                               | 1.41%                | 600.00                              |
| Memberships                             | 14,295.00           | 1,307.50                            | 9.15%                | 115.00                              |
| Continuing Education                    | 6,000.00            | 500.00                              | 8.33%                | 1,303.00                            |
| Professional Development                | 22,000.00           | 0.00                                |                      | 0.00                                |
| Seminars and Conferences                | 26,450.00           | 940.00                              | 3.55%                | 9,500.00                            |
| Other Contractual Svcs                  | 0.00                | 764.40                              |                      | 735.00                              |
| Contractual Contingencies               | 141,000.00          | 988.00                              | 0.70%                | 14850.00%                           |
| <b>Total Other Contractual Services</b> | <b>1,562,359.00</b> | <b>72,464.14</b>                    | <b>4.64%</b>         | <b>211,287.99</b>                   |
| <b>Total Contractual Expenses</b>       | <b>5,256,144.00</b> | <b>240,183.72</b>                   | <b>4.57%</b>         | <b>224,778.62</b>                   |

|   | Budget<br>FY 2008 | Actual Year<br>To Date<br>9/30/2007 | Percent<br>Of Budget | Actual Year<br>To Date<br>9/30/2006 |
|---|-------------------|-------------------------------------|----------------------|-------------------------------------|
| <b>Materials and Supplies</b>             |                   |                                     |                      |                                     |
| Books & Publications                      | 10,400.00         | 992.70                              | 9.55%                | 489.87                              |
| Office Supplies                           | 15,500.00         | 1,555.44                            | 10.04%               | 2,361.98                            |
| Computer Supplies                         | 15,500.00         | 346.29                              | 2.23%                | 44.36                               |
| Copy Supplies                             | 3,000.00          | 0.00                                |                      | 0.00                                |
| Annual Report                             | 20,000.00         | 0.00                                |                      | 0.00                                |
| Other Reports                             | 50,500.00         | 14,870.06                           | 29.45%               | 0.00                                |
| Direct Mail                               | 0.00              | 431.02                              |                      | 0.00                                |
| Office Supplies                           | 3,500.00          | 498.68                              | 14.25%               | 0.00                                |
| Maintenance Supplies                      | 100.00            | 0.00                                |                      | 0.00                                |
| Promotional Items                         | 10,000.00         | 0.00                                |                      | 0.00                                |
| Displays                                  | 5,000.00          | 0.00                                |                      | 1,750.00                            |
| Tools & Equipment                         | 2,700.00          | 210.00                              | 7.78%                | 0.00                                |
| Misc Materials & Supplies                 | 3,500.00          | 0.00                                |                      | 0.00                                |
| <b>Total Materials &amp; Supplies Exp</b> | <b>139,700.00</b> | <b>18,904.19</b>                    | <b>13.53%</b>        | <b>4,646.21</b>                     |

|                                | Budget<br>FY 2008     | Actual Year<br>To Date<br>9/30/2007 | Percent<br>Of Budget | Actual Year<br>To Date<br>9/30/2006 |
|--------------------------------|-----------------------|-------------------------------------|----------------------|-------------------------------------|
| <b>Operating Expenses</b>      |                       |                                     |                      |                                     |
| Gasoline                       | 10,000.00             | 588.12                              | 5.88%                | 0.00                                |
| Mileage Reimbursement          | 7,850.00              | 1,329.82                            | 16.94%               | 567.58                              |
| Parking                        | 26,950.00             | 4,177.95                            | 15.50%               | 3,311.28                            |
| Meeting Facilities             | 2,600.00              | 0.00                                |                      | 0.00                                |
| Community Events               | 20,000.00             | 0.00                                |                      | 0.00                                |
| Meeting Expense                | 6,325.00              | 1,120.19                            | 17.71%               | 569.18                              |
| Public Notices                 | 2,300.00              | 0.00                                |                      | 3.00                                |
| Postage                        | 8,900.00              | 865.78                              | 9.73%                | 341.93                              |
| Overnight Services             | 1,250.00              | 119.80                              | 9.58%                | 37.12                               |
| Delivery Services              | 2,400.00              | 327.11                              | 13.63%               | 333.14                              |
| Insurance                      | 175,000.00            | 7,399.02                            | 4.23%                | 6,753.64                            |
| Repair & Maintenance-Vehicles  | 2,000.00              | 0.00                                |                      | 0.00                                |
| Rent                           | 181,973.00            | 45,493.32                           | 25.00%               | 40,160.30                           |
| Water                          | 7,400.00              | 0.00                                |                      | 0.00                                |
| Electricity                    | 56,000.00             | 8,378.49                            | 14.96%               | 608.10                              |
| Amortization Expense           | 34,808.00             | 8,273.42                            | 23.77%               | 8,869.73                            |
| Dep Exp- Furniture & Fixtures  | 4,000.00              | 2,767.80                            | 69.20%               | 2,386.95                            |
| Dep Expense - Equipment        | 1,200.00              | 2,346.18                            | 195.52%              | 2,346.18                            |
| Dep Expense - Autos & Trucks   | 8,000.00              | 0.00                                |                      | 0.00                                |
| Dep Expense-Buildng & Toll Fac | 147,898.00            | 0.00                                |                      | 0.00                                |
| Dep Expense-Highways & Bridges | 5,429,806.00          | 0.00                                |                      | 0.00                                |
| Dep Expense-Communic Equip     | 5,995.00              | 1,502.59                            | 25.06%               | 1,490.88                            |
| Dep Expense-Toll Equipment     | 918,771.00            | 0.00                                |                      | 0.00                                |
| Dep Expense - Signs            | 120,436.00            | 0.00                                |                      | 0.00                                |
| Dep Expense-Land Improvemts    | 733,880.00            | 0.00                                |                      | 0.00                                |
| Depreciation Expense-Computers | 33,000.00             | 2,177.28                            | 6.60%                | 10,759.61                           |
| Recruitment                    | 1,000.00              | 0.00                                |                      | 0.00                                |
| Community Initiative Grants    | 102,500.00            | 0.00                                |                      | 23,311.20                           |
| <b>Total Operating Expense</b> | <b>8,052,242.00</b>   | <b>86,866.87</b>                    | <b>1.08%</b>         | <b>101,849.82</b>                   |
| <b>Financing Expenses</b>      |                       |                                     |                      |                                     |
| Arbitrage Rebate               | 3,500.00              | 0.00                                |                      | 0.00                                |
| Bond Issuance Expense          | 0.00                  | 361,895.07                          |                      | 0.00                                |
| Loan Fees                      | 12,000.00             | 0.00                                |                      | 0.00                                |
| Bond Issuance Cost             | 25,000.00             | 0.00                                |                      | 0.00                                |
| Trustee Fees                   | 2,000.00              | 0.00                                |                      | 950.01                              |
| Bank Fees                      | 2,500.00              | 6,740.54                            | 269.62%              | 331.93                              |
| Interest Expense               | 11,443,524.00         | 2,879,956.53                        | 25.17%               | 0.00                                |
| Contingency                    | 20,000.00             | 0.00                                |                      | 0.00                                |
| <b>Total Financing Expense</b> | <b>11,508,524.00</b>  | <b>3,248,592.14</b>                 | <b>28.23%</b>        | <b>1,281.94</b>                     |
| <b>Total Expenses</b>          | <b>26,993,814.00</b>  | <b>3,999,904.33</b>                 | <b>14.82%</b>        | <b>681,673.63</b>                   |
| <b>Net Income</b>              | <b>-17,303,964.00</b> | <b>877,827.07</b>                   |                      | <b>-546,517.42</b>                  |

**Central Texas Regional Mobility Authority  
Balance Sheet**

As of

September 30, 2007

September 30, 2006

**Assets**

**Current Assets**

|                               |                             |            |                             |
|-------------------------------|-----------------------------|------------|-----------------------------|
| Cash in Operating Fund        | 32,560.73                   |            | 760.80                      |
| Chase-Regions Trustee Account | 4,742.78                    |            | 0.00                        |
| Regions Trustee cash account  | 294,879.43                  |            | 0.00                        |
| Cash In TexSTAR               | 6,219,922.52                |            | 7,536,835.82                |
| Cash in Chase Money Mkt Funds | 0.00                        |            | 3,849,657.06                |
| Money Market Payroll Account  | 5,392.75                    |            | 2,093.80                    |
| Fidelity Government MMA       | 3,101,184.71                |            | 0.00                        |
| Restricted Cash-TexStar       | 56,106,624.60               |            | 21,750,466.70               |
| Total Cash Equivalents        | <u>65,433,124.58</u>        |            | <u>33,139,053.38</u>        |
| Due From TTA                  | 680,780.95                  | 0.00       |                             |
| Due From NTTA                 | 58,066.60                   | 0.00       |                             |
| Due From HCTRA                | 112,997.60                  | 0.00       |                             |
| Interest Receivable           | 45,442.51                   | 106,747.36 |                             |
| Total Receivables             | <u>897,287.66</u>           |            | <u>106,747.36</u>           |
| Agencies                      | 2,973,694.17                |            | 17,344,279.08               |
| Prepaid Insurance             | 32,354.69                   | 4,193.62   |                             |
| Prepaid Expenses              | 0.00                        | 1,899.98   |                             |
| Total Prepaid Expenses        | <u>32,354.69</u>            |            | <u>6,093.60</u>             |
| <b>Total Current Assets</b>   | <b><u>69,668,644.04</u></b> |            | <b><u>50,596,934.22</u></b> |

**Construction Work In Process**

|                                |                              |                 |                              |
|--------------------------------|------------------------------|-----------------|------------------------------|
| Utility Relocation Expense     | 61,460.46                    | 60,531.19       |                              |
| Consulting-Admin Services      | 687,052.37                   | 680,417.12      |                              |
| Consulting-Reimbursed Expenses | 5,766.34                     | 121.82          |                              |
| Environmental Fees             | 398,750.00                   | 398,750.00      |                              |
| Funding Costs                  | 30,000.00                    | 30,000.00       |                              |
| Legal Fees-Construction        | 2,381,810.25                 | 1,842,547.77    |                              |
| Traffic & Revenue Analysis     | 2,630,741.88                 | 2,013,050.97    |                              |
| Unsuccessful Proposers         | 356,625.82                   | 356,625.82      |                              |
| Engineering                    | 4,915,206.51                 | 2,085,255.89    |                              |
| Right of Way                   | 18,639,948.46                | 125,017.00      |                              |
| Total Preliminary Costs        | <u>30,107,362.09</u>         |                 | <u>7,592,317.58</u>          |
| Public Involvement             | 405,786.07                   | 173,044.89      |                              |
| CDA Oversight                  | 8,959,324.18                 | 4,945,983.07    |                              |
| Engineering                    | 14,082,913.49                | 14,082,913.49   |                              |
| Total Construction Engineering | <u>23,448,023.74</u>         |                 | <u>19,201,941.45</u>         |
| Design                         | 31,817,910.80                | 26,412,385.62   |                              |
| Construction-CDA               | 138,002,747.18               | 100,603,624.57  |                              |
| Other Construction Costs       | 434,173.28                   | 158,118.08      |                              |
| Total Construction             | <u>170,254,831.26</u>        |                 | <u>127,174,128.27</u>        |
| Toll Collection System         | 8,417,125.55                 |                 | 3,585,969.14                 |
| Accrued Interest Income        | (14,744,301.61)              | (11,341,611.46) |                              |
| Accrued Interest Expense       | 27,524,716.84                | 18,889,068.45   |                              |
| Amortization of Bond Premium   | (3,701,455.14)               | (2,511,696.24)  |                              |
| Amortization Bond Disc Invest  | (339,262.30)                 | (200,582.69)    |                              |
| Total Accrued Interest         | <u>8,739,697.79</u>          |                 | <u>4,835,178.06</u>          |
| Amortization Bond Issue Costs  | 3,360,843.92                 |                 | 2,282,791.25                 |
| <b>Total Construction WIP</b>  | <b><u>244,327,884.35</u></b> |                 | <b><u>164,672,325.75</u></b> |

**Fixed Assets**

|                                   |                    |                       |                    |                       |
|-----------------------------------|--------------------|-----------------------|--------------------|-----------------------|
| Computers                         | 115,571.52         |                       | 115,571.52         |                       |
| Accum Deprec-Computers            | <u>(92,950.25)</u> | 22,621.27             | <u>(73,363.83)</u> | 42,207.69             |
| Computer Software                 | 95,156.88          |                       | 95,156.88          |                       |
| Accumulated Amortization-Software | <u>(47,133.41)</u> | 48,023.47             | <u>(19,034.60)</u> | 76,122.28             |
| Furniture and Fixtures            | 64,311.66          |                       | 52,907.09          |                       |
| Accum Deprec-Furn & Fixtures      | <u>(17,488.44)</u> | 46,823.22             | <u>(6,573.57)</u>  | 46,333.52             |
| Equipment                         | 30,721.93          |                       | 28,777.93          |                       |
| Accum Depec-Equipment             | <u>(15,892.64)</u> | 14,829.29             | <u>(6,507.92)</u>  | 22,270.01             |
| Autos and Trucks                  | 16,295.00          |                       | 0.00               |                       |
| Communication Equipment           | 30,743.13          |                       | 30,256.02          |                       |
| Accum Deprec-Comm Equip           | <u>(10,436.26)</u> | 20,306.87             | <u>(4,425.96)</u>  | 25,830.06             |
| Leasehold Improvements            |                    | 45,055.01             |                    | 38,490.18             |
| <b>Total Fixed Assets</b>         |                    | <b>213,954.13</b>     |                    | <b>251,253.74</b>     |
| <b>Other Assets</b>               |                    |                       |                    |                       |
| Security Deposits                 |                    | <b>8,643.30</b>       |                    | <b>8,643.30</b>       |
| <b>Long Term Investments</b>      |                    |                       |                    |                       |
| GIC                               |                    | 5,173,418.88          |                    | 100,056,948.84        |
| <b>Other Assets</b>               |                    |                       |                    |                       |
| Intangible Assets                 |                    | 650.00                |                    | 650.00                |
| 2005 Bond Issuance Costs          |                    | 9,207,630.17          |                    | 10,647,577.91         |
| <b>Total Assets</b>               |                    | <b>328,600,824.87</b> |                    | <b>326,233,683.76</b> |

**Liabilities****Current Liabilities**

|                                  |  |                     |  |                      |
|----------------------------------|--|---------------------|--|----------------------|
| Accounts Payable                 |  | 28,304.21           |  | 12,546,728.99        |
| Interest Payable                 |  | 2,879,956.53        |  | 2,840,318.81         |
| TCDRS Payable                    |  | 19,406.72           |  | 23,119.14            |
| Due to State of Texas            |  | 112.20              |  | 287.39               |
| Total Due to other Entities      |  | 112.20              |  | 0.00                 |
| <b>Total Current Liabilities</b> |  | <b>2,927,779.66</b> |  | <b>15,410,454.33</b> |

**Long Term Liabilities**

|                                    |  |                       |  |                       |
|------------------------------------|--|-----------------------|--|-----------------------|
| Retainage Payable                  |  | 4,558,912.84          |  | 6,472,599.23          |
| BANS 2005                          |  | 66,000,000.00         |  | 66,000,000.00         |
| Senior Lien Revenue Bonds 2005     |  | 169,715,619.24        |  | 168,943,735.37        |
| Sn Lien Rev Bnd Prem/Disc 2005     |  | 5,757,185.58          |  | 7,346,510.31          |
| <b>Total Long Term Liabilities</b> |  | <b>246,031,717.66</b> |  | <b>248,762,844.91</b> |
| <b>Total Liabilities</b>           |  | <b>248,959,497.32</b> |  | <b>264,173,299.24</b> |

**Net Assets Section**

|   |  |                       |  |                       |
|---|--|-----------------------|--|-----------------------|
| Contributed Capital                     |  | 18,430,634.57         |  |                       |
| Net Assets beginning                    |  | 60,332,865.91         |  | 62,604,167.57         |
| Current Year Operations                 |  | 877,827.07            |  | (543,133.05)          |
| <b>Total Liabilities and Net Assets</b> |  | <b>328,600,824.87</b> |  | <b>326,234,333.76</b> |

CTRMA INVESTMENT REPORT

|   | Month Ending 9/30/2007 |                     |                          |                   |                     | Current<br>Rate as of<br>9/30/2007 | Maturity  |
|---|------------------------|---------------------|--------------------------|-------------------|---------------------|------------------------------------|-----------|
|   | Balance<br>8/31/2007   | Additions           | Discount<br>Amortization | Accrued Interest  | Withdrawals         |                                    |           |
| <b>Amount in repo</b>                   |                        |                     |                          |                   |                     |                                    |           |
| Debt Service Fund                       | 5,122,775.73           |                     |                          | 14,222.99         |                     | 3.35%                              | Jan 1, 08 |
| <b>totals</b>                           | <b>5,122,775.73</b>    | <b>0.00</b>         | <b>0.00</b>              | <b>14,222.99</b>  | <b>0.00</b>         |                                    |           |
| <b>Amount in Trustee TexStar</b>        |                        |                     |                          |                   |                     |                                    |           |
| Additional Projects Fund                | 9,506,121.71           |                     |                          | 39,861.78         | 174,426.84          | 5.117%                             |           |
| Construction Fund                       | 21,796,236.95          |                     |                          | 85,953.48         | 2,236,279.83        | 5.117%                             |           |
| Trustee Operating Fund                  | 821,306.59             |                     |                          | 3,454.52          | 824,761.11          | 5.117%                             |           |
| Renewal & Replacement Fund              | 98,445.92              |                     |                          | 414.08            | 98,860.00           | 5.117%                             |           |
| TxDOT Grant Fund                        | 10,785,808.00          |                     |                          | 45,366.54         | 10,831,174.54       | 5.117%                             |           |
| Revenue Fund                            | 2,003,703.12           |                     |                          | 8,427.84          | 2,012,130.96        | 5.117%                             |           |
| Debt Service Reserve Fund               | 13,266,430.37          |                     |                          | 55,800.37         | 13,322,230.74       | 5.117%                             |           |
| <b>totals</b>                           | <b>58,278,052.66</b>   | <b>0.00</b>         | <b>0.00</b>              | <b>239,278.61</b> | <b>2,410,706.67</b> |                                    |           |
| <b>Amount in TexStar Operating Fund</b> | <b>6,599,634.84</b>    |                     |                          | <b>27,069.18</b>  | <b>406,781.50</b>   | <b>5.117%</b>                      |           |
| <b>Fidelity Money Market Fund</b>       |                        |                     |                          |                   |                     |                                    |           |
| -Operating Fund                         | 5,562.18               |                     |                          | 23.11             |                     | 4.750%                             |           |
| -Additional Projects Fund               | 0.00                   | 174,426.84          |                          | 0.00              | 174,426.84          | 4.750%                             |           |
| -Construction Fund                      | 0.00                   | 2,236,279.93        |                          | 0.00              | 2,236,279.93        | 4.750%                             |           |
| -Debt Service Fund                      | 50,986.91              |                     |                          | 211.84            | 51,198.75           | 4.750%                             |           |
| -Subordinate Lien DS Fund               | 1,630.76               |                     |                          | 6.78              | 1,637.54            | 4.750%                             |           |
| -TxDOT Grant Fund                       | 1,030,045.71           | 1,016,750.00        |                          | 2,198.60          | 2,048,994.31        | 4.750%                             |           |
| -Renewal and Replacement                | 19,123.05              |                     |                          | 79.45             | 19,202.50           | 4.750%                             |           |
| -Revenue Fund                           | 4,846.98               | 809,797.76          |                          | 1,130.30          | 815,775.04          | 4.750%                             |           |
| -Debt Service Reserve Fund              | 9,138.62               |                     |                          | 37.97             | 9,176.59            | 4.750%                             |           |
| <b>totals</b>                           | <b>1,121,334.21</b>    | <b>4,237,254.53</b> | <b>0.00</b>              | <b>3,688.05</b>   | <b>2,410,706.77</b> |                                    |           |
| <b>Money Market Fund-payroll</b>        | <b>740.23</b>          | <b>90,000.00</b>    |                          | <b>49.01</b>      | <b>85,396.49</b>    | <b>4.200%</b>                      |           |
| <b>Amount in Fed Agencies</b>           |                        |                     |                          |                   |                     |                                    |           |
| Amortized Principal                     | 3,967,270.19           | 0.00                | 6,424.46                 | 11,004.17         | 1,000,000.00        |                                    |           |
| Accrued Interest                        | 3,967,270.19           | 0.00                | 6,424.46                 | 0.00              | 1,000,000.00        |                                    |           |
| <b>totals</b>                           | <b>7,934,540.38</b>    | <b>0.00</b>         | <b>12,848.92</b>         | <b>11,004.17</b>  | <b>2,000,000.00</b> |                                    |           |
| <b>Total in Repo's</b>                  | <b>5,122,775.73</b>    | <b>0.00</b>         | <b>0.00</b>              | <b>14,222.99</b>  | <b>0.00</b>         |                                    |           |
| <b>Total in Pools</b>                   | <b>64,877,687.50</b>   | <b>0.00</b>         | <b>0.00</b>              | <b>266,347.79</b> | <b>2,817,488.17</b> |                                    |           |
| <b>Total in Money Market</b>            | <b>1,122,074.44</b>    | <b>4,327,254.53</b> | <b>0.00</b>              | <b>3,737.06</b>   | <b>2,496,103.26</b> |                                    |           |
| <b>Total in Fed Agencies</b>            | <b>3,967,270.19</b>    | <b>0.00</b>         | <b>6,424.46</b>          | <b>0.00</b>       | <b>1,000,000.00</b> |                                    |           |
| <b>Total Invested</b>                   | <b>75,089,807.86</b>   | <b>4,327,254.53</b> | <b>6,424.46</b>          | <b>284,307.84</b> | <b>6,313,591.43</b> |                                    |           |

Amount in Fed Agencies As of September 30, 2007

| Agency                 | CUSIP #   | COST         | Book Value   | Market Value | Yield to Maturity | Purchased | Matures    | FUND                     |
|------------------------|-----------|--------------|--------------|--------------|-------------------|-----------|------------|--------------------------|
| Federal Home Loan Bank | 3133X5DV7 | 2,466,550.00 | 2,484,874.78 | 2,487,500.00 | 5.310%            | 5/24/2007 | 1/14/2008  | Additional Projects Fund |
| Federal Home Loan Bank | 3133X1GR2 | 487,831.06   | 488,819.88   | 492,059.70   | 5.250%            | 7/31/2007 | 10/15/2008 | Renewal and Replacement  |
| Totals                 |           | 2,954,381.06 | 2,973,694.66 | 2,979,559.70 |                   |           |            |                          |
| Federal Home Loan Bank | 3133X8NL2 | 991,956.00   | 1,000,000.00 | 1,000,000.00 | 5.260%            | 4/24/2007 | 9/28/2007  | TxDOT Grant Fund         |
|                        |           | 991,956.00   | 1,000,000.00 | 1,000,000.00 |                   |           |            |                          |

| Agency                 | CUSIP #   | COST         | Cumulative Amortization | 9/30/07 Book Value | Maturity Value | Interest Income September 2007 |              |           |
|------------------------|-----------|--------------|-------------------------|--------------------|----------------|--------------------------------|--------------|-----------|
|                        |           |              |                         |                    |                | Accrued Interest               | Amortization |           |
| Federal Home Loan Bank | 3133X5DV7 | 2,466,550.00 | 18,324.78               | 2,484,874.78       | 2,500,000.00   | 6,562.50                       | 4,363.04     | 10,925.54 |
| Federal Home Loan Bank | 3133X1GR2 | 487,831.06   | 988.82                  | 488,819.88         | 495,000.00     | 1,650.00                       | 494.41       | 2,144.41  |
|                        |           | 2,954,381.06 | 19,313.60               | 2,973,694.66       | 2,995,000.00   | 8,212.50                       | 4,857.45     | 13,069.95 |
| Federal Home Loan Bank | 3133X8NL2 | 991,956.00   | 8,044.00                | 1,000,000.00       | 1,000,000.00   | 2,791.67                       | 1,567.01     | 4,358.68  |
|                        |           | 991,956.00   | 8,044.00                | 1,000,000.00       | 1,000,000.00   | 2,791.67                       | 1,567.01     | 4,358.68  |
|                        |           |              |                         |                    |                | 11,004.17                      | 6,424.46     | 17,428.63 |





## Monthly Newsletter - September 2007

### Performance

#### As of September 30, 2007

|                                    |                    |
|------------------------------------|--------------------|
| Current Invested Balance           | \$5,101,146,389.66 |
| Weighted Average Maturity (1)      | 20 Days            |
| Weighted Average Maturity (2)      | 79 Days            |
| Net Asset Value                    | 1.000240           |
| Total Number of Participants       | 573                |
| Management Fee on Invested Balance | 0.12%*             |
| Interest Distributed               | \$21,505,454.93    |
| Management Fee Collected           | \$208,154.52       |
| Standard & Poor's Current Rating   | AAAm               |

#### September Averages

|  |                    |
|--|--------------------|
| Average Invested Balance                 | \$5,065,319,247.80 |
| Average Monthly Yield, on a simple basis | 5.1175%            |
| Average Weighted Average Maturity (1)*   | 20 Days            |
| Average Weighted Average Maturity (2)*   | 78 Days            |

#### Definition of Weighted Average Maturity (1) & (2)

- (1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.
- (2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

\* The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

Rates reflect historical information and are not an indication of future performance.

### New Participants

We would like to welcome the following entities who joined the TexSTAR program in September 2007:

- |                         |                                   |                         |
|-------------------------|-----------------------------------|-------------------------|
| ★ City of Elgin         | ★ Wharton County                  | ★ Rankin ISD            |
| ★ Village of Briarcliff | ★ Parmer County Hospital District | ★ El Paso Academy, Inc. |

### Holiday Reminder

In observance of the Veterans Day holiday, TexSTAR will be closed on Monday, November 12, 2007. All ACH transactions initiated on Friday, November 9th, will settle on Tuesday, November 13th.

### Economic Commentary

During the third quarter, fears that began in the subprime mortgage market moved rapidly across all markets, causing spreads to widen precipitously and liquidity to shrink rapidly, regardless of underlying fundamentals. The impact of investors' reactions was felt most severely within short term fixed income markets, as witnessed by the spread between the fed funds rate and LIBOR (the rate at which banks lend to each other on an unsecured basis). In an unusual move, the Federal Reserve and global central banks reversed their tight monetary policies going into the quarter to intervene in the markets with the hope of averting broader economic concern. While conditions have begun to improve since the Fed's move to lower both the fed funds rate and the discount rate by 50 bps in September, fixed income markets still remain historically wide driven by risk aversion, with pricing still not fully reflecting securities' intrinsic values.

Despite the quarter's financial market turbulence, the economy continued to post strong fundamental results in the face of continued weakness in the housing sector. In addition, strong income growth along with receding gas prices translated into solid growth in consumer spending. Despite soft employment numbers, the unemployment rate remained unchanged and inflation concerns eased.

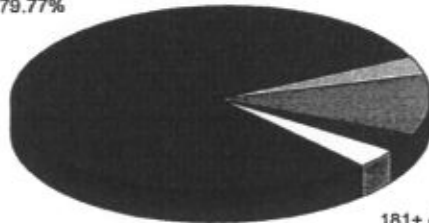
Following September 18th's 50 bp cut in the fed funds rate to 4.75%, any additional moves by the Federal Reserve are expected to be dependent on the behavior of both labor and financial markets. With a strong payroll number, the Fed would likely stay on the sidelines at the October 31st meeting. However, deterioration in either of these indicators could motivate the Fed to cut rates further. Additionally, the state of the credit and stock markets will also play key roles at the next FOMC meeting, as either of these could affect the Fed's outlook on growth.

*For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).*

## Information at a Glance

### Portfolio by Type of Investment As of September 30, 2007

1 to 7 days  
79.77%



91 to 180 days  
3.32%

31 to 90 days  
10.22%

8 to 30 days  
3.29%

181+ days  
3.40%

### Distribution of Participants by Type As of September 30, 2007

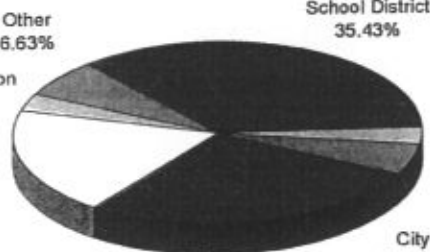
Repurchase Agreements  
77.12%



Agencies  
22.88%

### Portfolio by Maturity As of September 30, 2007

Other  
6.63%



School District  
35.43%

Health Care  
2.80%

County  
5.41%

Utility District  
19.02%

City  
27.57%

## Performance

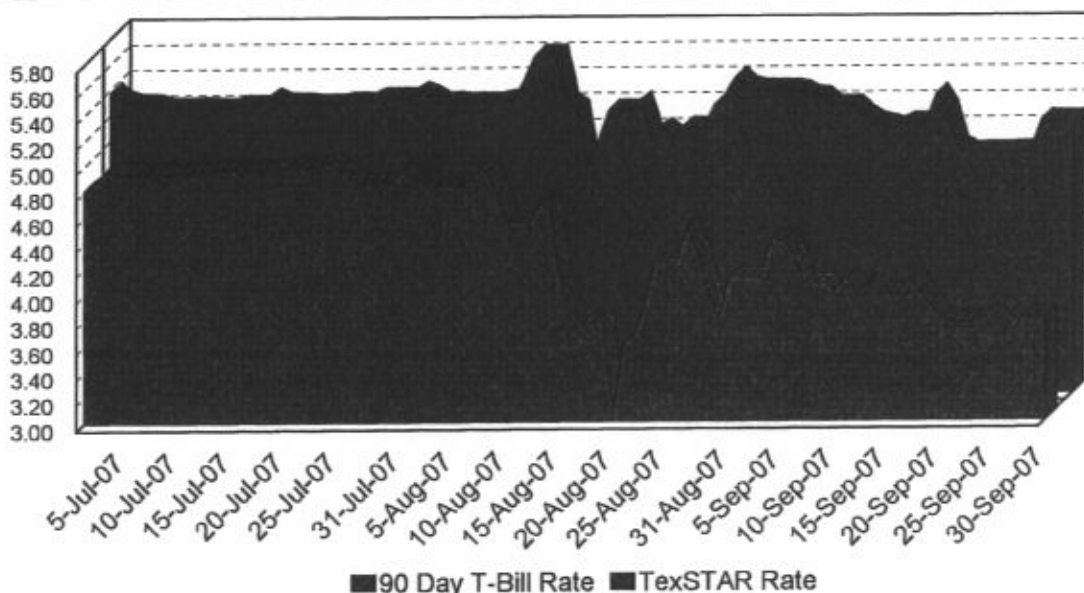
| Month  | Average Rate | Book Value          | Market Value        | Net Asset Value | WAM (1)* | WAM (2)* | Number of Participants |
|--------|--------------|---------------------|---------------------|-----------------|----------|----------|------------------------|
| Sep 07 | 5.1175%      | \$ 5,101,146,389.66 | \$ 5,102,374,857.54 | 1.000240        | 20       | 78       | 573                    |
| Aug 07 | 5.2540%      | 5,117,776,256.51    | 5,118,532,127.32    | 1.000118        | 16       | 42       | 567                    |
| Jul 07 | 5.2829%      | 5,037,425,646.08    | 5,037,616,062.72    | 1.000037        | 18       | 22       | 554                    |
| Jun 07 | 5.2883%      | 4,850,271,396.79    | 4,850,377,392.01    | 1.000014        | 18       | 25       | 543                    |
| May 07 | 5.2613%      | 4,809,313,042.18    | 4,809,314,578.92    | 1.000000        | 11       | 20       | 531                    |
| Apr 07 | 5.2803%      | 5,032,146,136.61    | 5,031,747,141.26    | 0.999920        | 13       | 23       | 523                    |
| Mar 07 | 5.2999%      | 5,200,629,725.85    | 5,200,442,100.26    | 0.999957        | 11       | 26       | 513                    |
| Feb 07 | 5.2903%      | 5,608,621,555.72    | 5,608,663,678.19    | 1.000007        | 12       | 31       | 505                    |
| Jan 07 | 5.2920%      | 4,939,413,083.56    | 4,939,578,732.47    | 1.000033        | 17       | 40       | 501                    |
| Dec 06 | 5.2991%      | 4,277,003,031.52    | 4,276,711,759.92    | 0.999923        | 15       | 49       | 493                    |
| Nov 06 | 5.2785%      | 3,929,299,527.54    | 3,928,963,502.14    | 0.999914        | 22       | 63       | 488                    |
| Oct 06 | 5.2903%      | 3,782,690,698.30    | 3,782,682,727.03    | 0.999997        | 30       | 75       | 484                    |
| Sep 06 | 5.2742%      | 3,711,282,274.72    | 3,712,264,237.96    | 1.000249        | 24       | 81       | 472                    |

## Portfolio Asset Summary as of September 30, 2007

|                                      | Book Value                 | Market Value               |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance                   | \$ 2,173,122.64            | \$ 2,173,122.64            |
| Accrual of Interest Income           | 5,720,263.97               | 5,720,263.97               |
| Interest and Management Fees Payable | (21,527,017.16)            | (21,527,017.16)            |
| Payable for Investment Purchased     | (49,991,920.00)            | (49,991,920.00)            |
| Repurchase Agreements                | 3,989,667,000.00           | 3,989,667,000.00           |
| Government Securities                | 1,175,104,940.21           | 1,176,333,408.09           |
| <b>Total</b>                         | <b>\$ 5,101,146,389.66</b> | <b>\$ 5,102,374,857.54</b> |

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.

## TexSTAR versus 90-Day Treasury Bill



## Daily Summary for September 2007

| Date           | Mny Mkt Fund<br>Equiv. [SEC Std.] | Daily Allocation<br>Factor | TexSTAR Invested<br>Balance | Market Value<br>Per Share | WAM<br>Days (1)* | WAM<br>Days (2)* |
|----------------|-----------------------------------|----------------------------|-----------------------------|---------------------------|------------------|------------------|
| 1-Sep-07       | 5.3641%                           | 0.000146962                | 5,117,776,256.51            | 1.000118                  | 19               | 72               |
| 2-Sep-07       | 5.3641%                           | 0.000146962                | 5,117,776,256.51            | 1.000118                  | 19               | 72               |
| 3-Sep-07       | 5.3641%                           | 0.000146962                | 5,117,776,256.51            | 1.000118                  | 19               | 72               |
| 4-Sep-07       | 5.3510%                           | 0.000146603                | 5,022,739,575.19            | 1.000060                  | 21               | 75               |
| 5-Sep-07       | 5.3106%                           | 0.000145497                | 4,901,880,501.99            | 1.000092                  | 21               | 82               |
| 6-Sep-07       | 5.3033%                           | 0.000145295                | 4,898,072,880.44            | 1.000093                  | 21               | 83               |
| 7-Sep-07       | 5.2372%                           | 0.000143485                | 5,016,982,644.74            | 1.000155                  | 20               | 80               |
| 8-Sep-07       | 5.2372%                           | 0.000143485                | 5,016,982,644.74            | 1.000155                  | 20               | 80               |
| 9-Sep-07       | 5.2372%                           | 0.000143485                | 5,016,982,644.74            | 1.000155                  | 20               | 80               |
| 10-Sep-07      | 5.1552%                           | 0.000141239                | 4,979,814,606.92            | 1.000197                  | 19               | 80               |
| 11-Sep-07      | 5.1059%                           | 0.000139889                | 4,981,787,016.92            | 1.000178                  | 19               | 80               |
| 12-Sep-07      | 5.0854%                           | 0.000139327                | 4,958,147,272.44            | 1.000176                  | 19               | 80               |
| 13-Sep-07      | 5.0631%                           | 0.000138715                | 4,940,538,272.00            | 1.000168                  | 20               | 81               |
| 14-Sep-07      | 5.1032%                           | 0.000139813                | 4,932,490,613.78            | 1.000164                  | 20               | 80               |
| 15-Sep-07      | 5.1032%                           | 0.000139813                | 4,932,490,613.78            | 1.000164                  | 20               | 80               |
| 16-Sep-07      | 5.1032%                           | 0.000139813                | 4,932,490,613.78            | 1.000164                  | 20               | 80               |
| 17-Sep-07      | 5.3262%                           | 0.000145922                | 5,018,842,965.66            | 1.000151                  | 21               | 79               |
| 18-Sep-07      | 5.1983%                           | 0.000142418                | 5,026,185,170.50            | 1.000168                  | 21               | 78               |
| 19-Sep-07      | 4.9109%                           | 0.000134545                | 5,013,928,918.40            | 1.000269                  | 21               | 78               |
| 20-Sep-07      | 4.8669%                           | 0.000133339                | 5,161,933,463.00            | 1.000288                  | 20               | 76               |
| 21-Sep-07      | 4.8722%                           | 0.000133485                | 5,175,710,425.51            | 1.000243                  | 20               | 75               |
| 22-Sep-07      | 4.8722%                           | 0.000133485                | 5,175,710,425.51            | 1.000243                  | 20               | 75               |
| 23-Sep-07      | 4.8722%                           | 0.000133485                | 5,175,710,425.51            | 1.000243                  | 20               | 75               |
| 24-Sep-07      | 4.8777%                           | 0.000133636                | 5,148,863,000.39            | 1.000245                  | 20               | 75               |
| 25-Sep-07      | 4.8739%                           | 0.000133531                | 5,382,789,815.44            | 1.000232                  | 18               | 77               |
| 26-Sep-07      | 4.8944%                           | 0.000134092                | 5,303,804,725.23            | 1.000235                  | 18               | 78               |
| 27-Sep-07      | 5.1214%                           | 0.000140313                | 5,187,930,258.73            | 1.000242                  | 19               | 79               |
| 28-Sep-07      | 5.1165%                           | 0.000140178                | 5,101,146,389.66            | 1.000240                  | 20               | 79               |
| 29-Sep-07      | 5.1165%                           | 0.000140178                | 5,101,146,389.66            | 1.000240                  | 20               | 79               |
| 30-Sep-07      | 5.1165%                           | 0.000140178                | 5,101,146,389.66            | 1.000240                  | 20               | 79               |
| <b>Average</b> | <b>5.1175%</b>                    | <b>0.000140204</b>         | <b>5,065,319,247.80</b>     |                           | <b>20</b>        | <b>78</b>        |

TexSTAR Participant Services  
First Southwest Asset Management, Inc.  
325 North St. Paul Street, Suite 800  
Dallas, Texas 75201



### **TexSTAR Board Members**

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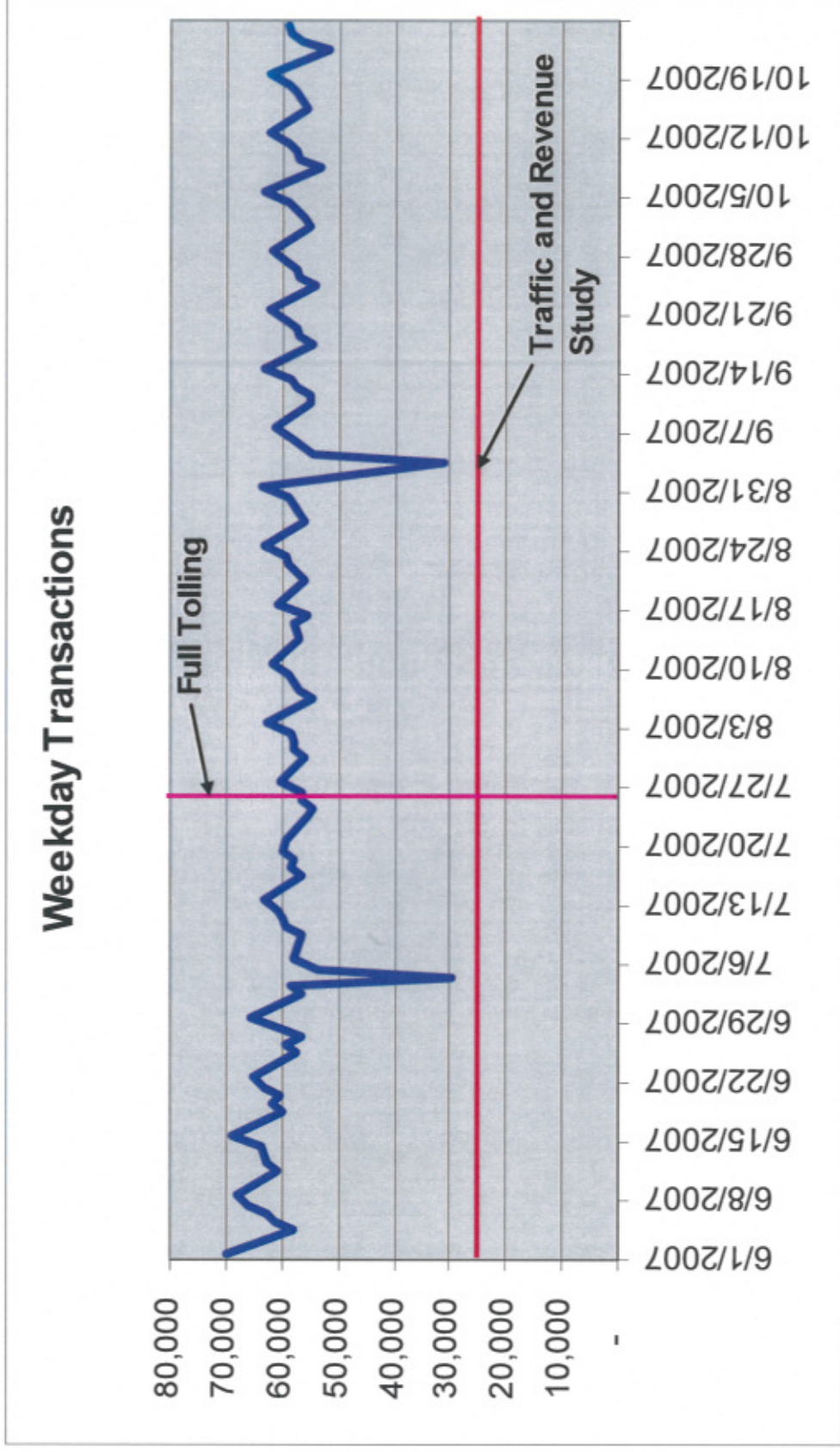
*Advisory Board*

For more information contact **TexSTAR Participant Services** ★ 1-800-TEX-STAR ★ [www.texstar.org](http://www.texstar.org)

 **First Southwest Asset Management**

 **JPMorganChase**

# Weekday ETC Transactions



Low points are July 4th and Labor Day

# Traffic & Revenue Study

| Calendar Year | Average Weekday Transactions | Annual Revenue |
|---------------|------------------------------|----------------|
| 2007          | 24,660                       | \$3,060,000    |
| 2008          | 33,696                       | \$10,336,000   |
| 2009          | 45,879                       | \$13,937,000   |
| 2010          | 58,435                       | \$19,595,000   |
| 2011          | 70,414                       | \$23,446,000   |

July Avg  
weekday  
transactions

56,668

Sept Avg  
weekday  
transactions

56,668

58,561

Aug Avg  
weekday  
transactions

# Actual Revenue FY 2008

|           | Cash          | AVI            |
|-----------|---------------|----------------|
| July      | \$ 183,581.23 | \$1,063,354.35 |
| August    | \$ 171,031.80 | \$1,166,888.45 |
| September | \$ 138,018.82 | \$1,076,981.07 |
| October   |               |                |
|           |               |                |

# Traffic & Revenue Study

| Calendar Year | Average Weekday Transactions | Annual Revenue |
|---------------|------------------------------|----------------|
| 2007          | 24,660                       | \$3,060,000    |
| 2008          | 33,696                       | \$10,336,000   |
| 2009          | 45,879                       | \$13,937,000   |
| 2010          | 58,435                       | \$19,595,000   |
| 2011          | 70,414                       | \$23,446,000   |

FY 08 projection  
\$15,199,423bas  
ed on July-  
September 07  
actuals