

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

RESOLUTION NO. 18-001

ELECTION OF THE MOBILITY AUTHORITY BOARD SECRETARY

WHEREAS, pursuant to Section 101.22, Mobility Authority Policy Code, officers of the Authority shall consist of a chair, vice chair, treasurer, and secretary; and

WHEREAS, by Resolution No. 17-012 dated March 29, 2017, the Board of Directors elected Charles Heimsath, to serve as secretary; and

WHEREAS, Charles Heimsath is no longer serving on the Mobility Authority Board which leaves the secretary position vacant; and

WHEREAS, it is the desire of the Board of Directors to elect from among its members a Secretary who shall perform the duties described in Section 101.25 of the Mobility Authority Policy Code.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the CTRMA elects Amy Ellsworth to serve as Secretary of the Board for a two-year term or until such time as their successor is elected by the Board.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 28th day of February 2018.

Submitted and reviewed by:


Geoffrey Petrov, General Counsel

Approved:


Ray A. Willkerson
Chairman, Board of Directors

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

RESOLUTION NO. 18-002

**ACCEPT THE FINANCIAL STATEMENTS FOR NOVEMBER 2017, DECEMBER 2017 AND
JANUARY 2018**

WHEREAS, the Central Texas Regional Mobility Authority (“Mobility Authority”) 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 the Mobility Authority’s expenditures for goods and services, including those related to project development, as well as close scrutiny of the Mobility Authority’s financial condition and records is the responsibility of the Board and its designees through procedures the Board may implement from time to time; and

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

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of November 2017, and has caused Financial Statements to be prepared and attached to this resolution as Exhibit A; and

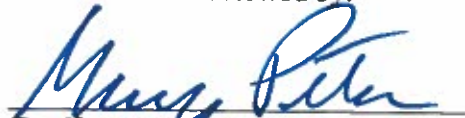
WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of December 2017, and has caused Financial Statements to be prepared and attached to this resolution as Exhibit B.

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of January 2018, and has caused Financial Statements to be prepared and attached to this resolution as Exhibit C.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Statements for November 2017, December 2017 and January 2018, attached hereto as Exhibit A, Exhibit B, and Exhibit C respectively.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 28th day of February 2018.

Submitted and reviewed by:



Geoffrey Petro, General Counsel

Approved:



Ray A. Wilkerson
Chairman, Board of Directors

Exhibit A

Financial Statements for November 2017

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending November 30, 2017

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| REVENUE | | | | |
| Operating Revenue | | | | |
| Toll Revenue - Tags | 61,069,539 | 24,596,389 | 40.28% | 21,664,728 |
| Video Tolls | 14,377,753 | 5,386,647 | 37.47% | 5,726,789 |
| Fee Revenue | 6,022,247 | 2,171,104 | 36.05% | 2,203,301 |
| Total Operating Revenue | 81,469,539 | 32,154,140 | 39.47% | 29,594,817 |
| Other Revenue | | | | |
| Interest Income | 950,000 | 818,218 | 86.13% | 337,865 |
| Grant Revenue | 720,000 | 10,364,053 | 1439.45% | 8,151,086 |
| Reimbursed Expenditures | 314,280 | 11 | - | 50,553 |
| Misc Revenue | 5,500 | - | - | 568 |
| Total Other Revenue | 1,989,780 | 11,182,282 | 561.99% | 8,540,071 |
| TOTAL REVENUE | \$83,459,319 | \$43,336,422 | 51.93% | 38,134,889 |
| EXPENSES | | | | |
| Salaries and Benefits | | | | |
| Salary Expense-Regular | 3,520,456 | 1,357,757 | 38.57% | 1,279,120 |
| Salary Reserve | 80,000 | - | - | - |
| TCDRS | 515,649 | 187,826 | 36.43% | 179,396 |
| FICA | 165,251 | 48,789 | 29.52% | 45,691 |
| FICA MED | 55,277 | 19,573 | 35.41% | 18,554 |
| Health Insurance Expense | 396,258 | 119,332 | 30.11% | 150,586 |
| Life Insurance Expense | 32,942 | 4,720 | 14.33% | 4,875 |
| Auto Allowance Expense | 10,200 | 4,250 | 41.67% | 4,250 |
| Other Benefits | 153,197 | 33,754 | 22.03% | 52,582 |
| Unemployment Taxes | 19,950 | 9 | 0.04% | 160 |
| Total Salaries and Benefits | 4,949,181 | 1,776,011 | 35.88% | 1,735,215 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending November 30, 2017

| | Budget | | | |
|-------------------------------------------------|------------------|----------------|---------------|----------------|
| | Amount FY | Actual Year to | Percent of | Actual Prior |
| | 2018 | Date | Budget | Year to Date |
| Administrative | | | | |
| Administrative and Office Expenses | | | | |
| Accounting | 10,000 | 2,652 | 26.52% | 2,787 |
| Auditing | 100,000 | 29,500 | 29.50% | 53,880 |
| Human Resources | 15,000 | 5,383 | 35.89% | 2,493 |
| IT Services | 103,500 | 49,784 | 48.10% | 28,143 |
| Internet | 4,125 | 1,107 | 26.84% | 880 |
| Software Licenses | 49,800 | 9,589 | 19.25% | 34,583 |
| Cell Phones | 18,500 | 4,707 | 25.45% | 6,220 |
| Local Telephone Service | 2,000 | 6,310 | 315.51% | 6,437 |
| Overnight Delivery Services | 850 | 46 | 5.47% | 41 |
| Local Delivery Services | 600 | - | - | - |
| Copy Machine | 17,000 | 5,928 | 34.87% | 6,080 |
| Repair & Maintenance-General | 2,500 | 704 | 28.16% | - |
| Community Meeting/ Events | 2,000 | - | - | - |
| Meeting Expense | 15,000 | 4,554 | 30.36% | 3,144 |
| Public Notices | 100 | - | - | - |
| Toll Tag Expense | 3,150 | 807 | 25.63% | 664 |
| Parking | 4,200 | 353 | 8.41% | 704 |
| Mileage Reimbursement | 11,200 | 2,267 | 20.24% | 1,261 |
| Insurance Expense | 150,000 | 67,996 | 45.33% | 60,286 |
| Rent Expense | 515,000 | 214,509 | 41.65% | 167,155 |
| Legal Services | 288,000 | 31,180 | 10.83% | 13,721 |
| Total Administrative and Office Expenses | 1,312,525 | 437,375 | 33.32% | 388,478 |
| Office Supplies | | | | |
| Books & Publications | 6,000 | 752 | 12.54% | 690 |
| Office Supplies | 19,900 | 2,632 | 13.23% | 8,305 |
| Computer Supplies | 46,800 | 4,437 | 9.48% | 2,926 |
| Copy Supplies | 1,000 | 604 | 60.38% | 100 |
| Other Reports-Printing | 8,000 | - | - | 465 |
| Office Supplies-Printed | 1,000 | 759 | 75.93% | 457 |
| Misc Materials & Supplies | 2,750 | - | - | 1,015 |
| Postage Expense | 900 | 127 | 14.10% | 171 |
| Total Office Supplies | 86,350 | 9,311 | 10.78% | 14,129 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending November 30, 2017

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|--------------------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| Communications and Public Relations | | | | |
| Graphic Design Services | 35,000 | 15,000 | 42.86% | - |
| Website Maintenance | 130,000 | 12,890 | 9.92% | 58,257 |
| Research Services | 110,000 | 48,758 | 44.33% | 68,859 |
| Communications and Marketing | 400,000 | 108,896 | 27.22% | 166,485 |
| Advertising Expense | 330,000 | 90,746 | 27.50% | 45,760 |
| Direct Mail | 10,000 | - | - | - |
| Video Production | 31,000 | 8,904 | 28.72% | 8,820 |
| Photography | 11,000 | 3,565 | 32.41% | 698 |
| Radio | 10,000 | 7,719 | 77.19% | - |
| Other Public Relations | 20,000 | 31,933 | 159.67% | 5,000 |
| Promotional Items | 20,000 | - | - | 972 |
| Displays | 5,000 | 2,124 | 42.48% | - |
| Direct Mail Printing | 6,500 | - | - | - |
| Other Communication Expenses | 50,500 | 2,560 | 5.07% | 1,261 |
| Total Communications and Public Relations | 1,169,000 | 333,095 | 28.49% | 356,112 |
| Employee Development | | | | |
| Subscriptions | 3,200 | 705 | 22.04% | 11,536 |
| Memberships | 51,250 | 30,084 | 58.70% | 5,474 |
| Continuing Education | 10,500 | 694 | 6.60% | 135 |
| Professional Development | 4,000 | 748 | 18.70% | - |
| Other Licenses | 1,750 | 208 | 11.88% | 40 |
| Seminars and Conferences | 42,500 | 7,683 | 18.08% | 13,629 |
| Travel | 97,000 | 13,367 | 13.78% | 31,004 |
| Total Employee Development | 210,200 | 53,488 | 25.45% | 61,818 |
| Financing and Banking Fees | | | | |
| Trustee Fees | 30,000 | 21,525 | 71.75% | 17,500 |
| Bank Fee Expense | 6,500 | 2,281 | 35.10% | 2,460 |
| Continuing Disclosure | 10,000 | 4,419 | 44.19% | - |
| Arbitrage Rebate Calculation | 8,000 | 8,355 | 104.44% | 6,455 |
| Rating Agency Expense | 30,000 | 15,500 | 51.67% | 15,000 |
| Total Financing and Banking Fees | 84,500 | 52,080 | 61.63% | 41,415 |
| Total Administrative | 2,862,575 | 885,349 | 30.93% | 861,952 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending November 30, 2017

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|----------------------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| Operations and Maintenance | | | | |
| Operations and Maintenance Consulting | | | | |
| GEC-Trust Indenture Support | 155,000 | 61,468 | 39.66% | 702 |
| GEC-Financial Planning Support | 50,000 | - | - | 47 |
| GEC-Toll Ops Support | 20,000 | - | - | 8,012 |
| GEC-Roadway Ops Support | 410,000 | 180,724 | 44.08% | 147,549 |
| GEC-Technology Support | 60,000 | - | - | 175,529 |
| GEC-Public Information Support | - | 122,332 | - | 4,638 |
| GEC-General Support | 800,000 | 315,559 | 39.44% | 283,074 |
| General System Consultant | 170,000 | 50,335 | 29.61% | 1,074 |
| Traffic and Revenue Consultant | 95,000 | 48,224 | 50.76% | 25,501 |
| Total Operations and Maintenance Consulting | 1,760,000 | 778,642 | 44.24% | 646,127 |
| Roadway Operations and Maintenance | | | | |
| Roadway Maintenance | 5,007,401 | 1,123,108 | 22.43% | 848,351 |
| Landscape Maintenance | 2,500 | - | - | - |
| Signal & Illumination Maint | 5,000 | 651 | 13.02% | - |
| Maintenance Supplies-Roadway | 5,500 | - | - | 396 |
| Tools & Equipment Expense | 1,000 | 129 | 12.92% | 15 |
| Gasoline | 13,700 | 5,834 | 42.58% | 2,284 |
| Repair & Maintenance-Vehicles | 5,000 | 2,673 | 53.47% | 1,070 |
| Electricity - Roadways | 200,000 | 53,531 | 26.77% | 61,454 |
| Total Roadway Operations and Maintenance | 5,240,101 | 1,185,926 | 22.63% | 913,569 |
| Toll Processing and Collection Expense | | | | |
| Image Processing | 1,563,594 | 701,257 | 44.85% | 580,348 |
| Tag Collection Fees | 4,100,826 | 2,175,504 | 53.05% | 1,318,618 |
| Court Enforcement Costs | 40,000 | 13,300 | 33.25% | 6,900 |
| DMV Lookup Fees | 1,000 | 212 | 21.16% | 122 |
| Total Processing and Collection Expense | 5,705,420 | 2,890,272 | 50.66% | 1,905,988 |

**Central Texas Regional Mobility Authority
Income Statement
For the Period Ending November 30, 2017**

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|-------------------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| Toll Operations Expense | | | | |
| Generator Fuel | 5,000 | 42 | 0.84% | 58 |
| Fire and Burglar Alarm | 500 | 123 | 24.67% | 123 |
| Refuse | 1,700 | 568 | 33.42% | 770 |
| Telecommunications | 120,000 | 35,475 | 29.56% | 26,271 |
| Water | 22,000 | 2,701 | 12.28% | 6,209 |
| Electricity | 2,500 | 600 | 24.00% | 730 |
| ETC spare parts expense | 20,000 | - | - | - |
| Repair & Maintenance Toll Equip | 5,000 | - | - | 11,940 |
| Law Enforcement | 275,000 | 117,293 | 42.65% | 91,428 |
| ETC Maintenance Contract | 1,755,098 | 439,334 | 25.03% | 512,132 |
| ETC Toll Management Center System Operation | 294,588 | - | - | - |
| ETC Development | 500,000 | - | - | - |
| ETC Testing | 25,000 | - | - | - |
| Total Toll Operations Expense | 3,026,386 | 596,137 | 19.70% | 649,661 |
| Total Operations and Maintenance | 15,731,907 | 5,450,977 | 34.65% | 4,115,345 |
| Other Expenses | | | | |
| Special Projects and Contingencies | | | | |
| HERO | 720,000 | 227,083 | 31.54% | 343,278 |
| Special Projects | 113,000 | - | - | 12,027 |
| 71 Express Net Revenue Payment | - | 234,123 | - | - |
| Other Contractual Svcs | 2,430,600 | 27,999 | 1.15% | 19,244 |
| Contingency | 250,000 | 693 | 0.28% | - |
| Total Special Projects and Contingencies | 3,513,600 | 489,898 | 13.94% | 374,549 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending November 30, 2017

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|-------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| Non Cash Expenses | | | | |
| Amortization Expense | 385,000 | 211,262 | 54.87% | 159,816 |
| Amort Expense - Refund Savings | 1,034,000 | 430,491 | 41.63% | 430,048 |
| Dep Exp- Furniture & Fixtures | 2,620 | 1,089 | 41.57% | 954 |
| Dep Expense - Equipment | 16,050 | 7,424 | 46.25% | 6,151 |
| Dep Expense - Autos & Trucks | 19,312 | 6,948 | 35.98% | 2,669 |
| Dep Expense-Buildng & Toll Fac | 177,115 | 73,737 | 41.63% | 73,798 |
| Dep Expense-Highways & Bridges | 18,048,333 | 8,366,873 | 46.36% | 7,283,567 |
| Dep Expense-Communic Equip | 196,115 | - | - | 81,715 |
| Dep Expense-Toll Equipment | 2,756,238 | 1,021,615 | 37.07% | 1,148,432 |
| Dep Expense - Signs | 325,900 | 135,789 | 41.67% | 135,789 |
| Dep Expense-Land Improvemts | 884,934 | 368,723 | 41.67% | 368,723 |
| Depreciation Expense-Computers | 13,210 | 6,413 | 48.55% | 6,002 |
| Total Non Cash Expenses | 23,858,827 | 10,630,363 | 44.56% | 9,697,662 |
| Total Other Expenses | 27,372,427 | 11,120,261 | 40.63% | 10,072,211 |
| Non Operating Expenses | | | | |
| Bond issuance expense | 1,450,000 | 94,480 | 6.52% | 1,035,375 |
| Interest Expense | 38,074,354 | 13,065,042 | 34.31% | 13,698,916 |
| Community Initiatives | 100,000 | 25,000 | 25.00% | 25,000 |
| Total Non Operating Expenses | 39,624,354 | 13,184,523 | 33.27% | 14,759,291 |
| TOTAL EXPENSES | \$90,540,444 | \$32,417,120 | 35.80% | \$31,544,013 |
| Net Income | (\$7,081,125) | \$10,919,302 | | 6,590,875 |

Central Texas Regional Mobility Authority
Balance Sheet
as of November 30, 2017

| | as of 11/30/2017 | as of 11/30/2016 |
|------------------------------------------------------------|--------------------------------|--------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | | |
| Regions Operating Account | \$ 594,782 | \$ 822,155 |
| Cash in TexStar | 1,009,234 | 433,759 |
| Regions Payroll Account | 143,392 | 40,539 |
| Restricted Cash | | |
| Goldman Sachs FSGF 465 | 114,430,435 | 253,399,237 |
| Restricted Cash - TexSTAR | 208,168,258 | 137,006,994 |
| Overpayments account | 179,934 | 160,655 |
| Total Cash and Cash Equivalents | <u>324,526,034</u> | <u>391,863,338</u> |
| Accounts Receivable | | |
| Accounts Receivable | - | 14,485 |
| Due From Other Agencies | 2,654 | 6,717,549 |
| Due From TTA | 1,585,344 | 260,539 |
| Due From NTTA | 1,493,300 | 461,124 |
| Due From HCTRA | 2,652,454 | 1,000,347 |
| Due From TxDOT | 755,380 | 46,029,240 |
| Interest Receivable | 340,896 | 518,560 |
| Total Receivables | <u>6,830,028</u> | <u>55,001,843</u> |
| Short Term Investments | | |
| Agencies | 101,362,107 | 179,414,291 |
| Total Short Term Investments | <u>101,362,107</u> | <u>179,414,291</u> |
| Total Current Assets | <u>432,718,168</u> | <u>626,279,472</u> |
| Total Construction in Progress | 623,791,392 | 386,087,932 |
| Fixed Assets (Net of Depreciation and Amortization) | | |
| Computer | 38,713 | 34,269 |
| Computer Software | 1,166,094 | 992,794 |
| Furniture and Fixtures | 14,157 | 16,771 |
| Equipment | 28,704 | 6,829 |
| Autos and Trucks | 70,078 | 18,151 |
| Buildings and Toll Facilities | 5,216,802 | 5,393,856 |
| Highways and Bridges | 756,152,784 | 609,351,605 |
| Communication Equipment | - | 136,707 |
| Toll Equipment | 14,968,380 | 16,108,263 |
| Signs | 10,794,674 | 11,120,567 |
| Land Improvements | 10,255,216 | 11,140,150 |
| Right of way | 88,149,606 | 87,960,004 |
| Leasehold Improvements | 140,196 | 159,913 |
| Total Fixed Assets | <u>886,995,406</u> | <u>742,439,878</u> |
| Other Assets | | |
| Intangible Assets-Net | 104,092,633 | 102,925,335 |
| 2005 Bond Insurance Costs | 4,412,504 | 4,626,012 |
| Prepaid Insurance | 152,641 | 123,207 |
| Deferred Outflows (pension related) | 711,563 | 780,064 |
| Pension Asset | 355,139 | 202,023 |
| Total Other Assets | <u>109,724,480</u> | <u>108,656,641</u> |
| Total Assets | <u><u>\$ 2,053,229,446</u></u> | <u><u>\$ 1,863,463,923</u></u> |

Central Texas Regional Mobility Authority
Balance Sheet
as of November 30, 2017

| | as of 11/30/2017 | as of 11/30/2016 |
|------------------------------------------|-------------------------|-------------------------|
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | \$ 267,409 | \$ 893,890 |
| Construction Payable | (135) | 608,608 |
| Overpayments | 182,617 | 140,612 |
| Interest Payable | 21,625,136 | 22,490,644 |
| Deferred Compensation Payable | 142 | - |
| TCDRS Payable | 49,531 | 48,915 |
| Medical Reimbursement Payable | 1,735 | 1,735 |
| Due to other Agencies | 2,003,643 | - |
| Due to TTA | 858,967 | - |
| Due to NTTA | 251,297 | - |
| Due to HCTRA | 266,500 | - |
| Due to Other Entities | 5,955,509 | 7,505,636 |
| 71E TxDOT Obligation - ST | 885,120 | - |
| Total Current Liabilities | 32,347,471 | 31,690,040 |
| Long Term Liabilities | | |
| Compensated Absences | 182,441 | 138,927 |
| Deferred Inflows (pension related) | 286,449 | 172,017 |
| Long Term Payables | 468,891 | 310,944 |
| Bonds Payable | | |
| Senior Lien Revenue Bonds: | | |
| Senior Lien Revenue Bonds 2010 | 70,796,838 | 66,327,311 |
| Senior Lien Revenue Bonds 2011 | 14,877,661 | 13,922,249 |
| Senior Refunding Bonds 2013 | 143,685,000 | 147,880,000 |
| Senior Lien Revenue Bonds 2015 | 298,790,000 | 298,790,000 |
| Senior Lien Put Bnd 2015 | 68,785,000 | 68,785,000 |
| Senior Lien Refunding Revenue Bonds 2016 | 358,030,000 | 358,030,000 |
| Sn Lien Rev Bnd Prem/Disc 2013 | 9,203,221 | 11,183,547 |
| Sn Lien Revenue Bnd Prem 2015 | 21,475,310 | 22,671,815 |
| Sn Lien Put Bnd Prem 2015 | 4,813,085 | 6,676,388 |
| Senior lien premium 2016 revenue bonds | 54,217,780 | 58,538,029 |
| Total Senior Lien Revenue Bonds | 1,044,673,895 | 1,052,804,339 |
| Sub Lien Revenue Bonds: | | |
| Sub Refunding Bnds 2013 | 101,530,000 | 102,030,000 |
| Sub Debt Refunding Bonds 2016 | 74,690,000 | 74,690,000 |
| Sub Refunding 2013 Prem/Disc | 2,118,512 | 2,609,554 |
| Sub Refunding 2016 Prem/Disc | 9,659,808 | 10,535,184 |
| Total Sub Lien Revenue Bonds | 187,998,320 | 189,864,738 |
| Other Obligations | | |
| TIFIA note 2015 | 53,205 | 51,790 |
| SIB loan 2015 | 31,027,696 | 30,035,611 |
| State Highway Fund Loan 2015 | 31,027,726 | 30,035,611 |
| State 45SW Loan | 4,080,000 | - |
| 2013 American Bank Loan | - | 5,300,000 |
| 71E TxDOT Obligation - LT | 65,000,000 | - |
| Total Other Obligations | 131,188,626 | 65,423,012 |
| Total Long Term Liabilities | 1,364,329,731 | 1,308,403,033 |
| Total Liabilities | 1,396,677,203 | 1,340,093,073 |
| NET ASSETS | | |
| Contributed Capital | 136,725,550 | 40,347,060 |
| Net Assets Beginning | 508,907,392 | 476,432,915 |
| Current Year Operations | 10,919,302 | 6,590,875 |
| Total Net Assets | 656,552,243 | 523,370,850 |
| Total Liabilities and Net Assets | \$ 2,053,229,446 | \$ 1,863,463,923 |

Central Texas Regional Mobility Authority
Statement of Cash Flow
as of November 30, 2017

Cash flows from operating activities:

| | | |
|-----------------------------------------------------------|----|-------------|
| Receipts from toll fees | \$ | 29,531,229 |
| Receipts from interest income | | (15,367) |
| Payments to vendors | | (6,373,029) |
| Payments to employees | | (1,781,247) |
| Net cash flows provided by (used in) operating activities | | 21,361,598 |

Cash flows from capital and related financing activities:

| | | |
|-------------------------------------------------------------------------------|--|--------------|
| Proceeds from notes payable | | 5,098,389 |
| Refunding of bonds | | (364,740) |
| Receipts from Department of Transportation | | 23,592,577 |
| Interest payments | | (28,572,049) |
| Acquisitions of construction in progress | | (90,273,887) |
| Net cash flows provided by (used in) capital and related financing activities | | (94,089,710) |

Cash flows from investing activities:

| | | |
|-----------------------------------------------------------|----|--------------|
| Interest income | | 1,825,489 |
| Purchase of investments | | (97,444,533) |
| Proceeds from sale or maturity of investments | | 82,434,926 |
| Net cash flows provided by (used in) investing activities | | (13,184,118) |
| Net increase (decrease) in cash and cash equivalents | | (85,912,230) |
| Cash and cash equivalents at beginning of period | | 201,260,772 |
| Cash and cash equivalents at end of October | \$ | 115,348,542 |

Reconciliation of change in net assets to net cash provided by operating activities:

| | | |
|---------------------------------------------------------------------------------------------|----|-------------|
| Operating income | \$ | 13,348,761 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | | 10,199,872 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | | (2,646,437) |
| (Increase) decrease in prepaid expenses and other assets | | (114,642) |
| (Decrease) increase in accounts payable | | (1,653,525) |
| Increase (decrease) in accrued expenses | | 2,227,568 |
| Total adjustments | | 8,012,836 |
| Net cash flows provided by (used in) operating activities | \$ | 21,361,598 |

Reconciliation of cash and cash equivalents:

| | | |
|----------------------------------------|----|-------------|
| Unrestricted cash and cash equivalents | \$ | 918,108 |
| Restricted cash and cash equivalents | | 114,430,435 |
| Total | \$ | 115,348,542 |

INVESTMENTS by FUND

| | | Balance | | |
|---------------------------------------------------------|----------------------|----------------|--------------------------|--------------------------|
| | | | November 30, 2017 | |
| Renewal & Replacement Fund | | | | |
| TexSTAR | 508,364.80 | | | 209,177,491.59 |
| Goldman Sachs | 189,616.66 | | | 114,430,434.88 |
| Agencies | | | 697,981.46 | 101,374,348.15 |
| Grant Fund | | | | \$ 424,982,274.62 |
| TexSTAR | 9,148,528.50 | | | |
| Goldman Sachs | 477,798.81 | | | |
| Agencies | | | 9,626,327.31 | |
| Senior Debt Service Reserve Fund | | | | |
| TexSTAR | 15,121,965.24 | | | |
| Goldman Sachs | 5,310,503.80 | | | |
| Agencies | 59,906,048.50 | | 80,338,517.54 | |
| 2010 Senior Lien DSF | | | | |
| Goldman Sachs | 229,550.58 | | | |
| TexSTAR | - | | 229,550.58 | |
| 2011 Debt Service Acct | | | | |
| Goldman Sachs | 755,251.04 | | 755,251.04 | |
| 2013 Sr Debt Service Acct | | | | |
| Goldman Sachs | 6,489,951.98 | | 6,489,951.98 | |
| 2013 Sub Debt Service Account | | | | |
| Goldman Sachs | 3,037,509.03 | | 3,037,509.03 | |
| 2015 Sr Capitalized Interest | | | | |
| Goldman Sachs | 3,157,998.32 | | 53,609,010.25 | |
| TexSTAR | 50,451,011.93 | | | |
| 2015A Debt Service Account | | | | |
| Goldman Sachs | 3.30 | | 3.30 | |
| 2015B Debt Service Account | | | | |
| Goldman Sachs | 1,435,362.86 | | 1,435,362.86 | |
| 2016 Sr Lien Rev Refunding Debt Service Account | | | | |
| Goldman Sachs | 7,872,245.07 | | 7,872,245.07 | |
| 2016 Sub Lien Rev Refunding Debt Service Account | | | | |
| Goldman Sachs | 1,761,952.24 | | 6,759,452.24 | |
| Agencies | 4,997,500.00 | | | |
| 2016 Sub Lein Rev Refunding DSR | | | | |
| Goldman Sachs | 1,659,934.36 | | 1,659,934.36 | |
| Operating Fund | | | | |
| TexSTAR | 1,009,233.62 | | | |
| TexSTAR-Trustee | 1,574,206.22 | | | |
| Goldman Sachs | 33,862.50 | | 2,617,302.34 | |
| Revenue Fund | | | | |
| Goldman Sachs | 3,545,338.67 | | 3,545,338.67 | |
| General Fund | | | | |
| TexSTAR | 25,236,693.61 | | | |
| Goldman Sachs | 18,986,357.55 | | | |
| Agencies | 4,400,866.25 | | 48,623,917.41 | |
| 2013 Sub Debt Service Reserve Fund | | | | |
| TexSTAR | 5,047,153.11 | | | |
| Goldman Sachs | 3,492,113.58 | | | |
| Agencies | | | 8,539,266.69 | |
| 71E Revenue Fund | | | | |
| Goldman Sachs | 2,564,823.32 | | 2,564,823.32 | |
| MoPac Revenue Fund | | | | |
| Goldman Sachs | 202,905.39 | | 202,905.39 | |
| MoPac Construction Fund | | | | |
| Goldman Sachs | 32,060,642.10 | | 32,060,642.10 | |
| 2015B Project Account | | | | |
| Goldman Sachs | 785,705.58 | | | |
| Agencies | 32,069,933.40 | | 40,474,249.85 | |
| TexSTAR | 7,618,610.87 | | | |
| 2015A Project Account | | | | |
| TexSTAR | 19,182,117.45 | | | |
| Goldman Sachs | 10,605,901.20 | | 29,788,018.65 | |
| Treasury Notes | | | | |
| 2015 TIFIA Project Account | | | | |
| Goldman Sachs | 50,552.93 | | 50,552.93 | |
| 2015 State Highway Fund Project Account | | | | |
| TexSTAR | 29,066,194.14 | | | |
| Goldman Sachs | 710,689.23 | | 29,776,883.37 | |
| 2015 SIB Project Account | | | | |
| TexSTAR | 19,043,910.02 | | | |
| Goldman Sachs | 808,999.58 | | 19,852,909.60 | |
| 2011 Sr Financial Assistance Fund | | | | |
| Goldman Sachs | 1,002.34 | | 23,153,958.49 | |
| TexSTAR | 23,152,956.15 | | | |
| 183S Utility Custody Deposit | | | | |
| Goldman Sachs | 1,206,309.38 | | | |
| TexSTAR | 3,016,545.93 | | 4,222,855.31 | |
| RIF | | | | |
| Goldman Sachs | 2,003,131.98 | | 2,003,131.98 | |
| 45SW Project Fund | | | | |
| Goldman Sachs | 4,083,029.14 | | 4,083,029.14 | |
| 45SW Trust Account Travis County | | | | |
| Goldman Sachs | 911,392.36 | | 911,392.36 | |
| | | | \$ 424,982,274.62 | |

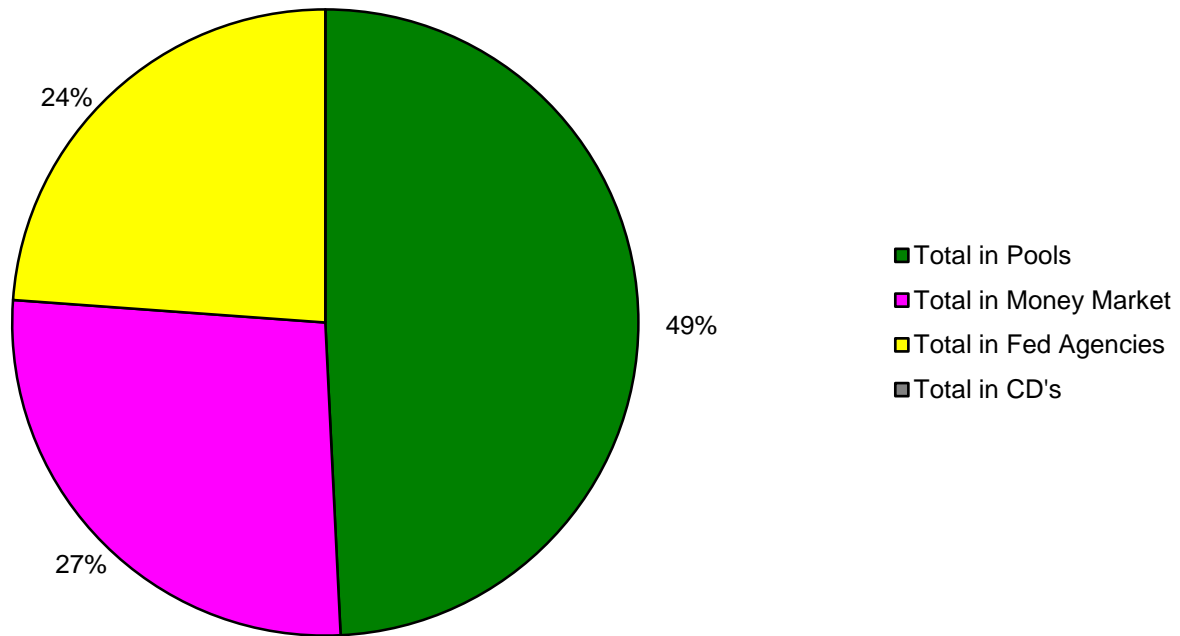
CTRMA INVESTMENT REPORT

| Month Ending 11/30/17 | | | | | | Rate November |
|--------------------------------------------------|-----------------------|--------------------------|-------------------|---------------------|-----------------------|-----------------------|
| Balance 11/1/2017 | Additions | Discount Amortization | Accrued Interest | Withdrawals | Balance 11/30/2017 | |
| Amount in Trustee TexStar | | | | | | |
| 2011 Sr Lien Financial Assist Fund | 23,132,621.19 | | 20,334.96 | | 23,152,956.15 | 1.070% |
| 2013 Sub Lien Debt Service Reserve | 5,042,720.26 | | 4,432.85 | | 5,047,153.11 | 1.070% |
| General Fund | 25,214,528.54 | | 22,165.07 | | 25,236,693.61 | 1.070% |
| Trustee Operating Fund | 2,055,818.91 | 1,666,712.50 | 1,674.81 | 2,150,000.00 | 1,574,206.22 | 1.070% |
| Renewal and Replacement | 507,918.32 | | 446.48 | | 508,364.80 | 1.070% |
| Grant Fund | 9,140,493.48 | | 8,035.02 | | 9,148,528.50 | 1.070% |
| Senior Lien Debt Service Reserve Fund | 15,108,683.78 | | 13,281.46 | | 15,121,965.24 | 1.070% |
| 183S Utility Custody Deposit | 3,013,896.53 | | 2,649.40 | | 3,016,545.93 | 1.070% |
| 2015A Sr Ln Project Account | 19,165,270.03 | | 16,847.42 | | 19,182,117.45 | 1.070% |
| 2015A Sr Ln Project Cap Interest | 50,406,701.43 | | 44,310.50 | | 50,451,011.93 | 1.070% |
| 2015B Sr Ln Project | 7,611,919.52 | | 6,691.35 | | 7,618,610.87 | 1.070% |
| 2015D State Highway Fund Project Acct | 29,040,665.65 | | 25,528.49 | | 29,066,194.14 | 1.070% |
| 2015E SIB Project Account | 19,027,183.98 | | 16,726.04 | | 19,043,910.02 | 1.070% |
| | 208,468,421.62 | 1,666,712.50 | 183,123.85 | 2,150,000.00 | 208,168,257.97 | |
| Amount in TexStar Operating Fund | | | | | | |
| | 1,058,507.22 | 2,150,000.00 | 726.40 | 2,200,000.00 | 1,009,233.62 | 1.070% |
| Goldman Sachs | | | | | | |
| Operating Fund | 66,712.50 | 1,633,862.50 | | 1,666,712.50 | 33,862.50 | 0.960% |
| 45SW Trust Account Travis County | 912,058.76 | | 724.60 | 1,391.00 | 911,392.36 | 0.960% |
| 45SW Project Fund | 4,080,000.00 | | 3,029.14 | | 4,083,029.14 | 0.960% |
| 2015A Project Account | 24,234,769.11 | | 17,158.73 | 13,646,026.64 | 10,605,901.20 | 0.960% |
| 2015B Project Account | 785,083.02 | | 622.56 | | 785,705.58 | 0.960% |
| 2015D State Highway Fund Project Acct | 710,126.44 | | 562.79 | | 710,689.23 | 0.960% |
| 2015C TIFIA Project Account | 50,512.87 | | 40.06 | | 50,552.93 | 0.960% |
| 2015E SIB Project Account | 808,358.74 | | 640.84 | | 808,999.58 | 0.960% |
| 183S Utility Custody Deposit | 1,727,823.03 | | 934.70 | 522,448.35 | 1,206,309.38 | 0.960% |
| 2011 Sr Financial Assistance Fund | 1,001.55 | | 0.79 | | 1,002.34 | 0.960% |
| 2010 Senior DSF | 212,569.97 | 16,818.41 | 162.20 | | 229,550.58 | 0.960% |
| 2011 Senior Lien Debt Service Acct | 754,652.53 | | 598.51 | | 755,251.04 | 0.960% |
| 2013 Senior Lien Debt Service Acct | 5,572,059.97 | 913,820.01 | 4,072.00 | | 6,489,951.98 | 0.960% |
| 2013 Subordinate Debt Service Acct | 2,530,160.75 | 505,533.68 | 1,814.60 | | 3,037,509.03 | 0.960% |
| 2015 Sr Capitalized Interest | 3,155,495.74 | | 2,502.58 | | 3,157,998.32 | 0.960% |
| 2015A Debt Service Acct | 3.30 | | | | 3.30 | 0.960% |
| 2015B Debt Service Acct | 1,148,433.48 | 286,127.26 | 802.12 | | 1,435,362.86 | 0.960% |
| 2016 Sr Lien Rev Refunding Debt Service Account | 7,000,411.92 | 866,610.41 | 5,222.74 | | 7,872,245.07 | 0.960% |
| 2016 Sub Lien Rev Refunding Debt Service Account | 1,448,178.40 | 312,744.11 | 1,029.73 | | 1,761,952.24 | 0.960% |
| 2016 Sub Lein Rev Refunding DSR | 1,658,618.93 | | 1,315.43 | | 1,659,934.36 | 0.960% |
| RIF | 2,001,544.58 | | 1,587.40 | | 2,003,131.98 | 0.960% |
| Grant Fund | 477,420.17 | | 378.64 | | 477,798.81 | 0.960% |
| Renewal and Replacement | 189,466.40 | | 150.26 | | 189,616.66 | 0.960% |
| Revenue Fund | 1,358,626.80 | 6,886,704.17 | 1,988.21 | 4,701,980.51 | 3,545,338.67 | 0.960% |
| General Fund | 17,376,744.24 | 9,309,111.81 | 10,683.20 | 7,710,181.70 | 18,986,357.55 | 0.960% |
| Senior Lien Debt Service Reserve Fund | 5,306,295.80 | | 4,208.00 | | 5,310,503.80 | 0.960% |
| MoPac Revenue Fund | 196,407.53 | 6,369.65 | 128.21 | | 202,905.39 | 0.960% |
| 71E Revenue Fund | 2,361,061.41 | 202,313.43 | 1,448.48 | | 2,564,823.32 | 0.960% |
| 2013 Sub Debt Service Reserve Fund | 3,489,346.22 | | 2,767.36 | | 3,492,113.58 | 0.960% |
| MoPac Managed Lane Construction Fund | 32,889,392.70 | | 26,422.53 | 855,173.13 | 32,060,642.10 | 0.960% |
| | 122,503,336.86 | 20,940,015.44 | 0.00 | 90,996.41 | 114,430,434.88 | |
| Amount in Fed Agencies and Treasuries | | | | | | |
| Amortized Principal | 101,359,477.75 | | 2,628.73 | 12,241.67 | 101,374,348.15 | |
| | 101,359,477.75 | - | 2,628.73 | 12,241.67 | 101,374,348.15 | |
| Certificates of Deposit | | | | | | |
| Total in Pools | 209,526,928.84 | 3,816,712.50 | | 183,850.25 | 4,350,000.00 | 209,177,491.59 |
| Total in GS FSGF | 122,503,336.86 | 20,940,015.44 | | 90,996.41 | | 114,430,434.88 |
| Total in Fed Agencies and Treasuries | 101,359,477.75 | - | 2,628.73 | | | 101,374,348.15 |
| Total Invested | 433,389,743.45 | 24,756,727.94 | 2,628.73 | 274,846.66 | 4,350,000.00 | 424,982,274.62 |

All Investments in the portfolio are in compliance with the CTRMA's Investment policy and the relevant provisions of the Public Funds Investment Act Chapter 2256.023

William Chapman, CFO
Mary Temple, Controller

Allocation of Funds



Amount of Investments As of November 30, 2017

| Agency | CUSIP # | COST | Book Value | Market Value | Yield to Maturity | Purchased | Matures | FUND |
|---------------------------------|-----------|-----------------------|-----------------------|-----------------------|-------------------|-----------|------------|------------------|
| Federal Farm Credit | 3133ECA79 | 4,959,250.00 | 4,995,472.22 | 4,993,000.00 | 1.2155% | 3/11/2015 | 3/19/2018 | Senior DSRF |
| Federal Farm Credit | 3133EFSG3 | 10,057,749.23 | 10,009,118.10 | 9,993,530.00 | 0.8421% | 2/8/2016 | 3/14/2018 | 2015B Sr Project |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07 | 10,109,781.96 | 10,013,600.00 | 1.0369% | 2/8/2016 | 3/8/2019 | 2015B Sr Project |
| Federal Home Loan Mortgage Corp | 313397UW9 | 11,926,550.00 | 11,951,033.34 | 11,947,320.00 | 1.1370% | 9/15/2017 | 3/29/2018 | 2015B Sr Project |
| Federal Home loan Bank | 3130A6SW8 | 10,039,900.00 | 10,001,968.75 | 9,999,420.00 | 0.7616% | 4/11/2016 | 12/19/2017 | Senior DSRF |
| Federal Home loan Bank | 3130A8BD4 | 24,907,000.00 | 24,949,923.08 | 24,910,650.00 | 1.2288% | 6/7/2017 | 6/29/2018 | Senior DSRF |
| Fannie Mae | 3135G0G72 | 19,946,880.00 | 19,958,684.45 | 19,881,220.00 | 1.3401% | 9/15/2017 | 12/14/2018 | Senior DSRF |
| Federal Home loan Bank | 3130ABJD9 | 4,995,000.00 | 4,997,500.00 | 4,988,650.00 | 1.2265% | 6/7/2017 | 6/5/2018 | 2016 Sub DSRF |
| Federal Home loan Bank | 3130A6SW8 | 4,417,556.00 | 4,400,866.25 | 4,399,744.80 | 0.7616% | 4/11/2016 | 12/19/2017 | General |
| | | <u>101,503,527.30</u> | <u>101,374,348.15</u> | <u>101,127,134.80</u> | | | | |

| Agency | CUSIP # | COST | Cummulative Amortization | 11/30/2017 | | Interest Income November 30, 2017 | | |
|---------------------------------|-----------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------------------|-----------------|-------------------|
| | | | | Book Value | Maturity Value | Accrued Interest | Amortization | Interest Earned |
| Federal Farm Credit | 3133ECA79 | 4,959,250.00 | (36,222.22) | 4,995,472.22 | 5,000,000.00 | 3,916.67 | 1,131.94 | 5,048.61 |
| Federal Farm Credit | 3133EFSG3 | 10,057,749.23 | 48,631.13 | 10,009,118.10 | 10,000,000.00 | 9,166.67 | (2,279.58) | 6,887.09 |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07 | 143,860.11 | 10,109,781.96 | 10,000,000.00 | 15,625.00 | (6,861.37) | 8,763.63 |
| Federal Home Loan Mortgage Corp | 313397UW9 | 11,926,550.00 | (24,483.34) | 11,951,033.34 | 12,000,000.00 | 12,241.67 | - | 12,241.67 |
| Federal Home loan Bank | 3130A6SW8 | 10,039,900.00 | 37,931.25 | 10,001,968.75 | 10,000,000.00 | 8,333.33 | (1,968.75) | 6,364.58 |
| Federal Home loan Bank | 3130A8BD4 | 24,907,000.00 | (42,923.08) | 24,949,923.08 | 25,000,000.00 | 18,229.17 | 7,153.85 | 25,383.02 |
| Fannie Mae | 3135G0G72 | 19,946,880.00 | (11,804.45) | 19,958,684.45 | 20,000,000.00 | 37,500.00 | 5,902.22 | 43,402.22 |
| Federal Home loan Bank | 3130ABJD9 | 4,995,000.00 | (2,500.00) | 4,997,500.00 | 5,000,000.00 | 4,687.50 | 416.67 | 5,104.17 |
| Federal Home loan Bank | 3130A6SW8 | 4,417,556.00 | 16,689.75 | 4,400,866.25 | 4,400,000.00 | 3,666.67 | (866.25) | 2,800.42 |
| | | <u>101,503,527.30</u> | <u>129,179.15</u> | <u>101,374,348.15</u> | <u>101,400,000.00</u> | <u>113,366.68</u> | <u>2,628.73</u> | <u>115,995.41</u> |



183 South Design-Build Project

Contingency Status

November 30, 2017



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

Original Construction Contract Value: \$581,545,700

| | | |
|--------------------------------------|--------------------------------------------|---------------------|
| Total Project Contingency | | \$47,860,000 |
| Obligations | CO#1 City of Austin ILA Adjustment | (\$2,779,934) |
| | CO#2 Addition of Coping to Soil Nail Walls | \$742,385 |
| | CO#4 Greenroads Implementation | \$362,280 |
| | CO#6 51st Street Parking Trailhead | \$477,583 |
| | CO#9 Patton Interchange Revisions | \$3,488,230 |
| | Others Less than \$300,000 (4) | (\$45,957) |
| | Executed Change Orders | \$2,244,587 |
| Change Orders Under Negotiation | | \$4,250,000 |
| Potential Contractual Obligations | | \$10,600,000 |
| (-) Total Obligations | | \$17,094,587 |
| Remaining Project Contingency | | \$30,765,413 |



SH 45SW Construction
Contingency Status
 November 30, 2017



Original Construction Contract Value: \$75,103,623

| | |
|----------------------------------|------------------------|
| Total Project Contingency | \$ 7,520,000.00 |
|----------------------------------|------------------------|

| | | |
|--------------------|------------------------------------------------------------|--------------------|
| Obligations | CO #01 Asbestos Removal | \$1,962 |
| | CO #02 TCEQ Protection Plan | \$103,773 |
| | CO #03 Conduit Installation Revision | (\$11,970) |
| | CO #04 Installation of PEC and TWC Conduits | \$458,439 |
| | CO #05 Installation of SSTR Drilled Shafts and Moment Slab | \$538,945 |
| | CO #06 Feature 004 Protection and Bridge Drain Assembly | \$2,932 |
| | CO #07 Traffic Control Savings and Removal of Mulch | (\$5,560) |
| | Executed Change Orders | \$1,088,522 |
| | CO #08 Slope Protection Under Bear Creek Bridge | \$167,338 |
| | CO #09 Temporary Relocation of Overhead Lines | \$7,227 |
| | Change Orders in Negotiations | \$174,565 |
| | Potential Contractual Obligations | \$5,382,961 |

| | |
|------------------------------|---------------------|
| (-) Total Obligations | \$ 6,646,048 |
|------------------------------|---------------------|

| | |
|--------------------------------------|-------------------|
| Remaining Project Contingency | \$ 873,952 |
|--------------------------------------|-------------------|



MOPAC Construction
Financial Status
 November 30, 2017



Original Construction Contract Value: \$ 136,632,100

| | | | | |
|-------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|-------------------------|---------------------------|
| Change Orders | CO#01B | 5th & Cesar Chavez SB Reconfig (Construction) | \$593,031 | Approved = \$11.7M |
| | CO#05B | FM 2222 Bridge NB Ret Wall Abutment Repair (Construction) | \$850,000 | |
| | CO#07 | FM 2222 Exit Storage Lane | \$426,000 | |
| | CO#08C | Refuge Area: Added Shoulder Adjustment Sound Wall #1 | \$2,508,548 | |
| | CO#09 | Westover SB Frontage Repairs | \$450,000 | |
| | CO#12 | Barrier Rail Opaque Seal | \$542,419 | |
| | CO#17 | Bike and Ped Improvements at Far West Blvd Bridge/FM 2222 | \$971,889 | |
| | CO#20 | Northern Terminus Sound Wall #3 | (\$1,210,540) | |
| | CO#32 | Void of CO#05B, #09, #10, UPRR | (\$1,501,437) | |
| | CO#33 | Shared Use Path at US 183 | (\$1,000,000) | |
| | CO#34 | Undercrossing Fire Protection | \$1,412,574 | |
| | CO#35 | TxDOT Duct Bank Interference | \$1,357,196 | |
| | CO#36 | Non-Compliant Existing Illumination | \$2,226,189 | |
| | CO#37 | NB Pavement Cross Slope and Profile Corrections | \$3,635,477 | |
| CO#38 | SB Pavement Cross Slope and Profile Corrections | \$3,100,298 | | |
| | Total of Others Less than \$300,000 (20) | \$1,834,044 | | |
| Executed Change Orders | | | \$ 16,195,688 | |
| Revised Construction Contract Value | | | \$ 152,827,788 | |
| Change Orders under Negotiation | | | \$ 5,301,049 | |
| Potential Construction Contract Value | | | \$ 158,128,837 | |
| Amount paid CH2M through June 2017 draw (as of 11/30/2017) | | | \$ (110,698,054) | |
| Assessed Liquidated Damages | | | \$ (20,000,000) | |
| Potential Amount Due (CH2M) | | | \$ 27,430,783 | |
| Cash on Hand (as of 11/30/2017) | | | \$ 32,060,642 | |



Monthly Newsletter - November 2017

Performance

As of November 30, 2017

| | |
|---------------------------------------|--------------------|
| Current Invested Balance | \$6,157,485,042.89 |
| Weighted Average Maturity (1) | 32 Days |
| Weighted Average Maturity (2) | 80 Days |
| Net Asset Value | 0.999932 |
| Total Number of Participants | 853 |
| Management Fee on Invested Balance | 0.06%* |
| Interest Distributed | \$5,626,215.76 |
| Management Fee Collected | \$298,833.33 |
| % of Portfolio Invested Beyond 1 Year | 4.50% |
| Standard & Poor's Current Rating | AAAm |

November Averages

| | |
|------------------------------------------|--------------------|
| Average Invested Balance | \$6,059,810,666.22 |
| Average Monthly Yield, on a simple basis | 1.0695% |
| Average Weighted Average Maturity (1)* | 38 Days |
| Average Weighted Average Maturity (2)* | 90 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 entity who joined the TexSTAR program in November:

★ City of Lavon

Holiday Reminder

In observance of the Christmas holiday, **TexSTAR will be closed Monday, December 25, 2017**. All ACH transactions initiated on Friday, December 22nd will settle on Tuesday, December 26th.

In observance of the New Year's Day holiday, **TexSTAR will be closed Monday, January 1, 2018**. All ACH transactions initiated on Friday, December 29th will settle on Tuesday, January 2nd.

Notification of any early transaction deadlines on the business day preceding the holiday will be sent by email to the primary contact on file for all TexSTAR participants. Please plan accordingly for your liquidity needs.

Economic Commentary

Tax reform took center stage in November as both Houses of Congress worked expeditiously to pass their respective versions of the tax bill. A lower corporate tax rates would be positive for corporate earnings, which in turn could lift risk assets further. Skepticism that Republicans would be able to get a reconciled tax bill passed by the end of the year thwarted markets enthusiasm early in the month. Credit spreads widened and high yield corporates sold off. Investor sentiment shifted in the second half of the month with resumed optimism around the passage of tax reform. Equity markets rallied, reaching fresh highs, and Bitcoin climbed to an exuberant high. In line with expectations, OPEC and Russia agreed to extend production cuts until the end of 2018. Oil prices ended the month higher, with WTI crude at \$57/barrel.

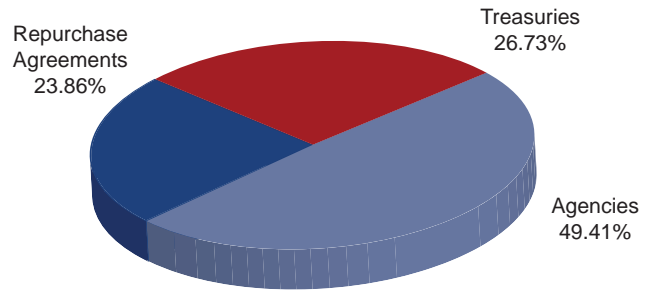
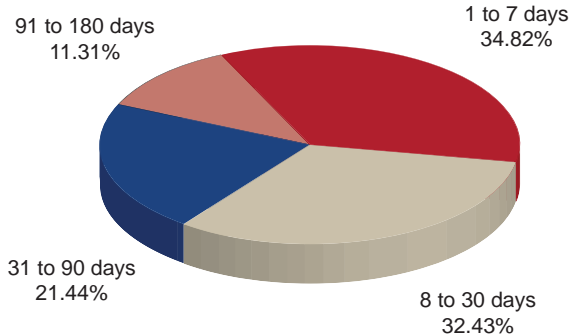
In terms of the timing for the next federal funds rate increase, the committee has indicated that its objective is to continue to keep the pace of rate hikes "gradual". The median of the committee expects 1 additional rate hike in 2017 and 3 rate hikes in 2018. The market is pricing nearly a 100% probability of a rate hike by year-end. Financial conditions have continued to ease throughout the year allowing the Fed to raise rates without disrupting markets. President Trump has begun to make progress on staffing the Federal Reserve. Jerome Powell, a current Board of Governor, has been nominated to lead the Fed next year and Randal Quarles has started as the new Vice Chair of Supervision. However, the Vice Chair of the Board of Governors spot still needs to be filled as well as 3 other governor spots. Trump has recently announced the nomination of Marvin Goodfriend to the Board of Governors, although he has not yet been confirmed by the Senate. Given Trump's choice to appoint Powell, we expect little to change with regards to monetary policy in the near term as his nomination represents continuity between current and future policy plans.

This information is an excerpt from an economic report dated November 2017 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

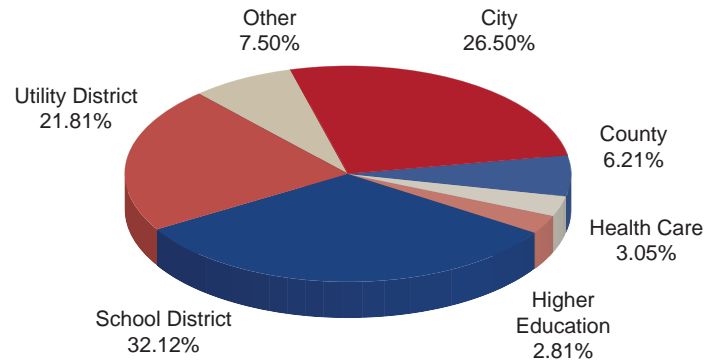
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

Portfolio by Type of Investment As of November 30, 2017



Portfolio by Maturity As of November 30, 2017



Distribution of Participants by Type As of November 30, 2017

Historical Program Information

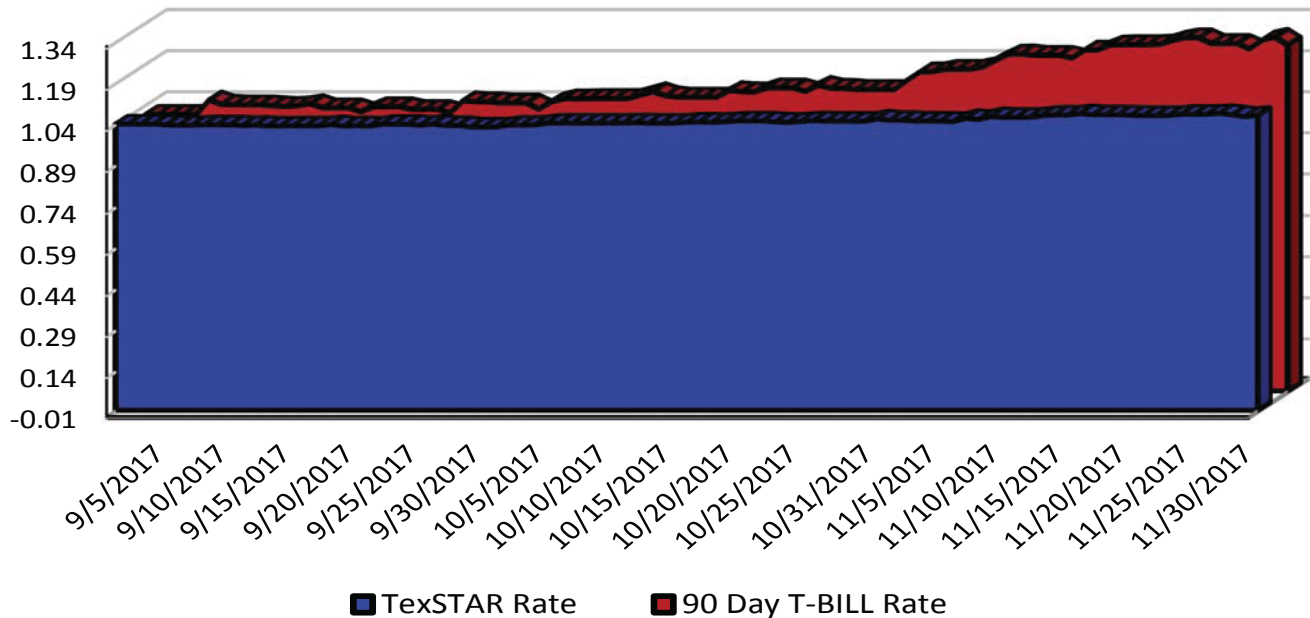
| Month | Average Rate | Book Value | Market Value | Net Asset Value | WAM (1)* | WAM (2)* | Number of Participants |
|--------|--------------|--------------------|--------------------|-----------------|----------|----------|------------------------|
| Nov 17 | 1.0695% | \$6,157,485,042.89 | \$6,157,068,439.39 | 0.999932 | 38 | 90 | 853 |
| Oct 17 | 1.0482% | 5,848,642,382.89 | 5,848,708,234.12 | 1.000011 | 38 | 96 | 852 |
| Sep 17 | 1.0384% | 5,841,986,573.82 | 5,842,202,955.19 | 1.000022 | 28 | 92 | 848 |
| Aug 17 | 1.0343% | 5,770,863,631.13 | 5,770,945,786.15 | 1.000014 | 33 | 102 | 846 |
| Jul 17 | 0.9827% | 5,941,902,116.09 | 5,941,981,984.60 | 1.000013 | 32 | 97 | 844 |
| Jun 17 | 0.8631% | 6,071,512,305.56 | 6,071,586,949.16 | 0.999993 | 30 | 92 | 838 |
| May 17 | 0.7535% | 6,440,388,492.41 | 6,440,492,333.25 | 1.000016 | 28 | 97 | 836 |
| Apr 17 | 0.7140% | 6,279,219,607.16 | 6,279,507,477.47 | 1.000045 | 36 | 105 | 832 |
| Mar 17 | 0.6269% | 6,551,167,144.50 | 6,551,621,726.22 | 1.000064 | 42 | 110 | 829 |
| Feb 17 | 0.5533% | 7,267,565,993.07 | 7,269,212,259.58 | 1.000226 | 43 | 111 | 827 |
| Jan 17 | 0.5452% | 7,011,113,225.83 | 7,012,695,761.41 | 1.000225 | 44 | 96 | 823 |
| Dec 16 | 0.4815% | 6,128,094,216.46 | 6,129,417,408.96 | 1.000215 | 49 | 100 | 822 |

Portfolio Asset Summary as of November 30, 2017

| | Book Value | Market Value |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance | \$ 276.34 | \$ 276.34 |
| Accrual of Interest Income | 1,779,308.90 | 1,779,308.90 |
| Interest and Management Fees Payable | (5,670,122.96) | (5,670,122.96) |
| Payable for Investment Purchased | 0.00 | 0.00 |
| Repurchase Agreement | 1,470,126,999.72 | 1,470,126,999.72 |
| Government Securities | 4,691,248,580.89 | 4,690,831,977.39 |
| Total | \$ 6,157,485,042.89 | \$ 6,157,068,439.39 |

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



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The TexSTAR management fee may be waived in full or in part at the discretion of the TexSTAR co-administrators and the TexSTAR rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

Daily Summary for November 2017

| Date | Mny Mkt Fund Equiv. [SEC Std.] | Daily Allocation Factor | TexSTAR Invested Balance | Market Value Per Share | WAM Days (1)* | WAM Days (2)* |
|------------|--------------------------------|-------------------------|--------------------------|------------------------|---------------|---------------|
| 11/1/2017 | 1.0561% | 0.000028933 | \$5,829,398,723.30 | 1.000000 | 41 | 98 |
| 11/2/2017 | 1.0569% | 0.000028956 | \$5,928,040,769.89 | 1.000012 | 41 | 96 |
| 11/3/2017 | 1.0534% | 0.000028860 | \$5,968,873,841.86 | 1.000006 | 38 | 93 |
| 11/4/2017 | 1.0534% | 0.000028860 | \$5,968,873,841.86 | 1.000006 | 38 | 93 |
| 11/5/2017 | 1.0534% | 0.000028860 | \$5,968,873,841.86 | 1.000006 | 38 | 93 |
| 11/6/2017 | 1.0516% | 0.000028811 | \$5,957,367,623.14 | 0.999994 | 38 | 91 |
| 11/7/2017 | 1.0632% | 0.000029130 | \$5,980,397,894.94 | 0.999990 | 41 | 95 |
| 11/8/2017 | 1.0593% | 0.000029022 | \$6,078,079,429.35 | 0.999982 | 43 | 93 |
| 11/9/2017 | 1.0700% | 0.000029316 | \$6,002,144,473.10 | 0.999973 | 44 | 96 |
| 11/10/2017 | 1.0670% | 0.000029233 | \$6,091,349,310.62 | 0.999977 | 42 | 93 |
| 11/11/2017 | 1.0670% | 0.000029233 | \$6,091,349,310.62 | 0.999977 | 42 | 93 |
| 11/12/2017 | 1.0670% | 0.000029233 | \$6,091,349,310.62 | 0.999977 | 42 | 93 |
| 11/13/2017 | 1.0732% | 0.000029404 | \$6,041,210,520.35 | 0.999968 | 41 | 95 |
| 11/14/2017 | 1.0758% | 0.000029473 | \$6,043,529,175.93 | 0.999956 | 41 | 94 |
| 11/15/2017 | 1.0749% | 0.000029449 | \$6,006,587,726.27 | 0.999953 | 40 | 93 |
| 11/16/2017 | 1.0810% | 0.000029616 | \$6,093,800,159.72 | 0.999951 | 39 | 91 |
| 11/17/2017 | 1.0762% | 0.000029485 | \$6,094,709,630.97 | 0.999944 | 38 | 89 |
| 11/18/2017 | 1.0762% | 0.000029485 | \$6,094,709,630.97 | 0.999944 | 38 | 89 |
| 11/19/2017 | 1.0762% | 0.000029485 | \$6,094,709,630.97 | 0.999944 | 38 | 89 |
| 11/20/2017 | 1.0747% | 0.000029443 | \$6,077,660,807.46 | 0.999936 | 37 | 89 |
| 11/21/2017 | 1.0736% | 0.000029413 | \$6,075,515,058.28 | 0.999932 | 37 | 88 |
| 11/22/2017 | 1.0739% | 0.000029422 | \$6,131,473,172.61 | 0.999922 | 36 | 86 |
| 11/23/2017 | 1.0739% | 0.000029422 | \$6,131,473,172.61 | 0.999922 | 36 | 86 |
| 11/24/2017 | 1.0782% | 0.000029541 | \$6,150,710,010.32 | 0.999924 | 34 | 83 |
| 11/25/2017 | 1.0782% | 0.000029541 | \$6,150,710,010.32 | 0.999924 | 34 | 83 |
| 11/26/2017 | 1.0782% | 0.000029541 | \$6,150,710,010.32 | 0.999924 | 34 | 83 |
| 11/27/2017 | 1.0819% | 0.000029640 | \$6,141,729,790.97 | 0.999928 | 34 | 83 |
| 11/28/2017 | 1.0759% | 0.000029478 | \$6,098,473,618.40 | 0.999927 | 33 | 83 |
| 11/29/2017 | 1.0701% | 0.000029317 | \$6,103,024,446.21 | 0.999924 | 33 | 82 |
| 11/30/2017 | 1.0751% | 0.000029456 | \$6,157,485,042.89 | 0.999932 | 32 | 80 |
| Average | 1.0695% | 0.000029302 | \$6,059,810,666.22 | | 38 | 90 |

TexSTAR Participant Services
 FirstSouthwest, A Division of Hilltop Securities
 1201 Elm Street, Suite 3500
 Dallas, Texas 75270



TexSTAR Board Members

| | | |
|----------------------------|--------------------------------------------------|------------------------------------------|
| <i>William Chapman</i> | <i>Central Texas Regional Mobility Authority</i> | <i>Governing Board President</i> |
| <i>Nell Lange</i> | <i>City of Frisco</i> | <i>Governing Board Vice President</i> |
| <i>Eric Cannon</i> | <i>City of Allen</i> | <i>Governing Board Treasurer</i> |
| <i>David Medanich</i> | <i>FirstSouthwest / Hilltop Securities</i> | <i>Governing Board Secretary</i> |
| <i>Jennifer Novak</i> | <i>J.P. Morgan Asset Management</i> | <i>Governing Board Asst. Sec./Treas.</i> |
| <i>Nicole Conley</i> | <i>Austin ISD</i> | <i>Advisory Board</i> |
| <i>Becky Brooks</i> | <i>Government Resource Associates, LLC</i> | <i>Advisory Board</i> |
| <i>Monte Mercer</i> | <i>North Central TX Council of Government</i> | <i>Advisory Board</i> |
| <i>Stephen Fortenberry</i> | <i>Plano ISD</i> | <i>Advisory Board</i> |
| <i>David Pate</i> | <i>Richardson ISD</i> | <i>Advisory Board</i> |
| <i>James Mauldin</i> | <i>University of North Texas System</i> | <i>Advisory Board</i> |

For more information contact TexSTAR Participant Services ★ 1-800-839-7827 ★ www.texstar.org



Exhibit B

Financial Statements for December 2017

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending December 31, 2017

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| REVENUE | | | | |
| Operating Revenue | | | | |
| Toll Revenue - Tags | 61,069,539 | 31,343,341 | 51.32% | 26,075,622 |
| Video Tolls | 14,377,753 | 6,376,784 | 44.35% | 7,087,484 |
| Fee Revenue | 6,022,247 | 2,513,494 | 41.74% | 2,795,227 |
| Total Operating Revenue | 81,469,539 | 40,233,620 | 49.38% | 35,958,333 |
| Other Revenue | | | | |
| Interest Income | 950,000 | 1,030,541 | 108.48% | 411,750 |
| Grant Revenue | 720,000 | 10,364,053 | 1439.45% | 8,213,724 |
| Reimbursed Expenditures | 314,280 | 11 | 0.00% | 50,553 |
| Misc Revenue | 5,500 | 1,339 | 24.35% | 5,910 |
| Total Other Revenue | 1,989,780 | 11,395,945 | 572.72% | 8,681,936 |
| TOTAL REVENUE | \$83,459,319 | \$51,629,565 | 61.86% | \$44,640,270 |
| EXPENSES | | | | |
| Salaries and Benefits | | | | |
| Salary Expense-Regular | 3,520,456 | 1,724,456 | 48.98% | 1,612,917 |
| Salary Reserve | 80,000 | - | - | - |
| TCDRS | 515,649 | 230,092 | 44.62% | 218,272 |
| FICA | 165,251 | 55,130 | 33.36% | 52,600 |
| FICA MED | 55,277 | 24,868 | 44.99% | 23,350 |
| Health Insurance Expense | 396,258 | 166,735 | 42.08% | 177,817 |
| Life Insurance Expense | 32,942 | 5,304 | 16.10% | 5,563 |
| Auto Allowance Expense | 10,200 | 5,100 | 50.00% | 5,100 |
| Other Benefits | 153,197 | 66,731 | 43.56% | 114,741 |
| Unemployment Taxes | 19,950 | 21 | 0.10% | 222 |
| Total Salaries and Benefits | 4,949,181 | 2,278,436 | 46.04% | 2,210,584 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending December 31, 2017

| | Budget | | | |
|-------------------------------------------------|------------------|----------------|---------------|----------------|
| | Amount FY | Actual Year to | Percent of | Actual Prior |
| | 2018 | Date | Budget | Year to Date |
| Administrative | | | | |
| Administrative and Office Expenses | | | | |
| Accounting | 10,000 | 3,612 | 36.12% | 4,035 |
| Auditing | 100,000 | 29,500 | 29.50% | 53,880 |
| Human Resources | 15,000 | 24,290 | 161.93% | 9,858 |
| Legal | - | 28,433 | - | - |
| IT Services | 103,500 | 56,883 | 54.96% | 36,600 |
| Internet | 4,125 | 1,118 | 27.10% | 1,051 |
| Software Licenses | 49,800 | 9,589 | 19.25% | 51,221 |
| Cell Phones | 18,500 | 5,888 | 31.83% | 7,980 |
| Local Telephone Service | 2,000 | 6,411 | 320.57% | 7,697 |
| Overnight Delivery Services | 850 | 46 | 5.47% | 51 |
| Local Delivery Services | 600 | - | - | - |
| Copy Machine | 17,000 | 7,113 | 41.84% | 8,194 |
| Repair & Maintenance-General | 2,500 | 704 | 28.16% | 1,736 |
| Community Meeting/ Events | 2,000 | - | - | - |
| Meeting Expense | 15,000 | 5,134 | 34.22% | 3,273 |
| Public Notices | 100 | - | - | - |
| Toll Tag Expense | 3,150 | 984 | 31.23% | 784 |
| Parking | 4,200 | 354 | 8.43% | 821 |
| Mileage Reimbursement | 11,200 | 2,432 | 21.71% | 1,890 |
| Insurance Expense | 150,000 | 83,156 | 55.44% | 72,607 |
| Rent Expense | 515,000 | 205,008 | 39.81% | 223,027 |
| Legal Services | 288,000 | 92,911 | 32.26% | 41,872 |
| Total Administrative and Office Expenses | 1,312,525 | 563,566 | 42.94% | 526,579 |
| Office Supplies | | | | |
| Books & Publications | 6,000 | 752 | 12.54% | 690 |
| Office Supplies | 19,900 | 4,119 | 20.70% | 11,359 |
| Computer Supplies | 46,800 | 4,556 | 9.73% | 10,897 |
| Copy Supplies | 1,000 | 604 | 60.38% | 178 |
| Other Reports-Printing | 8,000 | - | - | 465 |
| Office Supplies-Printed | 1,000 | 838 | 83.81% | 457 |
| Misc Materials & Supplies | 2,750 | - | - | 1,015 |
| Postage Expense | 900 | 189 | 21.02% | 194 |
| Total Office Supplies | 86,350 | 11,058 | 12.81% | 25,254 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending December 31, 2017

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|--------------------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| Communications and Public Relations | | | | |
| Graphic Design Services | 35,000 | 15,000 | 42.86% | 6,625 |
| Website Maintenance | 130,000 | 22,220 | 17.09% | 60,535 |
| Research Services | 110,000 | 55,458 | 50.42% | 79,059 |
| Communications and Marketing | 400,000 | 108,896 | 27.22% | 163,928 |
| Advertising Expense | 330,000 | 91,133 | 27.62% | 55,184 |
| Direct Mail | 10,000 | - | - | - |
| Video Production | 31,000 | 8,904 | 28.72% | 8,820 |
| Photography | 11,000 | 5,319 | 48.36% | 1,077 |
| Radio | 10,000 | 7,719 | 77.19% | - |
| Other Public Relations | 20,000 | 36,933 | 184.67% | 5,000 |
| Promotional Items | 20,000 | - | - | 972 |
| Displays | 5,000 | 2,124 | 42.48% | - |
| Direct Mail Printing | 6,500 | - | - | - |
| Other Communication Expenses | 50,500 | 7,560 | 14.97% | 1,591 |
| Total Communications and Public Relations | 1,169,000 | 361,266 | 30.90% | 382,791 |
| Employee Development | | | | |
| Subscriptions | 3,200 | 705 | 22.04% | 1,336 |
| Memberships | 51,250 | 33,134 | 64.65% | 33,405 |
| Continuing Education | 10,500 | 694 | 6.60% | 135 |
| Professional Development | 4,000 | 4,248 | 106.20% | - |
| Other Licenses | 1,750 | 208 | 11.88% | 217 |
| Seminars and Conferences | 42,500 | 7,982 | 18.78% | 16,379 |
| Travel | 97,000 | 15,818 | 16.31% | 32,756 |
| Total Employee Development | 210,200 | 62,788 | 29.87% | 84,227 |
| Financing and Banking Fees | | | | |
| Trustee Fees | 30,000 | 21,525 | 71.75% | 17,500 |
| Bank Fee Expense | 6,500 | 2,762 | 42.50% | 2,916 |
| Continuing Disclosure | 10,000 | 4,419 | 44.19% | - |
| Arbitrage Rebate Calculation | 8,000 | 8,355 | 104.44% | 6,455 |
| Rating Agency Expense | 30,000 | 15,500 | 51.67% | 15,000 |
| Total Financing and Banking Fees | 84,500 | 52,561 | 62.20% | 41,871 |
| Total Administrative | 2,862,575 | 1,051,239 | 36.72% | 1,060,721 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending December 31, 2017

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|----------------------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| Operations and Maintenance | | | | |
| Operations and Maintenance Consulting | | | | |
| GEC-Trust Indenture Support | 155,000 | 76,768 | 49.53% | 34,922 |
| GEC-Financial Planning Support | 50,000 | - | - | 47 |
| GEC-Toll Ops Support | 20,000 | - | - | 11,487 |
| GEC-Roadway Ops Support | 410,000 | 290,864 | 70.94% | 166,096 |
| GEC-Technology Support | 60,000 | - | - | 178,115 |
| GEC-Public Information Support | - | 146,899 | - | 9,872 |
| GEC-General Support | 800,000 | 418,353 | 52.29% | 403,464 |
| General System Consultant | 170,000 | 84,838 | 49.90% | 3,288 |
| Traffic and Revenue Consultant | 95,000 | 57,961 | 61.01% | 42,680 |
| Total Operations and Maintenance Consulting | 1,760,000 | 1,075,683 | 61.12% | 849,972 |
| Roadway Operations and Maintenance | | | | |
| Roadway Maintenance | 5,007,401 | 1,123,108 | 22.43% | 1,340,967 |
| Landscape Maintenance | 2,500 | - | - | - |
| Signal & Illumination Maint | 5,000 | 12,554 | 251.09% | 23,677 |
| Maintenance Supplies-Roadway | 5,500 | - | - | 396 |
| Tools & Equipment Expense | 1,000 | 129 | 12.92% | 15 |
| Gasoline | 13,700 | 6,967 | 50.85% | 2,771 |
| Repair & Maintenance-Vehicles | 5,000 | 2,786 | 55.72% | 1,390 |
| Electricity - Roadways | 200,000 | 58,648 | 29.32% | 68,234 |
| Total Roadway Operations and Maintenance | 5,240,101 | 1,204,192 | 22.98% | 1,437,450 |
| Toll Processing and Collection Expense | | | | |
| Image Processing | 1,563,594 | 844,782 | 54.03% | 725,905 |
| Tag Collection Fees | 4,100,826 | 2,716,328 | 66.24% | 1,656,130 |
| Court Enforcement Costs | 40,000 | 17,175 | 42.94% | 6,900 |
| DMV Lookup Fees | 1,000 | 239 | 23.87% | 236 |
| Total Processing and Collection Expense | 5,705,420 | 3,578,524 | 62.72% | 2,389,171 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending December 31, 2017

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|-------------------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| Toll Operations Expense | | | | |
| Facility maintenance | - | - | - | 14 |
| Generator Fuel | 5,000 | 42 | 0.84% | 58 |
| Fire and Burglar Alarm | 500 | 247 | 49.35% | 153 |
| Refuse | 1,700 | 657 | 38.66% | 840 |
| Telecommunications | 120,000 | 35,475 | 29.56% | 29,963 |
| Water | 22,000 | 2,976 | 13.53% | 8,366 |
| Electricity | 2,500 | 600 | 24.00% | 1,304 |
| ETC spare parts expense | 20,000 | - | - | - |
| Repair & Maintenance Toll Equip | 5,000 | - | - | 11,940 |
| Law Enforcement | 275,000 | 141,654 | 51.51% | 114,285 |
| ETC Maintenance Contract | 1,755,098 | 456,471 | 26.01% | 512,132 |
| ETC Toll Management Center System Operation | 294,588 | 1,364 | 0.46% | - |
| ETC Development | 500,000 | - | - | - |
| ETC Testing | 25,000 | - | - | - |
| Total Toll Operations Expense | 3,026,386 | 639,485 | 21.13% | 679,054 |
| Total Operations and Maintenance | 15,731,907 | 6,497,884 | 41.30% | 5,355,647 |
| Other Expenses | | | | |
| Special Projects and Contingencies | | | | |
| HERO | 720,000 | 230,242 | 31.98% | 569,480 |
| Special Projects | 113,000 | - | - | 80,316 |
| 71 Express Net Revenue Payment | - | 2,012,957 | - | - |
| Other Contractual Svcs | 2,430,600 | 27,999 | 1.15% | 24,244 |
| Contingency | 250,000 | 828 | 0.33% | - |
| Total Special Projects and Contingencies | 3,513,600 | 2,272,026 | 64.66% | 674,040 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending December 31, 2017

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|-------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| Non Cash Expenses | | | | |
| Amortization Expense | 385,000 | 253,879 | 65.94% | 191,820 |
| Amort Expense - Refund Savings | 1,034,000 | 516,589 | 49.96% | 516,146 |
| Dep Exp- Furniture & Fixtures | 2,620 | 1,307 | 49.88% | 1,171 |
| Dep Expense - Equipment | 16,050 | 8,757 | 54.56% | 7,486 |
| Dep Expense - Autos & Trucks | 19,312 | 8,338 | 43.17% | 3,203 |
| Dep Expense-Buildng & Toll Fac | 177,115 | 88,466 | 49.95% | 88,557 |
| Dep Expense-Highways & Bridges | 18,048,333 | 10,198,975 | 56.51% | 8,747,300 |
| Dep Expense-Communic Equip | 196,115 | - | - | 98,058 |
| Dep Expense-Toll Equipment | 2,756,238 | 1,229,212 | 44.60% | 1,378,119 |
| Dep Expense - Signs | 325,900 | 162,947 | 50.00% | 162,947 |
| Dep Expense-Land Improvemts | 884,934 | 442,467 | 50.00% | 442,467 |
| Depreciation Expense-Computers | 13,210 | 8,029 | 60.78% | 7,103 |
| Total Non Cash Expenses | 23,858,827 | 12,918,965 | 54.15% | 11,644,376 |
| Total Other Expenses | 27,372,427 | 15,190,991 | 55.50% | 12,318,416 |
| Non Operating Expenses | | | | |
| Bond issuance expense | 1,450,000 | 113,376 | 7.82% | 1,053,185 |
| Interest Expense | 38,074,354 | 15,704,846 | 41.25% | 16,477,366 |
| Community Initiatives | 100,000 | 25,000 | 25.00% | 27,500 |
| Total Non Operating Expenses | 39,624,354 | 15,843,223 | 39.98% | 17,558,051 |
| TOTAL EXPENSES | \$90,540,444 | \$40,861,773 | 45.13% | \$38,503,419 |
| Net Income | (\$7,081,125) | \$10,767,792 | | \$6,136,851 |

Central Texas Regional Mobility Authority
Balance Sheet
as of December 31, 2017

| | as of 12/31/2017 | as of 12/31/2016 |
|------------------------------------------------------------|--------------------------------|--------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | | |
| Regions Operating Account | \$ 1,394,970 | \$ 1,418,430 |
| Cash in TexStar | 59,449 | 454,095 |
| Regions Payroll Account | 122,156 | 463,281 |
| Restricted Cash | | |
| Goldman Sachs FSGF 465 | 112,878,191 | 229,698,786 |
| Restricted Cash - TexSTAR | 208,409,759 | 135,642,776 |
| Overpayments account | 179,913 | 148,605 |
| Total Cash and Cash Equivalents | <u>323,044,438</u> | <u>367,825,973</u> |
| Accounts Receivable | | |
| Accounts Receivable | - | 14,485 |
| Due From Other Agencies | 4,464 | - |
| Due From TTA | 2,676,885 | 491,623 |
| Due From NTTA | 2,103,068 | 465,878 |
| Due From HCTRA | 2,412,624 | 577,068 |
| Due From TxDOT | 416,980 | 45,943,422 |
| Interest Receivable | 107,779 | 476,841 |
| Total Receivables | <u>7,721,800</u> | <u>47,969,317</u> |
| Short Term Investments | | |
| Agencies | 86,989,219 | 201,256,223 |
| Total Short Term Investments | <u>86,989,219</u> | <u>201,256,223</u> |
| Total Current Assets | <u>417,755,457</u> | <u>617,051,512</u> |
| Total Construction in Progress | 663,867,910 | 403,339,847 |
| Fixed Assets (Net of Depreciation and Amortization) | | |
| Computer | 37,097 | 33,169 |
| Computer Software | 1,125,453 | 962,367 |
| Furniture and Fixtures | 13,939 | 16,553 |
| Equipment | 27,371 | 5,493 |
| Autos and Trucks | 68,689 | 17,617 |
| Buildings and Toll Facilities | 5,202,073 | 5,379,096 |
| Highways and Bridges | 754,320,682 | 607,887,872 |
| Communication Equipment | - | 120,364 |
| Toll Equipment | 14,760,783 | 15,878,576 |
| Signs | 10,767,516 | 11,093,409 |
| Land Improvements | 10,181,472 | 11,066,406 |
| Right of way | 88,149,606 | 87,960,004 |
| Leasehold Improvements | 138,222 | 158,336 |
| Total Fixed Assets | <u>884,792,902</u> | <u>740,579,262</u> |
| Other Assets | | |
| Intangible Assets-Net | 104,005,431 | 102,838,133 |
| 2005 Bond Insurance Costs | 4,394,711 | 4,608,220 |
| Prepaid Insurance | 137,480 | 110,886 |
| Deferred Outflows (pension related) | 711,563 | 780,064 |
| Pension Asset | 355,139 | 202,023 |
| Total Other Assets | <u>109,604,325</u> | <u>108,539,326</u> |
| Total Assets | <u><u>\$ 2,076,020,594</u></u> | <u><u>\$ 1,869,509,947</u></u> |

Central Texas Regional Mobility Authority
Balance Sheet
as of December 31, 2017

| | as of 12/31/2017 | as of 12/31/2016 |
|------------------------------------------|-------------------------|-------------------------|
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | \$ 378,855 | \$ 5,305,364 |
| Construction Payable | - | 415,484 |
| Overpayments | 182,617 | 151,021 |
| Interest Payable | 25,950,163 | 26,971,681 |
| Deferred Compensation Payable | 142 | - |
| TCDRS Payable | 65,790 | 59,413 |
| Medical Reimbursement Payable | 1,973 | 1,735 |
| Due to other Agencies | 2,005,372 | - |
| Due to TTA | 964,420 | - |
| Due to NTTA | 296,902 | - |
| Due to HCTRA | 307,478 | - |
| Due to Other Entities | 5,705,514 | 7,485,605 |
| 71E TxDOT Obligation - ST | 2,663,955 | - |
| Total Current Liabilities | 38,523,181 | 40,390,303 |
| Long Term Liabilities | | |
| Compensated Absences | 182,441 | 138,927 |
| Deferred Inflows (pension related) | 286,449 | 172,017 |
| Long Term Payables | 468,891 | 310,944 |
| Bonds Payable | | |
| Senior Lien Revenue Bonds: | | |
| Senior Lien Revenue Bonds 2010 | 71,178,836 | 66,681,790 |
| Senior Lien Revenue Bonds 2011 | 14,953,569 | 13,993,597 |
| Senior Refunding Bonds 2013 | 143,685,000 | 147,880,000 |
| Senior Lien Revenue Bonds 2015 | 298,790,000 | 298,790,000 |
| Senior Lien Put Bnd 2015 | 68,785,000 | 68,785,000 |
| Senior Lien Refunding Revenue Bonds 2016 | 358,030,000 | 358,030,000 |
| Sn Lien Rev Bnd Prem/Disc 2013 | 9,037,858 | 11,009,906 |
| Sn Lien Revenue Bnd Prem 2015 | 21,375,601 | 22,572,106 |
| Sn Lien Put Bnd Prem 2015 | 4,657,809 | 6,521,113 |
| Senior lien premium 2016 revenue bonds | 53,857,759 | 58,178,008 |
| Total Senior Lien Revenue Bonds | 1,044,351,432 | 1,052,441,520 |
| Sub Lien Revenue Bonds: | | |
| Sub Refunding Bnds 2013 | 101,530,000 | 102,030,000 |
| Sub Debt Refunding Bonds 2016 | 74,690,000 | 74,690,000 |
| Sub Refunding 2013 Prem/Disc | 2,077,187 | 2,568,521 |
| Sub Refunding 2016 Prem/Disc | 9,586,860 | 10,462,236 |
| Total Sub Lien Revenue Bonds | 187,884,048 | 189,750,757 |
| Other Obligations | | |
| TIFIA note 2015 | 53,340 | 51,921 |
| SIB loan 2015 | 31,129,470 | 30,038,838 |
| State Highway Fund Loan 2015 | 31,129,500 | 30,038,838 |
| State 45SW Loan | 4,080,000 | - |
| 2013 American Bank Loan | - | 3,570,000 |
| 71E TxDOT Obligation - LT | 65,000,000 | - |
| Regions 2017 MoPAC Note | 17,000,000 | - |
| Total Other Obligations | 148,392,310 | 63,699,597 |
| Total Long Term Liabilities | 1,381,096,681 | 1,306,202,817 |
| Total Liabilities | 1,419,619,862 | 1,346,593,121 |
| NET ASSETS | | |
| Contributed Capital | 136,725,550 | 40,347,060 |
| Net Assets Beginning | 508,907,391 | 476,432,915 |
| Current Year Operations | 10,767,792 | 6,136,851 |
| Total Net Assets | 656,400,732 | 522,916,826 |
| Total Liabilities and Net Assets | \$ 2,076,020,594 | \$ 1,869,509,947 |

Central Texas Regional Mobility Authority
Statement of Cash Flow
as of December 31, 2017

Cash flows from operating activities:

| | | |
|-----------------------------------------------------------|----|-------------|
| Receipts from toll fees | \$ | 36,149,231 |
| Receipts from interest income | | 217,750 |
| Payments to vendors | | (8,094,471) |
| Payments to employees | | (2,267,176) |
| Net cash flows provided by (used in) operating activities | | 26,006,684 |

Cash flows from capital and related financing activities:

| | | |
|-------------------------------------------------------------------------------|--|---------------|
| Proceeds from notes payable | | 21,080,809 |
| Receipts from Department of Transportation | | 23,930,976 |
| Payments on principal | | (3,570,000) |
| Interest payments | | (25,975,163) |
| Acquisitions of construction in progress | | (129,260,954) |
| Net cash flows provided by (used in) capital and related financing activities | | (113,794,331) |

Cash flows from investing activities:

| | | |
|-----------------------------------------------------------|----|---------------|
| Interest income | | 1,030,541 |
| Purchase of investments | | (100,913,362) |
| Proceeds from sale or maturity of investments | | 100,984,926 |
| Net cash flows provided by (used in) investing activities | | 1,102,106 |
| Net increase (decrease) in cash and cash equivalents | | (86,685,542) |
| Cash and cash equivalents at beginning of period | | 201,260,772 |
| Cash and cash equivalents at end of period | \$ | 114,575,230 |

Reconciliation of change in net assets to net cash provided by operating activities:

| | | |
|---------------------------------------------------------------------------------------------|----|---------------|
| Operating income | | \$ 15,764,642 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | | 12,402,376 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | | (3,874,799) |
| (Increase) decrease in prepaid expenses and other assets | | (99,481) |
| (Decrease) increase in accounts payable | | (2,047,271) |
| Increase (decrease) in accrued expenses | | 3,861,217 |
| Total adjustments | | 10,242,042 |
| Net cash flows provided by (used in) operating activities | \$ | 26,006,684 |

Reconciliation of cash and cash equivalents:

| | | |
|----------------------------------------|----|--------------|
| Unrestricted cash and cash equivalents | | \$ 1,697,039 |
| Restricted cash and cash equivalents | | 112,878,191 |
| Total | \$ | 114,575,230 |

INVESTMENTS by FUND

| | | Balance December 31, 2017 | | |
|--------------------------------------------------|---------------|------------------------------|---------------------------|----------------------|
| Renewal & Replacement Fund | | | | |
| TexSTAR | 508,872.66 | | TexSTAR | 208,469,208.29 |
| Goldman Sachs | 189,766.05 | | Goldman Sachs | 112,878,191.90 |
| Agencies | | 698,638.71 | Agencies & Treasury Notes | <u>86,989,218.54</u> |
| Grant Fund | | | | \$ 408,336,618.73 |
| TexSTAR | 9,157,667.82 | | | |
| Goldman Sachs | 478,175.25 | | | |
| Agencies | | 9,635,843.07 | | |
| Senior Debt Service Reserve Fund | | | | |
| TexSTAR | 15,137,071.96 | | | |
| Goldman Sachs | 15,586,562.76 | | | |
| Agencies | 49,918,267.76 | 80,641,902.48 | | |
| 2010 Senior Lien DSF | | | | |
| Goldman Sachs | 246,543.71 | | | |
| TexSTAR | - | 246,543.71 | | |
| 2011 Debt Service Acct | | | | |
| Goldman Sachs | 755,846.08 | 755,846.08 | | |
| 2013 Sr Debt Service Acct | | | | |
| Goldman Sachs | 7,408,552.12 | 7,408,552.12 | | |
| 2013 Sub Debt Service Account | | | | |
| Goldman Sachs | 3,545,251.60 | 3,545,251.60 | | |
| 2015 Sr Capitalized Interest | | | | |
| Goldman Sachs | 3,160,486.40 | 53,661,898.48 | | |
| TexSTAR | 50,501,412.08 | | | |
| 2015A Debt Service Account | | | | |
| Goldman Sachs | 3.30 | 3.30 | | |
| 2015B Debt Service Account | | | | |
| Goldman Sachs | 1,722,516.70 | 1,722,516.70 | | |
| 2016 Sr Lien Rev Refunding Debt Service Account | | | | |
| Goldman Sachs | 8,744,741.88 | 8,744,741.88 | | |
| 2016 Sub Lien Rev Refunding Debt Service Account | | | | |
| Goldman Sachs | 2,075,970.54 | 7,073,887.21 | | |
| Agencies | 4,997,916.67 | | | |
| 2016 Sub Lein Rev Refunding DSR | | | | |
| Goldman Sachs | 1,689,367.16 | 1,689,367.16 | | |
| Operating Fund | | | | |
| TexSTAR | 59,448.88 | | | |
| TexSTAR-Trustee | 1,609,321.88 | | | |
| Goldman Sachs | 32,850.00 | 1,701,620.76 | | |
| Revenue Fund | | | | |
| Goldman Sachs | 3,291,073.95 | 3,291,073.95 | | |
| General Fund | | | | |
| TexSTAR | 25,261,904.86 | | | |
| Goldman Sachs | 21,193,910.58 | | | |
| Agencies | Matured | 46,455,815.44 | | |
| 2013 Sub Debt Service Reserve Fund | | | | |
| TexSTAR | 5,052,195.19 | | | |
| Goldman Sachs | 3,494,864.90 | | | |
| Agencies | | 8,547,060.09 | | |
| 71E Revenue Fund | | | | |
| Goldman Sachs | 2,763,291.48 | 2,763,291.48 | | |
| MoPac Revenue Fund | | | | |
| Goldman Sachs | 9,869.64 | 9,869.64 | | |
| MoPac Construction Fund | | | | |
| Goldman Sachs | 28,632,915.69 | 28,632,915.69 | | |
| MoPac General Fund | | | | |
| Goldman Sachs | 146,700.46 | | | |
| MoPac Operating Fund | | | | |
| Goldman Sachs | 167,431.71 | | | |
| MoPac Loan Repayment Fund | | | | |
| Goldman Sachs | - | | | |
| 2015B Project Account | | | | |
| Goldman Sachs | 786,324.59 | | | |
| Agencies | 32,073,034.11 | 40,485,580.50 | | |
| TexSTAR | 7,626,221.80 | | | |
| 2015A Project Account | | | | |
| TexSTAR | 19,201,280.23 | | | |
| Goldman Sachs | 494,294.98 | | | |
| Treasury Notes | | 19,695,575.21 | | |
| 2015 TIFIA Project Account | | | | |
| Goldman Sachs | 50,592.76 | 50,592.76 | | |
| 2015 State Highway Fund Project Account | | | | |
| TexSTAR | 29,095,231.03 | | | |
| Goldman Sachs | 711,249.14 | 29,806,480.17 | | |
| 2015 SIB Project Account | | | | |
| TexSTAR | 19,062,934.72 | | | |
| Goldman Sachs | 809,636.96 | 19,872,571.68 | | |
| 2011 Sr Financial Assistance Fund | | | | |
| Goldman Sachs | 1,003.13 | 23,177,088.89 | | |
| TexSTAR | 23,176,085.76 | | | |
| 183S Utility Custody Deposit | | | | |
| Goldman Sachs | 878,952.26 | | | |
| TexSTAR | 3,019,559.42 | 3,898,511.68 | | |
| RIF | | | | |
| Goldman Sachs | 2,004,710.14 | 2,004,710.14 | | |
| 45SW Project Fund | | | | |
| Goldman Sachs | 943,216.71 | 943,216.71 | | |
| 45SW Trust Account Travis County | | | | |
| Goldman Sachs | 861,519.27 | 861,519.27 | | |
| | | <u>\$ 408,022,486.56</u> | | |

CTRMA INVESTMENT REPORT

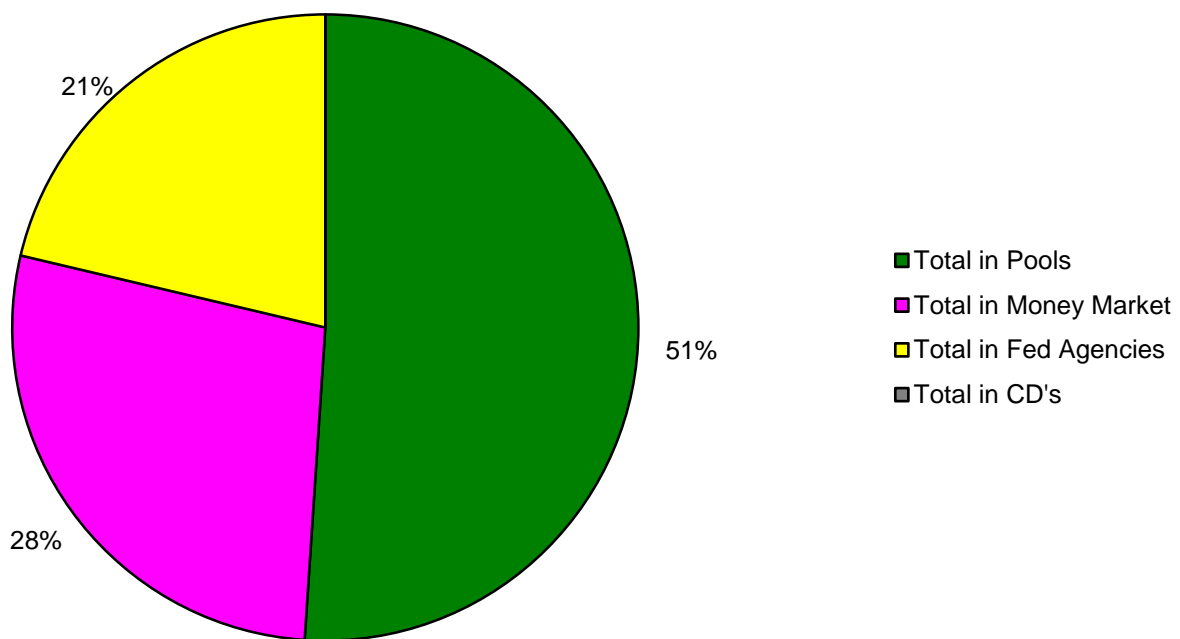
| | Month Ending 12/31/17 | | | | | Rate December | |
|--------------------------------------------------|-----------------------|----------------------|--------------------------|-------------------|----------------------|-----------------------|-----------------------|
| | Balance 12/1/2017 | Additions | Discount Amortization | Accrued Interest | Withdrawals | | Balance 12/31/2017 |
| Amount in Trustee TexStar | | | | | | | |
| 2011 Sr Lien Financial Assist Fund | 23,152,956.15 | | | 23,129.61 | | 23,176,085.76 | 1.176% |
| 2013 Sub Lien Debt Service Reserve | 5,047,153.11 | | | 5,042.08 | | 5,052,195.19 | 1.176% |
| General Fund | 25,236,693.61 | | | 25,211.25 | | 25,261,904.86 | 1.176% |
| Trustee Operating Fund | 1,574,206.22 | 1,633,934.96 | | 1,180.70 | 1,600,000.00 | 1,609,321.88 | 1.176% |
| Renewal and Replacement | 508,364.80 | | | 507.86 | | 508,872.66 | 1.176% |
| Grant Fund | 9,148,528.50 | | | 9,139.32 | | 9,157,667.82 | 1.176% |
| Senior Lien Debt Service Reserve Fund | 15,121,965.24 | | | 15,106.72 | | 15,137,071.96 | 1.176% |
| 183S Utility Custody Deposit | 3,016,545.93 | | | 3,013.49 | | 3,019,559.42 | 1.176% |
| 2015A Sr Ln Project Account | 19,182,117.45 | | | 19,162.78 | | 19,201,280.23 | 1.176% |
| 2015A Sr Ln Project Cap Interest | 50,451,011.93 | | | 50,400.15 | | 50,501,412.08 | 1.176% |
| 2015B Sr Ln Project | 7,618,610.87 | | | 7,610.93 | | 7,626,221.80 | 1.176% |
| 2015D State Highway Fund Project Acct | 29,066,194.14 | | | 29,036.89 | | 29,095,231.03 | 1.176% |
| 2015E SIB Project Account | 19,043,910.02 | | | 19,024.70 | | 19,062,934.72 | 1.176% |
| | 208,168,257.97 | 1,633,934.96 | | 207,566.48 | 1,600,000.00 | 208,409,759.41 | |
| Amount in TexStar Operating Fund | | | | | | | |
| | 1,009,233.62 | 1,600,000.00 | | 215.26 | 2,550,000.00 | 59,448.88 | 1.176% |
| Goldman Sachs | | | | | | | |
| Operating Fund | 33,862.50 | 1,632,850.00 | | 72.46 | 1,633,934.96 | 32,850.00 | 1.100% |
| 45SW Trust Account Travis County | 911,392.36 | | | 718.31 | 50,591.40 | 861,519.27 | 1.100% |
| 45SW Project Fund | 4,083,029.14 | | | 3,216.88 | 3,143,029.31 | 943,216.71 | 1.100% |
| 2015A Project Account | 10,605,901.20 | | | 8,927.77 | 10,120,533.99 | 494,294.98 | 1.100% |
| 2015B Project Account | 785,705.58 | | | 619.01 | | 786,324.59 | 1.100% |
| 2015D State Highway Fund Project Acct | 710,689.23 | | | 559.91 | | 711,249.14 | 1.100% |
| 2015C TIFIA Project Account | 50,552.93 | | | 39.83 | | 50,592.76 | 1.100% |
| 2015E SIB Project Account | 808,999.58 | | | 637.38 | | 809,636.96 | 1.100% |
| 183S Utility Custody Deposit | 1,206,309.38 | | | 963.96 | 328,321.08 | 878,952.26 | 1.100% |
| 2011 Sr Financial Assistance Fund | 1,002.34 | | | 0.79 | | 1,003.13 | 1.100% |
| 2010 Senior DSF | 229,550.58 | 16,818.41 | | 174.72 | | 246,543.71 | 1.100% |
| 2011 Senior Lien Debt Service Acct | 755,251.04 | | | 595.04 | | 755,846.08 | 1.100% |
| 2013 Senior Lien Debt Service Acct | 6,489,951.98 | 913,820.01 | | 4,780.13 | | 7,408,552.12 | 1.100% |
| 2013 Subordinate Debt Service Acct | 3,037,509.03 | 505,533.68 | | 2,208.89 | | 3,545,251.60 | 1.100% |
| 2015 Sr Capitalized Interest | 3,157,998.32 | | | 2,488.08 | | 3,160,486.40 | 1.100% |
| 2015A Debt Service Acct | 3.30 | | | | | 3.30 | 1.100% |
| 2015B Debt Service Acct | 1,435,362.86 | 286,127.26 | | 1,026.58 | | 1,722,516.70 | 1.100% |
| 2016 Sr Lien Rev Refunding Debt Service Account | 7,872,245.07 | 866,610.41 | | 5,886.40 | | 8,744,741.88 | 1.100% |
| 2016 Sub Lien Rev Refunding Debt Service Account | 1,761,952.24 | 312,744.11 | | 1,274.19 | | 2,075,970.54 | 1.100% |
| 2016 Sub Lein Rev Refunding DSR | 1,659,934.36 | 28,125.00 | | 1,307.80 | | 1,689,367.16 | 1.100% |
| RIF | 2,003,131.98 | | | 1,578.16 | | 2,004,710.14 | 1.100% |
| Grant Fund | 477,798.81 | | | 376.44 | | 478,175.25 | 1.100% |
| Renewal and Replacement | 189,616.66 | | | 149.39 | | 189,766.05 | 1.100% |
| Revenue Fund | 3,545,338.67 | 7,376,835.72 | | 1,685.96 | 7,632,786.40 | 3,291,073.95 | 1.100% |
| General Fund | 18,986,358.55 | 6,879,719.42 | | 17,168.35 | 4,689,335.74 | 21,193,910.58 | 1.100% |
| Senior Lien Debt Service Reserve Fund | 5,310,503.80 | 10,271,875.00 | | 4,183.96 | | 15,586,562.76 | 1.100% |
| 71E Revenue Fund | 2,564,823.32 | 196,552.13 | | 1,916.03 | | 2,763,291.48 | 1.100% |
| 2013 Sub Debt Service Reserve Fund | 3,492,113.58 | | | 2,751.32 | | 3,494,864.90 | 1.100% |
| MoPac Revenue Fund | 202,905.39 | 31,536.59 | | 155.96 | 224,728.30 | 9,869.64 | 1.100% |
| MoPac General Fund | 0.00 | 17,000,000.00 | | 0.00 | 16,853,299.54 | 146,700.46 | 1.100% |
| MoPac Operating Fund | 0.00 | 167,431.71 | | 0.00 | | 167,431.71 | 1.100% |
| MoPac Loan Repayment Fund | 0.00 | 28,089.54 | | 0.00 | 28,089.54 | 0.00 | 1.100% |
| MoPac Managed Lane Construction Fund | 32,060,642.10 | | | 25,450.21 | 3,453,176.62 | 28,632,915.69 | 1.100% |
| | 114,430,435.88 | 46,514,668.99 | 0.00 | 90,913.91 | | 112,878,191.90 | |
| Amount in Fed Agencies and Treasuries | | | | | | | |
| Amortized Principal | 101,374,348.15 | | 2,628.72 | 12,241.67 | 14,400,000.00 | 86,989,218.54 | |
| | 101,374,348.15 | - | 2,628.72 | 12,241.67 | 14,400,000.00 | 86,989,218.54 | |
| Certificates of Deposit | | | | | | | |
| Total in Pools | 209,177,491.59 | 3,233,934.96 | | 207,781.74 | 4,150,000.00 | 208,469,208.29 | |
| Total in GS FSGF | 114,430,435.88 | 46,514,668.99 | | 90,913.91 | | 112,878,191.90 | |
| Total in Fed Agencies and Treasuries | 101,374,348.15 | - | 2,628.72 | | 14,400,000.00 | 86,989,218.54 | |
| Total Invested | 424,982,275.62 | 49,748,603.95 | 2,628.72 | 298,695.65 | 18,550,000.00 | 408,336,618.73 | |

All Investments in the portfolio are in compliance with the CTRMA's Investment policy and the relevant provisions of the Public Funds Investment Act Chapter 2256.023

William Chapman, CFO

Mary Temple, Controller

Allocation of Funds



Amount of Investments As of December 31, 2017

| Agency | CUSIP # | COST | Book Value | Market Value | Yield to Maturity | Purchased | Matures | FUND |
|---------------------------------|-----------|----------------------|----------------------|----------------------|-------------------|-----------|------------|------------------|
| Federal Farm Credit | 3133ECA79 | 4,959,250.00 | 4,996,604.17 | 4,996,150.00 | 1.2155% | 3/11/2015 | 3/19/2018 | Senior DSRF |
| Federal Farm Credit | 3133EFSG3 | 10,057,749.23 | 10,006,838.52 | 9,996,990.00 | 0.8421% | 2/8/2016 | 3/14/2018 | 2015B Sr Project |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07 | 10,102,920.59 | 10,000,940.00 | 1.0369% | 2/8/2016 | 3/8/2019 | 2015B Sr Project |
| Federal Home Loan Mortgage Corp | 313397UW9 | 11,926,550.00 | 11,963,275.00 | 11,961,360.00 | 1.1370% | 9/15/2017 | 3/29/2018 | 2015B Sr Project |
| Federal Home loan Bank | 3130A6SW8 | Matured | Matured | Matured | 0.7616% | 4/11/2016 | 12/19/2017 | Senior DSRF |
| Federal Home loan Bank | 3130A8BD4 | 24,907,000.00 | 24,957,076.92 | 24,907,375.00 | 1.2288% | 6/7/2017 | 6/29/2018 | Senior DSRF |
| Fannie Mae | 3135G0G72 | 19,946,880.00 | 19,964,586.67 | 19,867,060.00 | 1.3401% | 9/15/2017 | 12/14/2018 | Senior DSRF |
| Federal Home loan Bank | 3130ABJD9 | 4,995,000.00 | 4,997,916.67 | 4,990,550.00 | 1.2265% | 6/7/2017 | 6/5/2018 | 2016 Sub DSRF |
| Federal Home loan Bank | 3130A6SW8 | Matured | Matured | Matured | 0.7616% | 4/11/2016 | 12/19/2017 | General |
| | | 87,046,071.30 | 86,989,218.54 | 86,720,425.00 | | | | |

| Agency | CUSIP # | COST | Cummulative Amortization | 12/31/2017 | | Interest Income December 31, 2017 | | |
|---------------------------------|-----------|----------------------|--------------------------|----------------------|----------------------|-----------------------------------|-------------------|-------------------|
| | | | | Book Value | Maturity Value | Accrued Interest | Amortization | Interest Earned |
| Federal Farm Credit | 3133ECA79 | 4,959,250.00 | (37,354.17) | 4,996,604.17 | 5,000,000.00 | 3,916.67 | 1,131.94 | 5,048.61 |
| Federal Farm Credit | 3133EFSG3 | 10,057,749.23 | 50,910.71 | 10,006,838.52 | 10,000,000.00 | 9,166.67 | (2,279.58) | 6,887.09 |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07 | 150,721.48 | 10,102,920.59 | 10,000,000.00 | 15,625.00 | (6,861.37) | 8,763.63 |
| Federal Home Loan Mortgage Corp | 313397UW9 | 11,926,550.00 | (36,725.00) | 11,963,275.00 | 12,000,000.00 | 12,241.67 | - | 12,241.67 |
| Federal Home loan Bank | 3130A6SW8 | Matured | Matured | Matured | Matured | 8,333.33 | (1,968.75) | 6,364.58 |
| Federal Home loan Bank | 3130A8BD4 | 24,907,000.00 | (50,076.92) | 24,957,076.92 | 25,000,000.00 | 18,229.17 | 7,153.85 | 25,383.02 |
| Fannie Mae | 3135G0G72 | 19,946,880.00 | (17,706.67) | 19,964,586.67 | 20,000,000.00 | 37,500.00 | 5,902.22 | 43,402.22 |
| Federal Home loan Bank | 3130ABJD9 | 4,995,000.00 | (2,916.67) | 4,997,916.67 | 5,000,000.00 | 4,687.50 | 416.67 | 5,104.17 |
| Federal Home loan Bank | 3130A6SW8 | Matured | Matured | Matured | Matured | 3,666.67 | (866.25) | 2,800.42 |
| | | 87,046,071.30 | 56,852.76 | 86,989,218.54 | 87,000,000.00 | 113,366.68 | 2,628.73 | 115,995.41 |



183 South Design-Build Project

Contingency Status

December 31, 2017



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

Original Construction Contract Value: \$581,545,700

| | | |
|--------------------------------------|--------------------------------------------|---------------------|
| Total Project Contingency | | \$47,860,000 |
| Obligations | CO#1 City of Austin ILA Adjustment | (\$2,779,934) |
| | CO#2 Addition of Coping to Soil Nail Walls | \$742,385 |
| | CO#4 Greenroads Implementation | \$362,280 |
| | CO#6 51st Street Parking Trailhead | \$477,583 |
| | CO#9 Patton Interchange Revisions | \$3,488,230 |
| | Others Less than \$300,000 (4) | (\$45,957) |
| | Executed Change Orders | \$2,244,587 |
| Change Orders Under Negotiation | \$4,250,000 | |
| Potential Contractual Obligations | \$10,600,000 | |
| (-) Total Obligations | | \$17,094,587 |
| Remaining Project Contingency | | \$30,765,413 |



SH 45SW Construction
Contingency Status
 December 31, 2017



Original Construction Contract Value: \$75,103,623

Total Project Contingency \$ 7,520,000.00

| | | | |
|--------------------|-----------------------------------|-------------------------------------------------------|--------------------|
| Obligations | CO #01 | Asbestos Removal | \$1,962 |
| | CO #02 | TCEQ Protection Plan | \$103,773 |
| | CO #03 | Conduit Installation Revision | (\$11,970) |
| | CO #04 | Installation of PEC and TWC Conduits | \$458,439 |
| | CO #05 | Installation of SSTR Drilled Shafts and Moment Slab | \$538,945 |
| | CO #06 | Feature 004 Protection and Bridge Drain Assembly | \$2,932 |
| | CO #07 | Traffic Control Savings and Removal of Mulch | (\$5,560) |
| | CO #08 | Slope Protection Under Bear Creek Bridge | \$167,338 |
| | CO#09 | Temporary Relocation of Overhead Lines | \$7,227 |
| | Executed Change Orders | | \$1,263,087 |
| | CO #10 | Bridge Drain Outfall Revision and Bicycle Detour Plan | \$28,229 |
| | CO #11 | Additional Clearing for PEC Transmission Lines | \$86,609 |
| | Change Orders in Negotiations | | \$114,838 |
| | Potential Contractual Obligations | | \$5,382,961 |

(-) Total Obligations \$ 6,760,886

Remaining Project Contingency \$ 759,114



MOPAC Construction
Financial Status
December 31, 2017



Original Construction Contract Value: \$ 136,632,100

| | | | | |
|-------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|-------------------------|---------------------------|
| Change Orders | CO#01B | 5th & Cesar Chavez SB Reconfig (Construction) | \$593,031 | Approved = \$11.7M |
| | CO#05B | FM 2222 Bridge NB Ret Wall Abutment Repair (Construction) | \$850,000 | |
| | CO#07 | FM 2222 Exit Storage Lane | \$426,000 | |
| | CO#08C | Refuge Area: Added Shoulder Adjustment Sound Wall #1 | \$2,508,548 | |
| | CO#09 | Westover SB Frontage Repairs | \$450,000 | |
| | CO#12 | Barrier Rail Opaque Seal | \$542,419 | |
| | CO#17 | Bike and Ped Improvements at Far West Blvd Bridge/FM 2222 | \$971,889 | |
| | CO#20 | Northern Terminus Sound Wall #3 | (\$1,210,540) | |
| | CO#32 | Void of CO#05B, #09, #10, UPRR | (\$1,501,437) | |
| | CO#33 | Shared Use Path at US 183 | (\$1,000,000) | |
| | CO#34 | Undercrossing Fire Protection | \$1,412,574 | |
| | CO#35 | TxDOT Duct Bank Interference | \$1,357,196 | |
| | CO#36 | Non-Compliant Existing Illumination | \$2,226,189 | |
| | CO#37 | NB Pavement Cross Slope and Profile Corrections | \$3,635,477 | |
| CO#38 | SB Pavement Cross Slope and Profile Corrections | \$3,100,298 | | |
| | Total of Others Less than \$300,000 (20) | \$1,834,044 | | |
| Executed Change Orders | | | \$ 16,195,688 | |
| Revised Construction Contract Value | | | \$ 152,827,788 | |
| Change Orders under Negotiation | | | \$ 5,301,049 | |
| Potential Construction Contract Value | | | \$ 158,128,837 | |
| Amount paid CH2M through July 2017 draw (as of 12/31/2017) | | | \$ (112,496,965) | |
| Assessed Liquidated Damages | | | \$ (20,000,000) | |
| Potential Amount Due (CH2M) | | | \$ 25,631,872 | |
| Cash on Hand (as of 12/31/2017) | | | \$ 28,632,916 | |



Monthly Newsletter - December 2017

Performance

As of December 31, 2017

| | |
|---------------------------------------|--------------------|
| Current Invested Balance | \$6,518,450,917.63 |
| Weighted Average Maturity (1) | 36 Days |
| Weighted Average Maturity (2) | 77 Days |
| Net Asset Value | 0.999984 |
| Total Number of Participants | 853 |
| Management Fee on Invested Balance | 0.06%* |
| Interest Distributed | \$6,475,191.84 |
| Management Fee Collected | \$313,988.43 |
| % of Portfolio Invested Beyond 1 Year | 3.57% |
| Standard & Poor's Current Rating | AAAm |

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

December Averages

| | |
|------------------------------------------|--------------------|
| Average Invested Balance | \$6,161,359,768.56 |
| Average Monthly Yield, on a simple basis | 1.1762% |
| Average Weighted Average Maturity (1)* | 36 Days |
| Average Weighted Average Maturity (2)* | 82 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.

Holiday Reminder

In observance of Martin Luther King Jr. holiday, **TexSTAR will be closed Monday, January 15, 2018**. All ACH transactions initiated on Friday, January 12th will settle on Tuesday, January 16th.

Economic Commentary

U.S. Tax reform dominated most of the quarter as both Houses of Congress worked expeditiously to pass their respective versions of the tax bill. While expectations of passage had drifted lower as the year progressed, the GOP successfully passed a reconciled version of the bill which was signed into law in December. The highlights of the bill on the corporate side were lower tax rates for corporations and small business pass-throughs as well as changes to interest and capital investment deductibility. The highlights on the individual side were lower effective tax rates, higher standard deductions, offset by the removal of most state and local deductions. Fiscal policy has the potential to pro-vide additional stimulus to an already strong economy. In addition, the government has passed legislation to extend government spending until January in order to give the congress more time to debate the 2018 fiscal budget (which began in September '17).

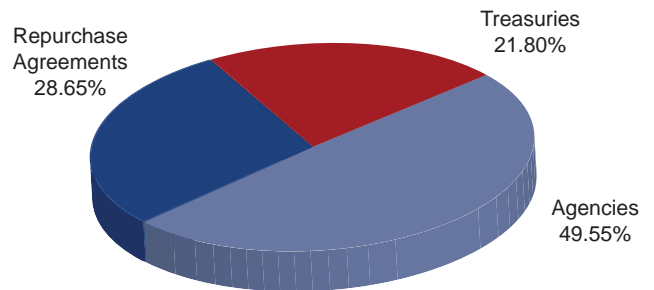
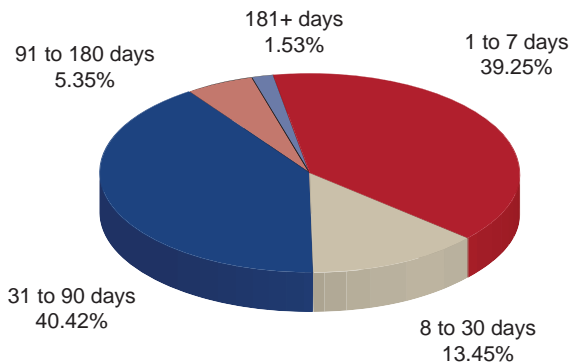
The Federal Reserve (Fed) raised rates by 25 bps to 1.25%-1.50% at its December Federal Open Market Committee (FOMC) meeting. The committee reiterated its positive assessment of the labor market and the U.S. economy. It also indicated that inflation was below its 2% target, but that the weakness appeared transitory. The committee expects 3 rate hikes in 2018, 2 in 2019 and slightly less than 2 in 2020. For now, our view remains consistent with the Fed's projections— growth will remain strong (despite the typical negative seasonal-ity in the first quarter), inflation will stay contained and the Fed will remain on a gradual path towards normalized real yields by raising the fed funds rate three times. We believe that the yield on the U.S. 10-year Treasury will also rise modestly, ending 2018 at 2.75%–3.25%. If inflation does start coming in above target, we could easily see the Fed raise rates four times in 2018, not the three times the market is expecting. If both the European Central Bank and the Bank of Japan also start moving to higher rates at the same time that central bank balance sheet expan-sion turns negative (currently projected for around October 2018), then bond investors are not being compensated for the risks, volatility will rise and the second half of 2018 could be much more difficult for the markets.

Despite strong growth, inflation has been stubbornly low. In the face of low inflation, the world's central banks seem content to turn a blind eye towards the potential risks of ultra-accommoda-tive policy. Markets are going up and unemployment is going down. Inflation levels are caught in a tug-of-war between downward structural forces (technology improvements, price transparency) and upward cyclical forces (economic growth, tight labor mar-kets), with the structural pressures continuing to deliver disappointments.

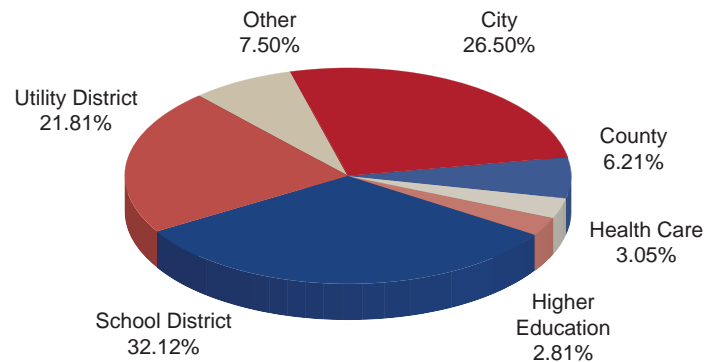
This information is an excerpt from an economic report dated December 2017 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

Information at a Glance

Portfolio by Type of Investment As of December 31, 2017



Portfolio by Maturity As of December 31, 2017



Distribution of Participants by Type As of December 31, 2017

Historical Program Information

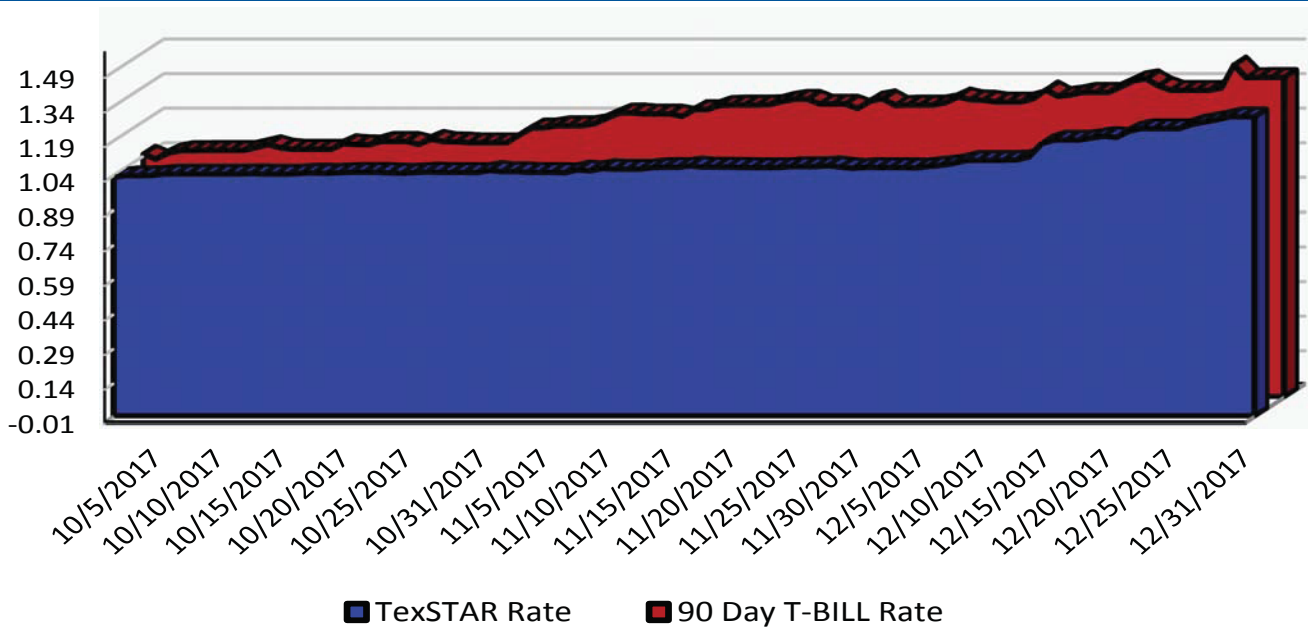
| Month | Average Rate | Book Value | Market Value | Net Asset Value | WAM (1)* | WAM (2)* | Number of Participants |
|--------|--------------|--------------------|--------------------|-----------------|----------|----------|------------------------|
| Dec 17 | 1.1762% | \$6,518,450,917.63 | \$6,518,448,483.33 | 0.999984 | 36 | 82 | 853 |
| Nov 17 | 1.0695% | 6,157,485,042.89 | 6,157,068,439.39 | 0.999932 | 38 | 90 | 853 |
| Oct 17 | 1.0482% | 5,848,642,382.89 | 5,848,708,234.12 | 1.000011 | 38 | 96 | 852 |
| Sep 17 | 1.0384% | 5,841,986,573.82 | 5,842,202,955.19 | 1.000022 | 28 | 92 | 848 |
| Aug 17 | 1.0343% | 5,770,863,631.13 | 5,770,945,786.15 | 1.000014 | 33 | 102 | 846 |
| Jul 17 | 0.9827% | 5,941,902,116.09 | 5,941,981,984.60 | 1.000013 | 32 | 97 | 844 |
| Jun 17 | 0.8631% | 6,071,512,305.56 | 6,071,586,949.16 | 0.999993 | 30 | 92 | 838 |
| May 17 | 0.7535% | 6,440,388,492.41 | 6,440,492,333.25 | 1.000016 | 28 | 97 | 836 |
| Apr 17 | 0.7140% | 6,279,219,607.16 | 6,279,507,477.47 | 1.000045 | 36 | 105 | 832 |
| Mar 17 | 0.6269% | 6,551,167,144.50 | 6,551,621,726.22 | 1.000064 | 42 | 110 | 829 |
| Feb 17 | 0.5533% | 7,267,565,993.07 | 7,269,212,259.58 | 1.000226 | 43 | 111 | 827 |
| Jan 17 | 0.5452% | 7,011,113,225.83 | 7,012,695,761.41 | 1.000225 | 44 | 96 | 823 |

Portfolio Asset Summary as of December 31, 2017

| | Book Value | Market Value |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance | \$ 1,940.78 | \$ 1,940.78 |
| Accrual of Interest Income | 2,674,262.65 | 2,674,262.65 |
| Interest and Management Fees Payable | (6,519,435.77) | (6,519,435.77) |
| Payable for Investment Purchased | 0.00 | 0.00 |
| Repurchase Agreement | 1,869,220,999.82 | 1,869,220,999.82 |
| Government Securities | 4,653,073,150.15 | 4,653,070,715.85 |
| Total | \$ 6,518,450,917.63 | \$ 6,518,448,483.33 |

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



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The TexSTAR management fee may be waived in full or in part at the discretion of the TexSTAR co-administrators and the TexSTAR rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

Daily Summary for December 2017

| Date | Mny Mkt Fund Equiv. [SEC Std.] | Daily Allocation Factor | TexSTAR Invested Balance | Market Value Per Share | WAM Days (1)* | WAM Days (2)* |
|------------|--------------------------------|-------------------------|--------------------------|------------------------|---------------|---------------|
| 12/1/2017 | 1.0740% | 0.000029426 | \$6,083,995,923.38 | 0.999924 | 30 | 79 |
| 12/2/2017 | 1.0740% | 0.000029426 | \$6,083,995,923.38 | 0.999924 | 30 | 79 |
| 12/3/2017 | 1.0740% | 0.000029426 | \$6,083,995,923.38 | 0.999924 | 30 | 79 |
| 12/4/2017 | 1.0717% | 0.000029363 | \$6,059,530,142.92 | 0.999920 | 30 | 79 |
| 12/5/2017 | 1.0787% | 0.000029553 | \$6,079,929,647.50 | 0.999921 | 29 | 77 |
| 12/6/2017 | 1.0830% | 0.000029670 | \$6,084,075,793.26 | 0.999921 | 31 | 77 |
| 12/7/2017 | 1.0915% | 0.000029903 | \$6,057,356,232.00 | 0.999929 | 32 | 78 |
| 12/8/2017 | 1.1048% | 0.000030269 | \$6,089,109,474.45 | 0.999952 | 34 | 80 |
| 12/9/2017 | 1.1048% | 0.000030269 | \$6,089,109,474.45 | 0.999952 | 34 | 80 |
| 12/10/2017 | 1.1048% | 0.000030269 | \$6,089,109,474.45 | 0.999952 | 34 | 80 |
| 12/11/2017 | 1.1050% | 0.000030275 | \$6,107,900,242.02 | 0.999944 | 35 | 79 |
| 12/12/2017 | 1.1069% | 0.000030327 | \$6,178,473,993.46 | 0.999936 | 36 | 79 |
| 12/13/2017 | 1.1194% | 0.000030668 | \$6,135,123,539.01 | 0.999942 | 37 | 84 |
| 12/14/2017 | 1.1769% | 0.000032244 | \$6,128,197,146.04 | 0.999937 | 40 | 85 |
| 12/15/2017 | 1.1930% | 0.000032684 | \$6,028,893,829.57 | 0.999941 | 41 | 87 |
| 12/16/2017 | 1.1930% | 0.000032684 | \$6,028,893,829.57 | 0.999941 | 41 | 87 |
| 12/17/2017 | 1.1930% | 0.000032684 | \$6,028,893,829.57 | 0.999941 | 41 | 87 |
| 12/18/2017 | 1.2019% | 0.000032929 | \$6,080,539,689.19 | 0.999939 | 42 | 87 |
| 12/19/2017 | 1.2097% | 0.000033142 | \$6,129,258,095.43 | 0.999923 | 42 | 89 |
| 12/20/2017 | 1.2046% | 0.000033002 | \$6,155,903,655.69 | 0.999937 | 41 | 88 |
| 12/21/2017 | 1.2317% | 0.000033749 | \$6,192,529,241.40 | 0.999943 | 40 | 86 |
| 12/22/2017 | 1.2431% | 0.000034057 | \$6,210,353,358.75 | 0.999955 | 38 | 83 |
| 12/23/2017 | 1.2431% | 0.000034057 | \$6,210,353,358.75 | 0.999955 | 38 | 83 |
| 12/24/2017 | 1.2431% | 0.000034057 | \$6,210,353,358.75 | 0.999955 | 38 | 83 |
| 12/25/2017 | 1.2431% | 0.000034057 | \$6,210,353,358.75 | 0.999955 | 38 | 83 |
| 12/26/2017 | 1.2609% | 0.000034544 | \$6,205,765,213.92 | 0.999957 | 37 | 82 |
| 12/27/2017 | 1.2713% | 0.000034829 | \$6,213,738,475.82 | 0.999975 | 37 | 81 |
| 12/28/2017 | 1.2808% | 0.000035091 | \$6,191,067,847.65 | 0.999982 | 40 | 84 |
| 12/29/2017 | 1.2938% | 0.000035447 | \$6,518,450,917.63 | 0.999984 | 36 | 77 |
| 12/30/2017 | 1.2938% | 0.000035447 | \$6,518,450,917.63 | 0.999984 | 36 | 77 |
| 12/31/2017 | 1.2938% | 0.000035447 | \$6,518,450,917.63 | 0.999984 | 36 | 77 |
| Average | 1.1762% | 0.000032226 | \$6,161,359,768.56 | | 36 | 82 |

TexSTAR Participant Services
Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270



TexSTAR Board Members

| | | |
|------------------------|--------------------------------------------------|------------------------------------------|
| <i>William Chapman</i> | <i>Central Texas Regional Mobility Authority</i> | <i>Governing Board President</i> |
| <i>Nell Lange</i> | <i>City of Frisco</i> | <i>Governing Board Vice President</i> |
| <i>Eric Cannon</i> | <i>City of Allen</i> | <i>Governing Board Treasurer</i> |
| <i>David Medanich</i> | <i>FirstSouthwest / Hilltop Securities</i> | <i>Governing Board Secretary</i> |
| <i>Jennifer Novak</i> | <i>J.P. Morgan Asset Management</i> | <i>Governing Board Asst. Sec./Treas.</i> |
| <i>Nicole Conley</i> | <i>Austin ISD</i> | <i>Advisory Board</i> |
| <i>Becky Brooks</i> | <i>Government Resource Associates, LLC</i> | <i>Advisory Board</i> |
| <i>Monte Mercer</i> | <i>North Central TX Council of Government</i> | <i>Advisory Board</i> |
| <i>David Pate</i> | <i>Richardson ISD</i> | <i>Advisory Board</i> |
| <i>James Mauldin</i> | <i>University of North Texas System</i> | <i>Advisory Board</i> |

For more information contact TexSTAR Participant Services ★ 1-800-839-7827 ★ www.texstar.org



Exhibit C

Financial Statements for January 2018

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending January 31, 2018

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| REVENUE | | | | |
| Operating Revenue | | | | |
| Toll Revenue - Tags | 61,069,539 | 36,077,168 | 59.08% | 30,276,608 |
| Video Tolls | 14,377,753 | 7,717,640 | 53.68% | 8,267,700 |
| Fee Revenue | 6,022,247 | 2,901,415 | 48.18% | 3,252,930 |
| Total Operating Revenue | 81,469,539 | 46,696,224 | 57.32% | 41,797,239 |
| Other Revenue | | | | |
| Interest Income | 950,000 | 1,257,975 | 132.42% | 498,219 |
| Grant Revenue | 720,000 | 14,629,885 | 2031.93% | 15,020,751 |
| Reimbursed Expenditures | 314,280 | 11 | 0.00% | 155,493 |
| Misc Revenue | 5,500 | 1,339 | 24.35% | 5,910 |
| Total Other Revenue | 1,989,780 | 15,889,210 | 798.54% | 15,680,373 |
| TOTAL REVENUE | \$83,459,319 | \$62,585,434 | 74.99% | \$57,477,612 |
| EXPENSES | | | | |
| Salaries and Benefits | | | | |
| Salary Expense-Regular | 3,520,456 | 2,005,115 | 56.96% | 1,842,109 |
| Salary Reserve | 80,000 | - | - | - |
| TCDRS | 515,649 | 268,568 | 52.08% | 252,830 |
| FICA | 165,251 | 72,383 | 43.80% | 68,983 |
| FICA MED | 55,277 | 28,903 | 52.29% | 27,182 |
| Health Insurance Expense | 396,258 | 194,416 | 49.06% | 203,418 |
| Life Insurance Expense | 32,942 | 5,667 | 17.20% | 5,866 |
| Auto Allowance Expense | 10,200 | 5,950 | 58.33% | 5,950 |
| Other Benefits | 153,197 | 84,537 | 55.18% | 143,603 |
| Unemployment Taxes | 19,950 | 204 | 1.02% | 3,516 |
| Total Salaries and Benefits | 4,949,181 | 2,665,741 | 53.86% | 2,553,455 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending January 31, 2018

| | Budget | | | |
|-------------------------------------------------|------------------|----------------|---------------|----------------|
| | Amount FY | Actual Year to | Percent of | Actual Prior |
| | 2018 | Date | Budget | Year to Date |
| Administrative | | | | |
| Administrative and Office Expenses | | | | |
| Accounting | 10,000 | 4,530 | 45.30% | 4,924 |
| Auditing | 100,000 | 29,500 | 29.50% | 53,880 |
| Human Resources | 15,000 | 24,773 | 165.15% | 10,542 |
| Legal | - | 28,433 | - | - |
| IT Services | 103,500 | 70,888 | 68.49% | 40,591 |
| Internet | 4,125 | 2,182 | 52.89% | 1,385 |
| Software Licenses | 49,800 | 11,688 | 23.47% | 51,221 |
| Cell Phones | 18,500 | 8,024 | 43.38% | 8,892 |
| Local Telephone Service | 2,000 | 8,453 | 422.63% | 8,912 |
| Overnight Delivery Services | 850 | 54 | 6.32% | 63 |
| Local Delivery Services | 600 | - | - | - |
| Copy Machine | 17,000 | 8,299 | 48.81% | 9,340 |
| Repair & Maintenance-General | 2,500 | 704 | 28.16% | 1,882 |
| Community Meeting/ Events | 2,000 | - | - | - |
| Meeting Expense | 15,000 | 6,072 | 40.48% | 4,181 |
| Public Notices | 100 | 25 | 25.00% | - |
| Toll Tag Expense | 3,150 | 1,302 | 41.33% | 874 |
| Parking | 4,200 | 367 | 8.74% | 847 |
| Mileage Reimbursement | 11,200 | 2,856 | 25.50% | 2,167 |
| Insurance Expense | 150,000 | 98,316 | 65.54% | 84,928 |
| Rent Expense | 515,000 | 303,838 | 59.00% | 256,092 |
| Legal Services | 288,000 | 96,849 | 33.63% | 41,872 |
| Total Administrative and Office Expenses | 1,312,525 | 707,154 | 53.88% | 582,591 |
| Office Supplies | | | | |
| Books & Publications | 6,000 | 752 | 12.54% | 690 |
| Office Supplies | 19,900 | 5,774 | 29.02% | 12,047 |
| Computer Supplies | 46,800 | 5,088 | 10.87% | 11,152 |
| Copy Supplies | 1,000 | 964 | 96.37% | 178 |
| Other Reports-Printing | 8,000 | - | - | 584 |
| Office Supplies-Printed | 1,000 | 992 | 99.21% | 611 |
| Misc Materials & Supplies | 2,750 | - | - | 1,015 |
| Postage Expense | 900 | 239 | 26.60% | 258 |
| Total Office Supplies | 86,350 | 13,809 | 15.99% | 26,535 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending January 31, 2018

| | Budget | | | |
|--------------------------------------------------|------------------|------------------|---------------|------------------|
| | Amount FY | Actual Year to | Percent of | Actual Prior |
| | 2018 | Date | Budget | Year to Date |
| Communications and Public Relations | | | | |
| Graphic Design Services | 35,000 | 15,000 | 42.86% | 6,625 |
| Website Maintenance | 130,000 | 24,155 | 18.58% | 64,535 |
| Research Services | 110,000 | 89,078 | 80.98% | 79,059 |
| Communications and Marketing | 400,000 | 128,126 | 32.03% | 168,608 |
| Advertising Expense | 330,000 | 109,009 | 33.03% | 58,059 |
| Direct Mail | 10,000 | - | - | - |
| Video Production | 31,000 | 8,904 | 28.72% | 8,820 |
| Photography | 11,000 | 5,110 | 46.46% | 1,077 |
| Radio | 10,000 | 9,346 | 93.46% | - |
| Other Public Relations | 20,000 | 38,448 | 192.24% | 5,000 |
| Promotional Items | 20,000 | - | - | 972 |
| Displays | 5,000 | 2,124 | 42.48% | - |
| Direct Mail Printing | 6,500 | - | - | - |
| Other Communication Expenses | 50,500 | 13,162 | 26.06% | 1,861 |
| Total Communications and Public Relations | 1,169,000 | 442,462 | 37.85% | 394,616 |
| Employee Development | | | | |
| Subscriptions | 3,200 | 816 | 25.49% | 1,336 |
| Memberships | 51,250 | 33,085 | 64.56% | 33,505 |
| Continuing Education | 10,500 | 694 | 6.60% | 135 |
| Professional Development | 4,000 | 4,248 | 106.20% | - |
| Other Licenses | 1,750 | 208 | 11.88% | 257 |
| Seminars and Conferences | 42,500 | 8,032 | 18.90% | 17,259 |
| Travel | 97,000 | 15,678 | 16.16% | 34,050 |
| Total Employee Development | 210,200 | 62,760 | 29.86% | 86,541 |
| Financing and Banking Fees | | | | |
| Trustee Fees | 30,000 | 21,525 | 71.75% | 17,500 |
| Bank Fee Expense | 6,500 | 3,123 | 48.05% | 3,395 |
| Continuing Disclosure | 10,000 | 9,812 | 98.12% | - |
| Arbitrage Rebate Calculation | 8,000 | 8,355 | 104.44% | 6,455 |
| Rating Agency Expense | 30,000 | 15,500 | 51.67% | 15,000 |
| Total Financing and Banking Fees | 84,500 | 58,315 | 69.01% | 42,350 |
| Total Administrative | 2,862,575 | 1,284,500 | 44.87% | 1,132,634 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending January 31, 2018

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|----------------------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| Operations and Maintenance | | | | |
| Operations and Maintenance Consulting | | | | |
| GEC-Trust Indenture Support | 155,000 | 88,271 | 56.95% | 63,278 |
| GEC-Financial Planning Support | 50,000 | - | - | 47 |
| GEC-Toll Ops Support | 20,000 | - | - | 14,384 |
| GEC-Roadway Ops Support | 410,000 | 361,261 | 88.11% | 215,378 |
| GEC-Technology Support | 60,000 | - | - | 19,026 |
| GEC-Public Information Support | - | 160,694 | - | 19,134 |
| GEC-General Support | 800,000 | 450,484 | 56.31% | 389,308 |
| General System Consultant | 170,000 | 103,252 | 60.74% | 3,288 |
| Traffic and Revenue Consultant | 95,000 | 67,964 | 71.54% | 42,680 |
| Total Operations and Maintenance Consulting | 1,760,000 | 1,231,925 | 70.00% | 766,524 |
| Roadway Operations and Maintenance | | | | |
| Roadway Maintenance | 5,007,401 | 1,563,827 | 31.23% | 1,706,542 |
| Landscape Maintenance | 2,500 | - | - | - |
| Signal & Illumination Maint | 5,000 | 12,554 | 251.09% | 23,677 |
| Maintenance Supplies-Roadway | 5,500 | 45,920 | 834.91% | 396 |
| Tools & Equipment Expense | 1,000 | 301 | 30.12% | 15 |
| Gasoline | 13,700 | 7,977 | 58.22% | 3,278 |
| Repair & Maintenance-Vehicles | 5,000 | 3,086 | 61.72% | 1,420 |
| Electricity - Roadways | 200,000 | 80,823 | 40.41% | 84,066 |
| Total Roadway Operations and Maintenance | 5,240,101 | 1,714,488 | 32.72% | 1,819,395 |
| Toll Processing and Collection Expense | | | | |
| Image Processing | 1,563,594 | 967,310 | 61.86% | 810,190 |
| Tag Collection Fees | 4,100,826 | 3,107,563 | 75.78% | 1,987,643 |
| Court Enforcement Costs | 40,000 | 18,225 | 45.56% | 8,800 |
| DMV Lookup Fees | 1,000 | 265 | 26.47% | 290 |
| Total Processing and Collection Expense | 5,705,420 | 4,093,363 | 71.75% | 2,806,923 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending January 31, 2018

| | Budget | | | |
|-------------------------------------------------|-------------------|------------------|---------------|------------------|
| | Amount FY | Actual Year to | Percent of | Actual Prior |
| | 2018 | Date | Budget | Year to Date |
| Toll Operations Expense | | | | |
| Facility maintenance | - | - | - | 14 |
| Generator Fuel | 5,000 | 42 | 0.84% | 58 |
| Fire and Burglar Alarm | 500 | 247 | 49.35% | 153 |
| Refuse | 1,700 | 746 | 43.90% | 910 |
| Telecommunications | 120,000 | 41,229 | 34.36% | 36,466 |
| Water | 22,000 | 3,197 | 14.53% | 9,440 |
| Electricity | 2,500 | 817 | 32.69% | 1,304 |
| ETC spare parts expense | 20,000 | - | - | - |
| Repair & Maintenance Toll Equip | 5,000 | - | - | 11,940 |
| Law Enforcement | 275,000 | 166,015 | 60.37% | 114,285 |
| ETC Maintenance Contract | 1,755,098 | 971,864 | 55.37% | 512,132 |
| ETC Toll Management Center System Operation | 294,588 | 1,364 | 0.46% | - |
| ETC Development | 500,000 | - | - | - |
| ETC Testing | 25,000 | - | - | - |
| Total Toll Operations Expense | 3,026,386 | 1,185,521 | 39.17% | 686,702 |
| Total Operations and Maintenance | 15,731,907 | 8,225,297 | 52.28% | 6,079,544 |
| Other Expenses | | | | |
| Special Projects and Contingencies | | | | |
| HERO | 720,000 | 584,664 | 81.20% | 572,352 |
| Special Projects | 113,000 | - | - | 151,088 |
| 71 Express Net Revenue Payment | - | 2,012,957 | - | - |
| Other Contractual Svcs | 2,430,600 | 27,999 | 1.15% | 31,744 |
| Contingency | 250,000 | 828 | 0.33% | 578 |
| Total Special Projects and Contingencies | 3,513,600 | 2,626,449 | 74.75% | 755,761 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending January 31, 2018

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|-------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| Non Cash Expenses | | | | |
| Amortization Expense | 385,000 | 296,495 | 77.01% | 223,824 |
| Amort Expense - Refund Savings | 1,034,000 | 603,357 | 58.35% | 602,244 |
| Dep Exp- Furniture & Fixtures | 2,620 | 1,525 | 58.19% | 1,389 |
| Dep Expense - Equipment | 16,050 | 10,090 | 62.87% | 8,822 |
| Dep Expense - Autos & Trucks | 19,312 | 9,727 | 50.37% | 3,737 |
| Dep Expense-Buildng & Toll Fac | 177,115 | 103,195 | 58.26% | 103,317 |
| Dep Expense-Highways & Bridges | 18,048,333 | 12,031,078 | 66.66% | 10,211,033 |
| Dep Expense-Communic Equip | 196,115 | - | - | 114,401 |
| Dep Expense-Toll Equipment | 2,756,238 | 1,436,554 | 52.12% | 1,607,805 |
| Dep Expense - Signs | 325,900 | 190,104 | 58.33% | 190,104 |
| Dep Expense-Land Improvemts | 884,934 | 516,212 | 58.33% | 516,212 |
| Depreciation Expense-Computers | 13,210 | 9,645 | 73.01% | 8,203 |
| Total Non Cash Expenses | 23,858,827 | 15,207,981 | 63.74% | 13,591,091 |
| Total Other Expenses | 27,372,427 | 17,834,429 | 65.15% | 14,346,852 |
| Non Operating Expenses | | | | |
| Bond issuance expense | 1,450,000 | 132,273 | 9.12% | 1,072,081 |
| Interest Expense | 38,074,354 | 18,390,594 | 48.30% | 18,350,752 |
| Community Initiatives | 100,000 | 25,000 | 25.00% | 28,500 |
| Total Non Operating Expenses | 39,624,354 | 18,547,866 | 46.81% | 19,451,333 |
| TOTAL EXPENSES | \$90,540,444 | \$48,557,835 | 53.63% | \$43,563,819 |
| Net Income | (\$7,081,125) | \$14,027,600 | | \$13,913,793 |

Central Texas Regional Mobility Authority
Balance Sheet
as of January 31, 2018

| | as of 01/31/2018 | as of 01/31/2017 |
|------------------------------------------------------------|--------------------------------|--------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | | |
| Regions Operating Account | \$ 683,234 | \$ 518,449 |
| Cash in TexStar | 309,616 | 454,305 |
| Regions Payroll Account | 186,589 | 189,051 |
| Restricted Cash | | |
| Goldman Sachs FSGF 465 | 87,599,277 | 252,162,884 |
| Restricted Cash - TexSTAR | 186,115,341 | 133,162,426 |
| Overpayments account | 186,442 | 153,244 |
| Total Cash and Cash Equivalents | <u>275,080,498</u> | <u>386,640,360</u> |
| Accounts Receivable | | |
| Accounts Receivable | - | 14,485 |
| Due From Other Agencies | 7,519 | - |
| Due From TTA | 1,115,405 | 437,123 |
| Due From NTTA | 1,058,158 | 475,641 |
| Due From HCTRA | 2,602,632 | 1,077,297 |
| Due From TxDOT | 4,846,817 | 7,306,987 |
| Interest Receivable | 282,618 | 474,833 |
| Total Receivables | <u>9,913,149</u> | <u>9,786,366</u> |
| Short Term Investments | | |
| Agencies | 106,933,661 | 184,211,965 |
| Total Short Term Investments | <u>106,933,661</u> | <u>184,211,965</u> |
| Total Current Assets | <u>391,927,307</u> | <u>580,638,692</u> |
| Total Construction in Progress | 685,770,499 | 417,914,055 |
| Fixed Assets (Net of Depreciation and Amortization) | | |
| Computer | 35,481 | 32,068 |
| Computer Software | 1,084,811 | 931,939 |
| Furniture and Fixtures | 13,722 | 16,335 |
| Equipment | 26,038 | 4,157 |
| Autos and Trucks | 70,617 | 53,699 |
| Buildings and Toll Facilities | 5,187,344 | 5,364,336 |
| Highways and Bridges | 752,488,580 | 606,424,139 |
| Communication Equipment | - | 104,021 |
| Toll Equipment | 14,553,441 | 15,648,890 |
| Signs | 10,740,358 | 11,066,251 |
| Land Improvements | 10,107,727 | 10,992,661 |
| Right of way | 88,149,606 | 87,960,004 |
| Leasehold Improvements | 136,247 | 156,759 |
| Total Fixed Assets | <u>882,593,972</u> | <u>738,755,261</u> |
| Other Assets | | |
| Intangible Assets-Net | 103,917,560 | 102,750,932 |
| 2005 Bond Insurance Costs | 4,376,919 | 4,590,427 |
| Prepaid Insurance | 122,320 | 98,565 |
| Deferred Outflows (pension related) | 711,563 | 780,064 |
| Pension Asset | 355,139 | 202,023 |
| Total Other Assets | <u>109,483,501</u> | <u>108,422,011</u> |
| Total Assets | <u><u>\$ 2,069,775,279</u></u> | <u><u>\$ 1,845,730,019</u></u> |

Central Texas Regional Mobility Authority
Balance Sheet
as of January 31, 2018

| | as of 01/31/2018 | as of 01/31/2017 |
|------------------------------------------|-------------------------|-------------------------|
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | \$ 1,452,780 | \$ 1,248,127 |
| Construction Payable | - | 415,577 |
| Overpayments | 189,165 | 155,687 |
| Interest Payable | 4,302,911 | 4,344,248 |
| Deferred Compensation Payable | (10,466) | 4 |
| TCDRS Payable | 60,203 | 52,725 |
| Medical Reimbursement Payable | (2,113) | (1,902) |
| Due to other Agencies | 2,007,476 | - |
| Due to TTA | 497,014 | - |
| Due to NTTA | 332,891 | - |
| Due to HCTRA | 363,520 | - |
| Due to Other Entities | 4,477,702 | 7,099,751 |
| 71E TxDOT Obligation - ST | 2,663,955 | - |
| Total Current Liabilities | 16,335,037 | 13,314,217 |
| Long Term Liabilities | | |
| Compensated Absences | 182,441 | 138,927 |
| Deferred Inflows (pension related) | 286,449 | 172,017 |
| Long Term Payables | 468,891 | 310,944 |
| Bonds Payable | | |
| Senior Lien Revenue Bonds: | | |
| Senior Lien Revenue Bonds 2010 | 71,575,367 | 67,049,751 |
| Senior Lien Revenue Bonds 2011 | 15,031,856 | 14,067,180 |
| Senior Refunding Bonds 2013 | 139,885,000 | 144,183,000 |
| Senior Lien Revenue Bonds 2015 | 298,790,000 | 298,790,000 |
| Senior Lien Put Bnd 2015 | 68,785,000 | 68,785,000 |
| Senior Lien Refunding Revenue Bonds 2016 | 358,030,000 | 358,030,000 |
| Sn Lien Rev Bnd Prem/Disc 2013 | 8,880,807 | 10,846,595 |
| Sn Lien Revenue Bnd Prem 2015 | 21,275,892 | 22,472,397 |
| Sn Lien Put Bnd Prem 2015 | 4,502,534 | 6,365,838 |
| Senior lien premium 2016 revenue bonds | 53,497,738 | 57,817,987 |
| Total Senior Lien Revenue Bonds | 1,040,254,194 | 1,048,407,748 |
| Sub Lien Revenue Bonds: | | |
| Sub Refunding Bnds 2013 | 100,530,000 | 101,530,000 |
| Sub Debt Refunding Bonds 2016 | 74,305,000 | 74,690,000 |
| Sub Refunding 2013 Prem/Disc | 2,037,322 | 2,527,956 |
| Sub Refunding 2016 Prem/Disc | 9,514,935 | 10,389,288 |
| Total Sub Lien Revenue Bonds | 186,387,257 | 189,137,244 |
| Other Obligations | | |
| TIFIA note 2015 | 122,861 | 52,053 |
| SIB loan 2015 | 31,233,234 | 30,122,022 |
| State Highway Fund Loan 2015 | 31,233,264 | 30,122,022 |
| State 45SW Loan | 22,080,000 | - |
| 2013 American Bank Loan | - | 3,570,000 |
| 71E TxDOT Obligation - LT | 65,000,000 | - |
| Regions 2017 MoPAC Note | 17,000,000 | - |
| Total Other Obligations | 166,669,359 | 63,866,096 |
| Total Long Term Liabilities | 1,393,779,701 | 1,301,722,033 |
| Total Liabilities | 1,410,114,738 | 1,315,036,250 |
| NET ASSETS | | |
| Contributed Capital | 136,725,550 | 40,347,060 |
| Net Assets Beginning | 508,907,391 | 476,432,916 |
| Current Year Operations | 14,027,600 | 13,913,793 |
| Total Net Assets | 659,660,540 | 530,693,769 |
| Total Liabilities and Net Assets | \$ 2,069,775,279 | \$ 1,845,730,019 |

Central Texas Regional Mobility Authority
Statement of Cash Flow
as of January 31, 2018

Cash flows from operating activities:

| | | |
|-----------------------------------------------------------|----|--------------|
| Receipts from toll fees | \$ | 45,034,764 |
| Receipts from interest income | | 42,911 |
| Payments to vendors | | (10,495,795) |
| Payments to employees | | (2,674,762) |
| Net cash flows provided by (used in) operating activities | | 31,908,468 |

Cash flows from capital and related financing activities:

| | | |
|-------------------------------------------------------------------------------|--|---------------|
| Proceeds from notes payable | | 39,150,330 |
| Receipts from Department of Transportation | | 23,766,971 |
| Payments on principal | | (8,370,000) |
| Interest payments | | (51,133,563) |
| Acquisition of capital assets | | (29,886) |
| Acquisitions of construction in progress | | (151,326,901) |
| Net cash flows provided by (used in) capital and related financing activities | | (147,943,048) |

Cash flows from investing activities:

| | | |
|-----------------------------------------------------------|----|---------------|
| Interest income | | 1,257,975 |
| Purchase of investments | | (124,150,612) |
| Proceeds from sale or maturity of investments | | 126,321,986 |
| Net cash flows provided by (used in) investing activities | | 3,429,349 |
| Net increase (decrease) in cash and cash equivalents | | (112,605,231) |
| Cash and cash equivalents at beginning of period | | 201,260,772 |
| Cash and cash equivalents at end of period | \$ | 88,655,541 |

Reconciliation of change in net assets to net cash provided by operating activities:

| | | |
|---------------------------------------------------------------------------------------------|----|-------------|
| Operating income | \$ | 17,324,406 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | | 14,604,624 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | | (1,633,257) |
| (Increase) decrease in prepaid expenses and other assets | | (84,321) |
| (Decrease) increase in accounts payable | | (1,010,243) |
| Increase (decrease) in accrued expenses | | 2,707,259 |
| Total adjustments | | 14,584,062 |
| Net cash flows provided by (used in) operating activities | \$ | 31,908,468 |

Reconciliation of cash and cash equivalents:

| | | |
|----------------------------------------|----|------------|
| Unrestricted cash and cash equivalents | \$ | 1,056,265 |
| Restricted cash and cash equivalents | | 87,599,277 |
| Total | \$ | 88,655,541 |

INVESTMENTS by FUND

| | | Balance | | |
|---------------------------------------------------------|----------------------|----------------|--------------------------|-----------------------------------------------------|
| | | | January 31, 2018 | |
| Renewal & Replacement Fund | | | | |
| TexSTAR | 509,430.15 | | | TexSTAR 186,424,956.56 |
| Goldman Sachs | 189,943.94 | | | Goldman Sachs 87,599,276.55 |
| Agencies | | | 699,374.09 | Agencies & Treasury Notes 106,933,660.31 |
| Grant Fund | | | | |
| TexSTAR | 9,167,700.92 | | | |
| Goldman Sachs | 478,623.50 | | | |
| Agencies | | | 9,646,324.42 | |
| Senior Debt Service Reserve Fund | | | | |
| TexSTAR | 10,713,982.72 | | | |
| Goldman Sachs | 315.77 | | | |
| Agencies | 69,859,192.17 | | 80,573,490.66 | |
| 2010 Senior Lien DSF | | | | |
| Goldman Sachs | 150,931.96 | | | |
| TexSTAR | - | | 150,931.96 | |
| 2011 Debt Service Acct | | | | |
| Goldman Sachs | 756,554.62 | | 756,554.62 | |
| 2013 Sr Debt Service Acct | | | | |
| Goldman Sachs | 892,037.70 | | 892,037.70 | |
| 2013 Sub Debt Service Account | | | | |
| Goldman Sachs | 514,816.98 | | 514,816.98 | |
| 2015 Sr Capitalized Interest | | | | |
| Goldman Sachs | 3,699.09 | | 46,245,870.90 | |
| TexSTAR | 46,242,171.81 | | | |
| 2015A Debt Service Account | | | | |
| Goldman Sachs | 3.30 | | 3.30 | |
| 2015B Debt Service Account | | | | |
| Goldman Sachs | 290,267.73 | | 290,267.73 | |
| 2016 Sr Lien Rev Refunding Debt Service Account | | | | |
| Goldman Sachs | 3,845,075.62 | | 3,845,075.62 | |
| 2016 Sub Lien Rev Refunding Debt Service Account | | | | |
| Goldman Sachs | 318,026.00 | | 5,316,359.33 | |
| Agencies | 4,998,333.33 | | | |
| 2016 Sub Lein Rev Refunding DSR | | | | |
| Goldman Sachs | 1,690,947.78 | | 1,690,947.78 | |
| Operating Fund | | | | |
| TexSTAR | 309,615.70 | | | |
| TexSTAR-Trustee | 1,794,679.37 | | | |
| Goldman Sachs | - | | 2,104,295.07 | |
| Revenue Fund | | | | |
| Goldman Sachs | 2,799,390.56 | | 2,799,390.56 | |
| General Fund | | | | |
| TexSTAR | 25,289,581.68 | | | |
| Goldman Sachs | 22,384,114.02 | | | |
| 2013 Sub Debt Service Reserve Fund | | | | |
| TexSTAR | 5,057,730.37 | | | |
| Goldman Sachs | 3,498,141.04 | | | |
| Agencies | | | 8,555,871.41 | |
| 71E Revenue Fund | | | | |
| Goldman Sachs | 2,934,991.40 | | 2,934,991.40 | |
| MoPac Revenue Fund | | | | |
| Goldman Sachs | - | | 0.00 | |
| MoPac Construction Fund | | | | |
| Goldman Sachs | 21,367,339.48 | | 21,367,339.48 | |
| MoPac General Fund | | | | |
| Goldman Sachs | 103,364.20 | | | |
| MoPac Operating Fund | | | | |
| Goldman Sachs | 221,672.08 | | | |
| MoPac Loan Repayment Fund | | | | |
| Goldman Sachs | 43,445.01 | | | |
| 2015B Project Account | | | | |
| Goldman Sachs | 787,061.70 | | | |
| Agencies | 32,076,134.81 | | 40,497,773.60 | |
| TexSTAR | 7,634,577.09 | | | |
| 2015A Project Account | | | | |
| TexSTAR | 8,111,723.43 | | | |
| Goldman Sachs | 485,887.70 | | | |
| Treasury Notes | | | 8,597,611.13 | |
| 2015 TIFIA Project Account | | | | |
| Goldman Sachs | 50,640.19 | | 50,640.19 | |
| 2015 State Highway Fund Project Account | | | | |
| TexSTAR | 29,127,107.65 | | | |
| Goldman Sachs | 711,915.88 | | 29,839,023.53 | |
| 2015 SIB Project Account | | | | |
| TexSTAR | 19,083,820.00 | | | |
| Goldman Sachs | 810,395.93 | | 19,894,215.93 | |
| 2011 Sr Financial Assistance Fund | | | | |
| Goldman Sachs | 4.07 | | 20,359,972.11 | |
| TexSTAR | 20,359,968.04 | | | |
| 183S Utility Custody Deposit | | | | |
| Goldman Sachs | 575,899.86 | | | |
| TexSTAR | 3,022,867.63 | | 3,598,767.49 | |
| RIF | | | | |
| Goldman Sachs | 2,006,589.39 | | 2,006,589.39 | |
| 45SW Project Fund | | | | |
| Goldman Sachs | 18,824,811.92 | | 18,824,811.92 | |
| 45SW Trust Account Travis County | | | | |
| Goldman Sachs | 862,368.13 | | 862,368.13 | |
| | | | \$ 332,915,716.43 | |

CTRMA INVESTMENT REPORT

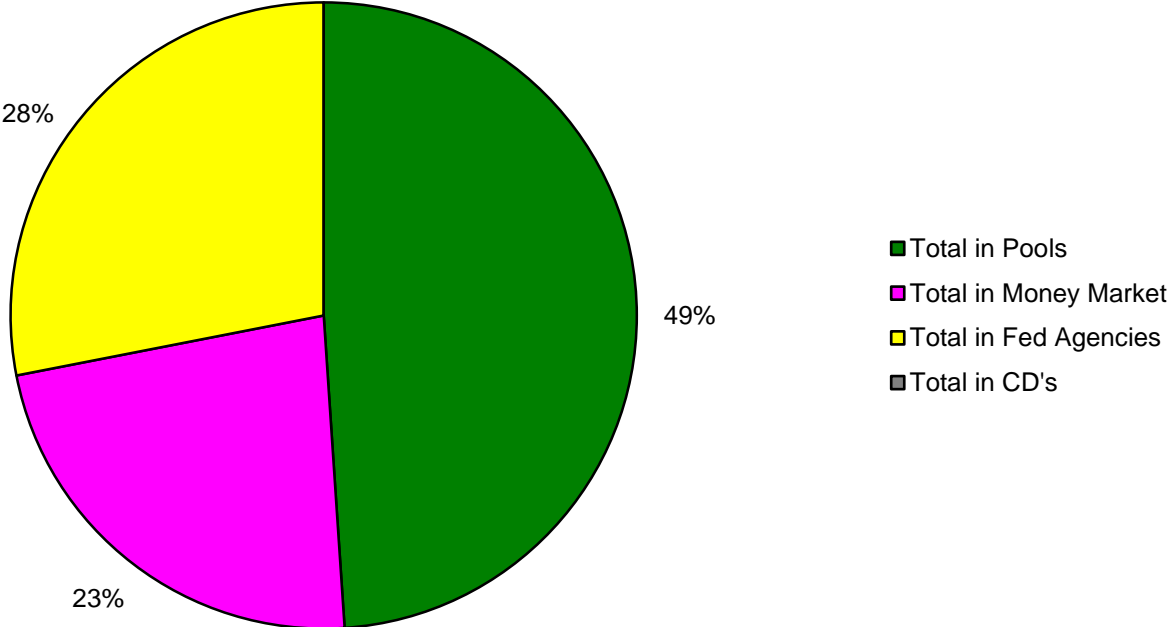
| Month Ending 01/31/18 | | | | | | | |
|--------------------------------------------------|-----------------------|----------------------|--------------------------|-------------------|----------------------|-----------------------|-----------------|
| | Balance 12/1/2017 | Additions | Discount Amortization | Accrued Interest | Withdrawals | Balance 1/31/2018 | Rate January |
| Amount in Trustee TexStar | | | | | | | |
| 2011 Sr Lien Financial Assist Fund | 23,176,085.76 | | | 22,382.28 | 2,838,500.00 | 20,359,968.04 | 1.290% |
| 2013 Sub Lien Debt Service Reserve | 5,052,195.19 | | | 5,535.18 | | 5,057,730.37 | 1.290% |
| General Fund | 25,261,904.86 | | | 27,676.82 | | 25,289,581.68 | 1.290% |
| Trustee Operating Fund | 1,609,321.88 | 1,633,017.18 | | 2,340.31 | 1,450,000.00 | 1,794,679.37 | 1.290% |
| Renewal and Replacement | 508,872.66 | | | 557.49 | | 509,430.15 | 1.290% |
| Grant Fund | 9,157,667.82 | | | 10,033.10 | | 9,167,700.92 | 1.290% |
| Senior Lien Debt Service Reserve Fund | 15,137,071.96 | | | 15,470.76 | 4,438,560.00 | 10,713,982.72 | 1.290% |
| 183S Utility Custody Deposit | 3,019,559.42 | | | 3,308.21 | | 3,022,867.63 | 1.290% |
| 2015A Sr Ln Project Account | 19,201,280.23 | | | 10,443.20 | 11,100,000.00 | 8,111,723.43 | 1.290% |
| 2015A Sr Ln Project Cap Interest | 50,501,412.08 | | | 50,759.73 | 4,310,000.00 | 46,242,171.81 | 1.290% |
| 2015B Sr Ln Project | 7,626,221.80 | | | 8,355.29 | | 7,634,577.09 | 1.290% |
| 2015D State Highway Fund Project Acct | 29,095,231.03 | | | 31,876.62 | | 29,127,107.65 | 1.290% |
| 2015E SIB Project Account | 19,062,934.72 | | | 20,885.28 | | 19,083,820.00 | 1.290% |
| | 208,409,759.41 | 1,633,017.18 | | 209,624.27 | 24,137,060.00 | 186,115,340.86 | |
| Amount in TexStar Operating Fund | | | | | | | |
| | 59,448.88 | 1,450,000.00 | | 166.82 | 1,200,000.00 | 309,615.70 | 1.290% |
| Goldman Sachs | | | | | | | |
| Operating Fund | 32,850.00 | 1,600,000.00 | | 167.18 | 1,633,017.18 | 0.00 | 1.200% |
| 45SW Trust Account Travis County | 861,519.27 | | | 848.86 | | 862,368.13 | 1.200% |
| 45SW Project Fund | 943,216.71 | 18,000,000.00 | | 3,513.20 | 121,917.99 | 18,824,811.92 | 1.200% |
| 2015A Project Account | 494,294.98 | 11,100,000.00 | | 3,338.14 | 11,111,745.42 | 485,887.70 | 1.200% |
| 2015B Project Account | 786,324.59 | | | 737.11 | | 787,061.70 | 1.200% |
| 2015D State Highway Fund Project Acct | 711,249.14 | | | 666.74 | | 711,915.88 | 1.200% |
| 2015C TIFIA Project Account | 50,592.76 | | | 47.43 | | 50,640.19 | 1.200% |
| 2015E SIB Project Account | 809,636.96 | | | 758.97 | | 810,395.93 | 1.200% |
| 183S Utility Custody Deposit | 878,952.26 | | | 913.29 | 303,965.69 | 575,899.86 | 1.200% |
| 2011 Sr Financial Assistance Fund | 1,003.13 | 2,838,500.00 | | 0.94 | 2,839,500.00 | 4.07 | 1.200% |
| 2010 Senior DSF | 246,543.71 | 149,976.11 | | 224.64 | 245,812.50 | 150,931.96 | 1.200% |
| 2011 Senior Lien Debt Service Acct | 755,846.08 | | | 708.54 | | 756,554.62 | 1.200% |
| 2013 Senior Lien Debt Service Acct | 7,408,552.12 | 869,017.46 | | 6,593.12 | 7,392,125.00 | 892,037.70 | 1.200% |
| 2013 Subordinate Debt Service Acct | 3,545,251.60 | 504,686.61 | | 3,128.77 | 3,538,250.00 | 514,816.98 | 1.200% |
| 2015 Sr Capitalized Interest | 3,160,486.40 | 4,310,000.00 | | 2,962.69 | 7,469,750.00 | 3,699.09 | 1.200% |
| 2015A Debt Service Acct | 3.30 | 7,469,750.00 | | | 7,469,750.00 | 3.30 | 1.200% |
| 2015B Debt Service Acct | 1,722,516.70 | 285,871.46 | | 1,504.57 | 1,719,625.00 | 290,267.73 | 1.200% |
| 2016 Sr Lien Rev Refunding Debt Service Account | 8,744,741.88 | 3,814,988.63 | | 7,863.86 | 8,722,518.75 | 3,845,075.62 | 1.200% |
| 2016 Sub Lien Rev Refunding Debt Service Account | 2,075,970.54 | 312,311.05 | | 1,825.66 | 2,072,081.25 | 318,026.00 | 1.200% |
| 2016 Sub Lein Rev Refunding DSR | 1,689,367.16 | | | 1,580.62 | | 1,690,947.78 | 1.200% |
| RIF | 2,004,710.14 | | | 1,879.25 | | 2,006,589.39 | 1.200% |
| Grant Fund | 478,175.25 | | | 448.25 | | 478,623.50 | 1.200% |
| Renewal and Replacement | 189,766.05 | | | 177.89 | | 189,943.94 | 1.200% |
| Revenue Fund | 3,291,073.95 | 9,251,057.92 | | 2,608.07 | 9,745,349.38 | 2,799,390.56 | 1.200% |
| General Fund | 21,193,909.58 | 3,501,885.35 | | 17,732.17 | 2,329,413.08 | 22,384,114.02 | 1.200% |
| Senior Lien Debt Service Reserve Fund | 15,586,562.76 | 4,438,560.00 | | 9,344.80 | 20,034,151.79 | 315.77 | 1.200% |
| 71E Revenue Fund | 2,763,291.48 | 169,196.72 | | 2,503.20 | | 2,934,991.40 | 1.200% |
| 2013 Sub Debt Service Reserve Fund | 3,494,864.90 | | | 3,276.14 | | 3,498,141.04 | 1.200% |
| MoPac Revenue Fund | 9,869.64 | 116,914.84 | | 108.09 | 126,892.57 | 0.00 | 1.200% |
| MoPac General Fund | 146,700.46 | | | 102.34 | 43,438.60 | 103,364.20 | 1.200% |
| MoPac Operating Fund | 167,431.71 | 126,892.57 | | 55.09 | 72,707.29 | 221,672.08 | 1.200% |
| MoPac Loan Repayment Fund | 0.00 | 43,438.60 | | 6.41 | | 43,445.01 | 1.200% |
| MoPac Managed Lane Construction Fund | 28,632,915.69 | | | 27,578.40 | 7,293,154.61 | 21,367,339.48 | 1.200% |
| | 112,878,190.90 | 68,903,047.32 | 0.00 | 103,204.43 | | 87,599,276.55 | |
| Amount in Fed Agencies and Treasuries | | | | | | | |
| Amortized Principal | 86,989,218.52 | 19,929,687.50 | 2,512.62 | 12,241.67 | | 106,933,660.31 | |
| | 86,989,218.52 | 19,929,687.50 | 2,512.62 | 12,241.67 | - | 106,933,660.31 | |
| Certificates of Deposit | | | | | | | |
| Total in Pools | 208,469,208.29 | 3,083,017.18 | | 209,791.09 | 25,337,060.00 | 186,424,956.56 | |
| Total in GS FSGF | 112,878,190.90 | 68,903,047.32 | | 103,204.43 | | 87,599,276.55 | |
| Total in Fed Agencies and Treasuries | 86,989,218.52 | 19,929,687.50 | 2,512.62 | | - | 106,933,660.31 | |
| Total Invested | 408,336,617.71 | 91,915,752.00 | 2,512.62 | 312,995.52 | 25,337,060.00 | 380,957,893.42 | |

All Investments in the portfolio are in compliance with the CTRMA's Investment policy and the relevent provisions of the Public Funds Investment Act Chapter 2256.023

William Chapman, CFO

Mary Temple, Controller

Allocation of Funds



Amount of Investments As of January 31, 2018

| Agency | CUSIP # | COST | Book Value | Market Value | Yield to Maturity | Purchased | Matures | FUND |
|---------------------------------|-----------|-----------------------|-----------------------|-----------------------|-------------------|-----------|------------|------------------|
| Federal Farm Credit | 3133ECA79 | 4,959,250.00 | 4,997,736.11 | 4,996,700.00 | 1.2155% | 3/11/2015 | 3/19/2018 | Senior DSRF |
| Federal Farm Credit | 3133EFSG3 | 10,057,749.23 | 10,004,558.93 | 9,998,280.00 | 0.8421% | 2/8/2016 | 3/14/2018 | 2015B Sr Project |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07 | 10,096,059.21 | 9,986,320.00 | 1.0369% | 2/8/2016 | 3/8/2019 | 2015B Sr Project |
| Federal Home Loan Mortgage Corp | 313397UW9 | 11,926,550.00 | 11,975,516.67 | 11,975,160.00 | 1.1370% | 9/15/2017 | 3/29/2018 | 2015B Sr Project |
| Federal Home loan Bank | 3130A8BD4 | 24,907,000.00 | 24,964,230.78 | 24,927,325.00 | 1.2288% | 6/7/2017 | 6/29/2018 | Senior DSRF |
| Fannie Mae | 3135G0G72 | 19,946,880.00 | 19,967,537.78 | 19,862,980.00 | 1.3401% | 9/15/2017 | 12/14/2018 | Senior DSRF |
| Federal Home loan Bank | 3130ABJD9 | 4,995,000.00 | 4,998,333.33 | 4,992,450.00 | 1.2265% | 6/7/2017 | 6/5/2018 | 2016 Sub DSRF |
| US Treasury Note | 912828C64 | 19,929,687.50 | 19,929,687.50 | 19,911,178.80 | 1.9260% | 1/25/2018 | 3/31/2019 | Senior DSRF |
| | | <u>106,975,758.80</u> | <u>106,933,660.31</u> | <u>106,650,393.80</u> | | | | |

| Agency | CUSIP # | COST | Cummulative Amortization | 1/31/2018 | | Interest Income January 31, 2018 | | |
|---------------------------------|-----------|-----------------------|--------------------------|-----------------------|-----------------------|----------------------------------|-----------------|-------------------|
| | | | | Book Value | Maturity Value | Accrued Interest | Amortization | Interest Earned |
| Federal Farm Credit | 3133ECA79 | 4,959,250.00 | (38,486.11) | 4,997,736.11 | 5,000,000.00 | 3,916.67 | 1,131.94 | 5,048.61 |
| Federal Farm Credit | 3133EFSG3 | 10,057,749.23 | 53,190.30 | 10,004,558.93 | 10,000,000.00 | 9,166.67 | (2,279.58) | 6,887.09 |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07 | 157,582.86 | 10,096,059.21 | 10,000,000.00 | 15,625.00 | (6,861.37) | 8,763.63 |
| Federal Home Loan Mortgage Corp | 313397UW9 | 11,926,550.00 | (48,966.67) | 11,975,516.67 | 12,000,000.00 | 12,241.67 | - | 12,241.67 |
| Federal Home loan Bank | 3130A8BD4 | 24,907,000.00 | (57,230.78) | 24,964,230.78 | 25,000,000.00 | 18,229.17 | 7,153.85 | 25,383.02 |
| Fannie Mae | 3135G0G72 | 19,946,880.00 | (20,657.78) | 19,967,537.78 | 20,000,000.00 | 37,500.00 | 2,951.11 | 40,451.11 |
| Federal Home loan Bank | 3130ABJD9 | 4,995,000.00 | (3,333.33) | 4,998,333.33 | 5,000,000.00 | 4,687.50 | 416.67 | 5,104.17 |
| US Treasury Note | 912828C64 | 19,929,687.50 | - | 19,929,687.50 | 20,000,000.00 | 104,464.29 | - | 104,464.29 |
| | | <u>106,975,758.80</u> | <u>42,098.49</u> | <u>106,933,660.31</u> | <u>107,000,000.00</u> | <u>205,830.97</u> | <u>2,512.62</u> | <u>208,343.59</u> |



183 South Design-Build Project

Contingency Status

January 31, 2018



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

Original Construction Contract Value: \$581,545,700

| | |
|----------------------------------|---------------------|
| Total Project Contingency | \$47,860,000 |
|----------------------------------|---------------------|

| | | |
|-----------------------------------|--------------------------------------------|---------------|
| Obligations | CO#1 City of Austin ILA Adjustment | (\$2,779,934) |
| | CO#2 Addition of Coping to Soil Nail Walls | \$742,385 |
| | CO#4 Greenroads Implementation | \$362,280 |
| | CO#6 51st Street Parking Trailhead | \$477,583 |
| | CO#9 Patton Interchange Revisions | \$3,488,230 |
| | Others Less than \$300,000 (4) | (\$45,957) |
| | Executed Change Orders | \$2,244,587 |
| | Change Orders Under Negotiation | \$11,960,000 |
| Potential Contractual Obligations | \$10,610,000 | |

| | |
|------------------------------|---------------------|
| (-) Total Obligations | \$24,814,587 |
|------------------------------|---------------------|

| | |
|--------------------------------------|---------------------|
| Remaining Project Contingency | \$23,045,413 |
|--------------------------------------|---------------------|



MOPAC Construction
Financial Status
January 31, 2018



Original Construction Contract Value: \$ 136,632,100

| | | | | |
|----------------------|-------------------------------------------------|-----------------------------------------------------------|--------------------|---------------------------|
| Change Orders | CO#01B | 5th & Cesar Chavez SB Reconfig (Construction) | \$593,031 | Approved = \$11.7M |
| | CO#05B | FM 2222 Bridge NB Ret Wall Abutment Repair (Construction) | \$850,000 | |
| | CO#07 | FM 2222 Exit Storage Lane | \$426,000 | |
| | CO#08C | Refuge Area: Added Shoulder Adjustment Sound Wall #1 | \$2,508,548 | |
| | CO#09 | Westover SB Frontage Repairs | \$450,000 | |
| | CO#12 | Barrier Rail Opaque Seal | \$542,419 | |
| | CO#17 | Bike and Ped Improvements at Far West Blvd Bridge/FM 2222 | \$971,889 | |
| | CO#20 | Northern Terminus Sound Wall #3 | (\$1,210,540) | |
| | CO#32 | Void of CO#05B, #09, #10, UPRR | (\$1,501,437) | |
| | CO#33 | Shared Use Path at US 183 | (\$1,000,000) | |
| | CO#34 | Undercrossing Fire Protection | \$1,412,574 | |
| | CO#35 | TxDOT Duct Bank Interference | \$1,357,196 | |
| | CO#36 | Non-Compliant Existing Illumination | \$2,226,189 | |
| | CO#37 | NB Pavement Cross Slope and Profile Corrections | \$3,635,477 | |
| CO#38 | SB Pavement Cross Slope and Profile Corrections | \$3,100,298 | | |
| | | Total of Others Less than \$300,000 (21) | \$1,689,616 | |

Executed Change Orders \$ 16,051,260

Revised Construction Contract Value \$ 152,683,360

Change Orders under Negotiation \$ 5,301,049

Potential Construction Contract Value \$ 157,984,409

Incentive/Milestone \$ 21,500,000

Potential Construction Contract Value with Incentive/Milestone \$ 179,484,409

Amount paid CH2M for Incentives/Milestones \$ (16,825,210)

Amount paid CH2M through September 2017 draw (as of 01/31/2018) \$ (119,755,351)

Assessed Liquidated Damages \$ (20,000,000)

Potential Amount Payable to CH2M \$ 22,903,848



**SH 45SW Construction
Contingency Status**
January 31, 2018



Original Construction Contract Value: \$75,103,623

| | |
|----------------------------------|---------------------|
| Total Project Contingency | \$ 7,520,000 |
|----------------------------------|---------------------|

| | | |
|--------------------|--------------------------------------------------------------|--------------|
| Obligations | CO #01 Asbestos Removal | \$ 1,962 |
| | CO #02 TCEQ Protection Plan | \$ 103,773 |
| | CO #03 Conduit Installation Revision | \$ (11,970) |
| | CO #04 Installation of PEC and TWC Conduits | \$ 458,439 |
| | CO #05 Installation of SSTR Drilled Shafts and Moment Slab | \$ 538,945 |
| | CO #06 Feature 004 Protection and Bridge Drain Assembly | \$ 2,932 |
| | CO #07 Traffic Control Savings and Removal of Mulch | \$ (5,560) |
| | CO #08 Slope Protection Under Bear Creek Bridge | \$ 167,338 |
| | CO #09 Temporary Relocation of Overhead Lines | \$ 7,227 |
| | CO #10 Bridge Drain Outfall Revision and Bicycle Detour Plan | \$ 28,229 |
| | CO #11 Additional Clearing for PEC Transmission Lines | \$ 86,609 |
| | Executed Change Orders | \$ 1,377,925 |
| | Change Orders in Negotiations | \$ - |
| | Potential Contractual Obligations | \$ 2,040,705 |

| | |
|------------------------------|---------------------|
| (-) Total Obligations | \$ 3,418,630 |
|------------------------------|---------------------|

| | |
|--------------------------------------|---------------------|
| Remaining Project Contingency | \$ 4,101,370 |
|--------------------------------------|---------------------|



Monthly Newsletter - January 2018

Performance

As of January 31, 2018

| | |
|---------------------------------------|--------------------|
| Current Invested Balance | \$7,090,345,755.93 |
| Weighted Average Maturity (1) | 25 Days |
| Weighted Average Maturity (2) | 92 Days |
| Net Asset Value | 0.999979 |
| Total Number of Participants | 853 |
| Management Fee on Invested Balance | 0.06%* |
| Interest Distributed | \$7,819,787.75 |
| Management Fee Collected | \$347,523.03 |
| % of Portfolio Invested Beyond 1 Year | 8.13% |
| Standard & Poor's Current Rating | AAAm |

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

January Averages

| | |
|------------------------------------------|--------------------|
| Average Invested Balance | \$6,819,406,596.13 |
| Average Monthly Yield, on a simple basis | 1.2900% |
| Average Weighted Average Maturity (1)* | 31 Days |
| Average Weighted Average Maturity (2)* | 83 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.

Holiday Reminder

In observance of Presidents' Day, **TexSTAR will be closed Monday, February 19, 2018.** All ACH transactions initiated on Friday, February 16th will settle on Tuesday, February 20th.

Conferences

TexSTAR Representatives will be attending the following upcoming conference. We look forward to visiting with those of you attending this event.

- ★ Texas Association of School Business Officials (TASBO) Annual Conference - February 26 - March 2, Fort Worth

Economic Commentary

Momentum from the fourth quarter of 2017 continued into January as the much anticipated U.S. Tax Cuts and Jobs Act was passed and signed into law at the end of December. Risk assets extended their outperformance into 2018 and several U.S. Corporations announced plans to boost domestic capital investments on the back of the lower 21% Corporate tax rate, and the repatriation of cash trapped overseas. In Washington, the U.S. government was forced to shut down for three days. However, a continuing resolution was eventually passed to keep the government funded until February 8th. The shutdown had minimal impact on markets, which continued to perform well over the month.

The Federal Reserve (Fed) kept rates unchanged at its January Federal Open Market Committee (FOMC) meeting and maintained its positive assessment of the labor market and the U.S. economy. While inflation is still below the Fed's 2% target, investors expect a gradual increase this year, which could lead the Fed to raise rates four times, instead of three times. Probabilities of a March rate hike, as measured by Fed funds futures are almost 100%. Although the Fed delivered on its 3 rates hike over the past year, financial conditions have continued to ease. As a result, 3 to 4 rate hikes in 2018 are ostensibly achievable given expectations of further declines of the unemployment rate. Fiscal stimulus in the U.S. is an added tailwind which could skew the total number of rate hikes in 2018 higher.

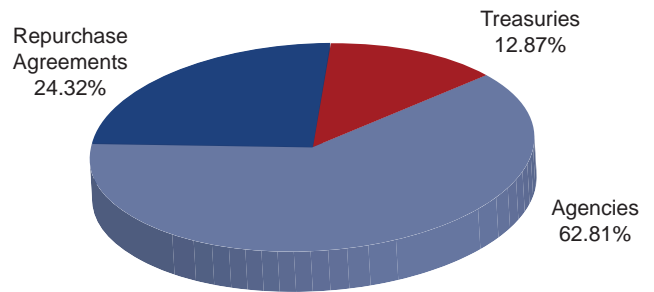
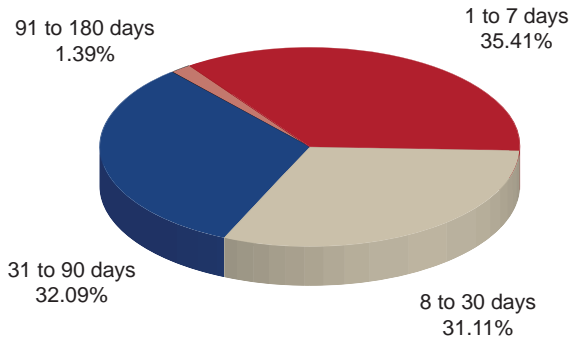
The U.S. economy is starting 2018 with strong momentum. Financial conditions remain easy and should boost growth this year. A softer U.S. dollar should also continue to promote global demand and exports. Consumption continues to be a principal driver of the U.S. economy but growth has become more balanced as business investment, government spending and exports have also begun to contribute more substantially. The flattening bias of the Treasury yield curve reversed in January, with yields rising steadily across the curve. The two-year Treasury yield ended the month up 25 basis points (bps) at 2.14% and the five-year Treasury yield ended the month up 31bps at 2.52%.

This information is an excerpt from an economic report dated January 2018 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

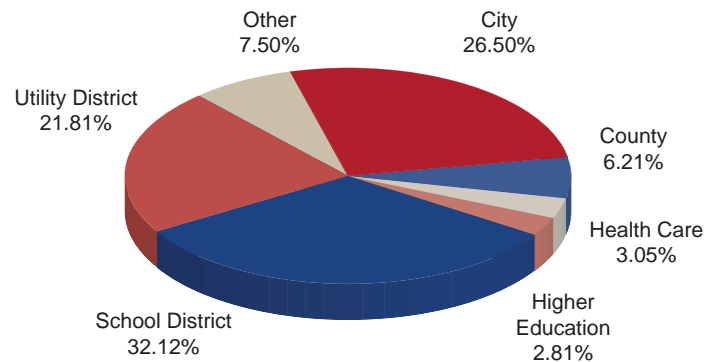
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

Portfolio by Type of Investment As of January 31, 2018



Portfolio by Maturity As of January 31, 2018



Distribution of Participants by Type As of January 31, 2018

Historical Program Information

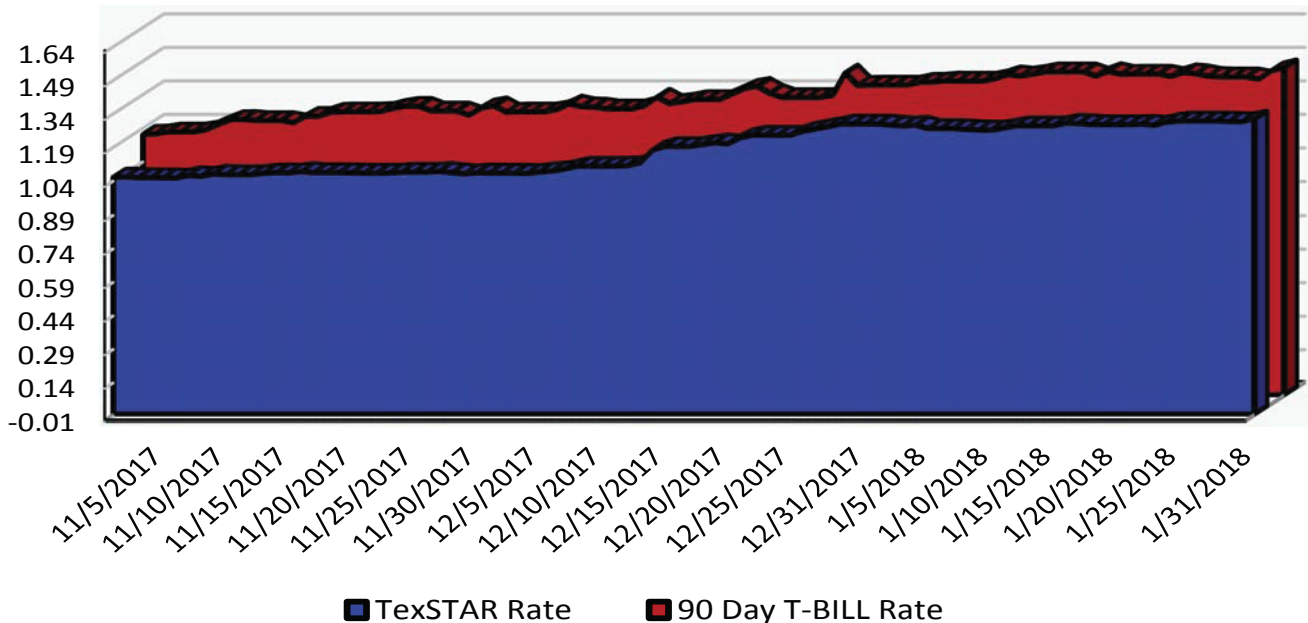
| Month | Average Rate | Book Value | Market Value | Net Asset Value | WAM (1)* | WAM (2)* | Number of Participants |
|--------|--------------|--------------------|--------------------|-----------------|----------|----------|------------------------|
| Jan 18 | 1.2900% | \$7,090,345,755.93 | \$7,090,199,741.00 | 0.999979 | 31 | 83 | 853 |
| Dec 17 | 1.1762% | 6,518,450,917.63 | 6,518,448,483.33 | 0.999984 | 36 | 82 | 853 |
| Nov 17 | 1.0695% | 6,157,485,042.89 | 6,157,068,439.39 | 0.999932 | 38 | 90 | 853 |
| Oct 17 | 1.0482% | 5,848,642,382.89 | 5,848,708,234.12 | 1.000011 | 38 | 96 | 852 |
| Sep 17 | 1.0384% | 5,841,986,573.82 | 5,842,202,955.19 | 1.000022 | 28 | 92 | 848 |
| Aug 17 | 1.0343% | 5,770,863,631.13 | 5,770,945,786.15 | 1.000014 | 33 | 102 | 846 |
| Jul 17 | 0.9827% | 5,941,902,116.09 | 5,941,981,984.60 | 1.000013 | 32 | 97 | 844 |
| Jun 17 | 0.8631% | 6,071,512,305.56 | 6,071,586,949.16 | 0.999993 | 30 | 92 | 838 |
| May 17 | 0.7535% | 6,440,388,492.41 | 6,440,492,333.25 | 1.000016 | 28 | 97 | 836 |
| Apr 17 | 0.7140% | 6,279,219,607.16 | 6,279,507,477.47 | 1.000045 | 36 | 105 | 832 |
| Mar 17 | 0.6269% | 6,551,167,144.50 | 6,551,621,726.22 | 1.000064 | 42 | 110 | 829 |
| Feb 17 | 0.5533% | 7,267,565,993.07 | 7,269,212,259.58 | 1.000226 | 43 | 111 | 827 |

Portfolio Asset Summary as of January 31, 2018

| | Book Value | Market Value |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance | \$ 1,263.28 | \$ 1,263.28 |
| Accrual of Interest Income | 2,921,938.78 | 2,921,938.78 |
| Interest and Management Fees Payable | (7,878,356.09) | (7,878,356.09) |
| Payable for Investment Purchased | (75,000,000.00) | (75,000,000.00) |
| Repurchase Agreement | 1,743,796,999.83 | 1,743,796,999.83 |
| Government Securities | 5,426,503,910.13 | 5,426,357,895.20 |
| Total | \$ 7,090,345,755.93 | \$ 7,090,199,741.00 |

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



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The TexSTAR management fee may be waived in full or in part at the discretion of the TexSTAR co-administrators and the TexSTAR rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

Daily Summary for January 2018

| Date | Mny Mkt Fund Equiv. [SEC Std.] | Daily Allocation Factor | TexSTAR Invested Balance | Market Value Per Share | WAM Days (1)* | WAM Days (2)* |
|-----------|--------------------------------|-------------------------|--------------------------|------------------------|---------------|---------------|
| 1/1/2018 | 1.2938% | 0.000035447 | \$6,518,450,917.63 | 0.999984 | 36 | 77 |
| 1/2/2018 | 1.2885% | 0.000035300 | \$6,616,002,010.34 | 0.999970 | 35 | 76 |
| 1/3/2018 | 1.2849% | 0.000035203 | \$6,813,176,568.22 | 0.999977 | 34 | 74 |
| 1/4/2018 | 1.2885% | 0.000035300 | \$6,914,475,550.25 | 0.999979 | 33 | 72 |
| 1/5/2018 | 1.2733% | 0.000034886 | \$6,800,550,341.44 | 0.999966 | 33 | 79 |
| 1/6/2018 | 1.2733% | 0.000034886 | \$6,800,550,341.44 | 0.999966 | 33 | 79 |
| 1/7/2018 | 1.2733% | 0.000034886 | \$6,800,550,341.44 | 0.999966 | 33 | 79 |
| 1/8/2018 | 1.2700% | 0.000034794 | \$6,786,549,827.71 | 0.999969 | 33 | 78 |
| 1/9/2018 | 1.2667% | 0.000034703 | \$6,708,354,739.75 | 0.999966 | 33 | 79 |
| 1/10/2018 | 1.2659% | 0.000034683 | \$6,724,658,857.47 | 0.999963 | 32 | 79 |
| 1/11/2018 | 1.2748% | 0.000034927 | \$6,730,808,527.97 | 0.999966 | 32 | 78 |
| 1/12/2018 | 1.2856% | 0.000035222 | \$6,815,021,381.23 | 0.999958 | 29 | 74 |
| 1/13/2018 | 1.2856% | 0.000035222 | \$6,815,021,381.23 | 0.999958 | 29 | 74 |
| 1/14/2018 | 1.2856% | 0.000035222 | \$6,815,021,381.23 | 0.999958 | 29 | 74 |
| 1/15/2018 | 1.2856% | 0.000035222 | \$6,815,021,381.23 | 0.999958 | 29 | 74 |
| 1/16/2018 | 1.2978% | 0.000035556 | \$6,829,804,345.72 | 0.999954 | 30 | 73 |
| 1/17/2018 | 1.2956% | 0.000035495 | \$6,826,890,820.57 | 0.999957 | 31 | 76 |
| 1/18/2018 | 1.2916% | 0.000035385 | \$6,900,617,787.23 | 0.999962 | 31 | 89 |
| 1/19/2018 | 1.2907% | 0.000035362 | \$6,803,205,975.68 | 0.999966 | 31 | 90 |
| 1/20/2018 | 1.2907% | 0.000035362 | \$6,803,205,975.68 | 0.999966 | 31 | 90 |
| 1/21/2018 | 1.2907% | 0.000035362 | \$6,803,205,975.68 | 0.999966 | 31 | 90 |
| 1/22/2018 | 1.2934% | 0.000035436 | \$6,718,464,466.62 | 0.999959 | 32 | 91 |
| 1/23/2018 | 1.2878% | 0.000035281 | \$6,711,428,323.52 | 0.999959 | 31 | 95 |
| 1/24/2018 | 1.3012% | 0.000035648 | \$6,814,360,230.33 | 0.999970 | 30 | 93 |
| 1/25/2018 | 1.3076% | 0.000035826 | \$6,829,668,687.21 | 0.999980 | 30 | 93 |
| 1/26/2018 | 1.3074% | 0.000035818 | \$6,932,894,195.33 | 0.999980 | 27 | 89 |
| 1/27/2018 | 1.3074% | 0.000035818 | \$6,932,894,195.33 | 0.999980 | 27 | 89 |
| 1/28/2018 | 1.3074% | 0.000035818 | \$6,932,894,195.33 | 0.999980 | 27 | 89 |
| 1/29/2018 | 1.3051% | 0.000035755 | \$6,934,308,033.28 | 0.999980 | 26 | 95 |
| 1/30/2018 | 1.3043% | 0.000035733 | \$7,063,201,967.98 | 0.999977 | 25 | 93 |
| 1/31/2018 | 1.3166% | 0.000036071 | \$7,000,345,755.93 | 0.999979 | 25 | 92 |
| Average | 1.2900% | 0.000035343 | \$6,819,406,596.13 | | 31 | 83 |

TexSTAR Participant Services
Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270



TexSTAR Board Members

| | | |
|------------------------|--------------------------------------------------|------------------------------------------|
| <i>William Chapman</i> | <i>Central Texas Regional Mobility Authority</i> | <i>Governing Board President</i> |
| <i>Nell Lange</i> | <i>City of Frisco</i> | <i>Governing Board Vice President</i> |
| <i>Eric Cannon</i> | <i>City of Allen</i> | <i>Governing Board Treasurer</i> |
| <i>David Medanich</i> | <i>FirstSouthwest / Hilltop Securities</i> | <i>Governing Board Secretary</i> |
| <i>Jennifer Novak</i> | <i>J.P. Morgan Asset Management</i> | <i>Governing Board Asst. Sec./Treas.</i> |
| <i>Nicole Conley</i> | <i>Austin ISD</i> | <i>Advisory Board</i> |
| <i>Becky Brooks</i> | <i>Government Resource Associates, LLC</i> | <i>Advisory Board</i> |
| <i>Monte Mercer</i> | <i>North Central TX Council of Government</i> | <i>Advisory Board</i> |
| <i>David Pate</i> | <i>Richardson ISD</i> | <i>Advisory Board</i> |
| <i>James Mauldin</i> | <i>University of North Texas System</i> | <i>Advisory Board</i> |

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

RESOLUTION NO. 18-003

**APPROVING FINANCIAL INSTITUTIONS AND QUALIFIED BROKERS
AUTHORIZED TO PROVIDE INVESTMENT SERVICES AND ENGAGE IN
INVESTMENT TRANSACTIONS WITH THE MOBILITY AUTHORITY.**

WHEREAS, pursuant to Texas Government Code §2256.005(e), the Board is required to review the Mobility Authority's investment policy and investment strategy annually and record any changes made to either the investment policy or investment strategy; and

WHEREAS, Article 1 of Chapter 2 of the Mobility Authority Policy Code establishes the Mobility Authority's investment policy and strategy in compliance with the Texas Public Funds Investment Act, Chapter 2256 of the Texas Government Code; and

WHEREAS, the Board has reviewed the Mobility Authority's current investment policy and strategy set forth in Article 1 of Chapter 2 of the Mobility Authority Policy Code and finds that there have been no changes to either the policy or strategy; and

WHEREAS, pursuant to Texas Government Code §2256.025, the Board is required to review and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Mobility Authority; and

WHEREAS, Section 201.011(a) of the Mobility Authority Policy Code provides that "financial institutions and qualified brokers authorized to provide investment services and engage in investment transactions with the authority" shall be approved by a separate resolution adopted by the Board of Directors; and


WHEREAS, the Executive Director and Chief Financial Officer recommend that the Board approve the financial institutions and qualified brokers listed on Exhibit A to this resolution.

NOW, THEREFORE, BE IT RESOLVED that Board accepts and approves the current investment policy and strategy set forth in Article 1 of Chapter 2 of the Mobility Authority Policy Code; and

BE IT FURTHER RESOLVED, that the firms listed on Exhibit A to this resolution are hereby authorized to provide investment services and engage in investment transactions with the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 28th day of February 2018.

Submitted and reviewed by:



Geoff Petrov, General Counsel

Approved:



Ray A. Wilkerson
Chairman, Board of Directors

Exhibit A

Authorized Investment Broker Dealers and Financial Institutions

Alamo Capital (Wes Hall)
201 N. Civic Dr., Suite 145
Walnut Creek, CA 94596

Regions Bank
100 Congress Avenue
Austin, TX 78701

Cantor Fitzgerald (Ken Guillory)
1700 Post Oak Blvd, 2 BLVD Place, Suite 250
Austin, TX 78701

Rice Financial Products company (Jared Fragin)
55 Broad Street, 27th Floor
New York, NY 10004

Bank of America Securities
One Bryant Park, 4th Floor
New York, NY 10036

FTN Financial Capital Markets (Steve Albert)
206 Wild Basin Road, Suite 109
Austin, Texas 78746

First Allied Securities, Inc. (Keith Miller)
655 West Broadway, 12th Floor
San Diego, CA 92101

First Empire Securities (Brian Connors)
100 Motor Parkway, 2nd Floor
Hauppauge, NY 11788

First Southwest Company
325 North Saint Paul, 8th Floor
Dallas, TX 75201

JPMorgan Chase Securities, Inc.
1717 Main Street, Lower Level 1
Dallas, TX 75201

Ladenburg Thalmann & Co. (Steve Neri)
2020 Main Street, Suite 650
Irvine, California 92614

Morgan Asset Management (Regions Bank)
500 North Akard Street, Ste. 100
Dallas, TX 75201

Multi-Bank Securities, Inc. (Mack MacReynolds)
1000 Town Center #2300
Southfield, MI 48075

Oppenheimer & Co. Inc. (Paul Sullivan/Chris Sullivan)
85 Broad Street, 22nd Floor
New York, NY 10004

Chapter 2: FINANCES

Article 1. INVESTMENT POLICY AND STRATEGY

201.001 Overview

This article is adopted and intended to comply with the Texas Public Funds Investment Act, Chapter 2256, Government Code, as that act may be amended from time to time (the “PFIA”). It is the policy of the authority to invest public funds in a manner which will provide the maximum security with the highest investment return while meeting the daily cash flow demands of the authority conforming to all state and local statutes governing the investment of public funds. The authority’s Investment Policy and Strategy is approved by the board and is adopted to provide investment policy and strategy guidelines for use by authority staff and its advisors.

201.002 Scope

This article applies to all investment activities of authority funds except those subject to other investment covenants, or excluded by contract. All funds covered by this article shall be invested in accordance with the PFIA. These funds are accounted for in the authority's annual financial report and include:

- (1) Revenue Fund
- (2) Rebate Fund
- (3) Operating Funds
- (4) Debt Service Funds
- (5) Debt Service Reserve Funds
- (6) Renewal and Replacement Fund
- (7) General Fund
- (8) Capital Projects Funds

201.003 Objectives

The primary objectives, in priority order, of investment activities shall be:

- (1) Safety: Safety of principal is the foremost objective of the investment program. Investments

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shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk.

- (2) Credit Risk: Credit risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:
 - (3) Limiting investments to the safest types of securities; as listed in Section 201.014.
 - (4) Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the authority will do business; and,
 - (5) Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- (6) Interest Rate Risk: Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:
 - (7) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing projects, thereby avoiding the need to sell securities on the open market prior to maturity; and,
 - (8) By investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio in accordance with Section 201.009.
- (9) Liquidity: The investment portfolio shall remain sufficiently liquid to meet all project and operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.
- (10) Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall be held to maturity with the following exceptions:
 - (11) A declining credit security could be sold early to minimize loss of principal;
 - (12) A security swap would improve the quality, yield, or target duration in the portfolio; or,
 - (13) Liquidity needs of the portfolio require that the security be sold.

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- (14) Public Trust: Participants in the authority's investment process shall act responsibly as public trust custodians. Investment Officers shall avoid transactions which might impair public confidence in the authority's ability to manage effectively.

201.004 Standards Of Care

(a) Prudence: The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. An Investment Officer acting in accordance with the Investment Policy and Strategy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

(b) Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

201.005 Ethics and Conflicts

(a) Investment Officers shall refrain from personal business activity that could conflict with or be perceived to conflict with the proper execution and management of the investment program, or that could impair their ability to make an impartial decision. An Investment Officer shall refrain from undertaking personal investment transactions with an individual person with whom business is conducted on behalf of the authority.

(b) For purposes of this section, an investment officer has a personal business relationship with a business organization if:

- (1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- (3) the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

(c) Investment Officer shall file with the Texas Ethics Commission and with the board a statement disclosing the existence of the relationship if the Investment Officer:

- (1) has a personal business relationship with a business organization offering to engage in an

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investment transaction with the authority; or

- (2) is related within the second degree by affinity or consanguinity, as determined under Chapter 573, Government Code, to an individual seeking to sell an investment to the authority.

201.006 Designation of Investment Officer

The chief financial officer and controller are designated and shall act as the Investment Officers of the authority and shall have responsibility for managing the authority's investment program. Additional authority personnel may also be designated as an Investment Officer with approval of the board. Written operational and investment procedures consistent with this chapter shall be established. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this chapter and the established procedures.

201.007 Investment Advisor

The board may select an Investment Advisor to advise the authority on investment of funds and other responsibilities as outlined in this article including but not limited to broker compliance, security selection, competitive bidding, reporting and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board.

201.008 Required Training

The chief financial officer and controller and any other person designated by resolution of the board as an Investment Officer shall attend at least one training session relating to the responsibilities of maintaining the investment portfolio within 12 months after taking office or assuming duties; and shall attend a training session not less than once every two years and receive not less than ten hours of training. Such training, from an independent source, shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the PFIA. Training required by this section shall be from an independent source certified to provide training required by the PFIA and approved or endorsed by the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments.

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201.009 Investment Strategies

- (a) The authority's investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.
- (b) **Market Yield Benchmark:** The authority's investment strategy is conservative. Given this strategy, the basis used by the chief financial officer to determine whether minimum market yields are being achieved shall be the six month T-bill rate. Investment Officers and Investment Advisors shall strive to safely exceed minimum market yield within policy and market constraints.
- (c) **Maximum Maturities:** To the extent possible, the authority will attempt to match its individual investments with anticipated cash flow requirements of each fund. However, in no instance shall the maximum stated maturity of an individual investment exceed five years, unless approved by the board.

201.010 Diversification

The authority will seek to diversify investments, by security types and maturity dates in order to avoid incurring unreasonable risks.

201.011 Authorized Financial Institutions and Qualified Brokers

- (a) The board shall approve by separate resolution the financial institutions and qualified brokers authorized to provide investment services and engage in investment transactions with the authority. These may include "primary" brokers or regional brokers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).
- (b) Each security broker who desires to become qualified and authorized under this section to engage in investment transactions with the authority must supply the chief financial officer with the following:
 - (1) Audited financial statements;
 - (2) Proof of National Association of Securities Dealers (NASD) certification;
 - (3) Proof of state registration;
 - (4) The completed security broker/dealer questionnaire in the form approved by the board in a separate resolution; and,
 - (5) A written certification relating to this Investment Policy and Strategy signed by a qualified representative of the firm in the form approved by the board in a separate resolution. The

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authority will not enter into an investment transaction with a security broker/dealer prior to receiving this written certification and acknowledgement.

(c) A current audited financial statement is required to be on file for each financial institution and broker in which the authority invests. An annual review of the financial condition and registrations of qualified brokers will be conducted by the executive director.

(d) In accordance with state law, the authority requires all funds held by financial institutions above the Federal Deposit Insurance Corporation (FDIC) insurance limit to be collateralized with securities whose market value is pledged at 102% of principal and accrued interest by that institution with the authority's custodial bank. Private insurance coverage is not an acceptable collateralization form. Securities which are acceptable for collateralization purposes are as follows:

- (1) FDIC insurance coverage.
- (2) A bond bill, certificate of indebtedness, or Treasury note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States (i.e. Treasury Agency issues).
- (3) Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas.
- (4) A bond of the State of Texas or a country, city or other political subdivision of the State of Texas having been rated as investment grade by a nationally recognized rating agency with a remaining maturity of ten years or less.

201.012 Custody - Delivery vs. Payment

All security transactions entered into by the authority shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by the authority's custodial bank and evidenced by safekeeping receipts.

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201.013 Safekeeping of Securities

- (a) Securities purchased for the authority's portfolios will be delivered in book entry form and will be held in third party safekeeping by a Federal Reserve member financial institution designated as the authority's safekeeping and custodian bank.
- (b) The authority will execute Safekeeping Agreements prior to utilizing the custodian's safekeeping services. The safekeeping agreement must provide that the safekeeping agent will immediately record and promptly issue and deliver a safekeeping receipt showing the receipt and the identification of the security, as well as the authority's interest. All securities owned by the authority will be held in a Customer Account naming the authority as the customer.
- (c) The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards no. 70 or SAS 70).

201.014 Authorized And Suitable Investments

- (a) The investment of authority funds will be made using only those investment types approved by the board and which are in accordance with the PFIA. The approved investment types will be limited to the following:
 - (1) U.S. Treasury and Federal Agency Issues.
 - (2) Certificates of Deposit as authorized under Section 2256.010 of the PFIA.
 - (3) Repurchase Agreements, including flexible Repurchase Agreements, collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the authority's investment and are pledged and held with the authority's custodial bank or a third-party safekeeping agent approved by the authority. Repurchase agreements must also be secured in accordance with State law. Each counter party to a repurchase transaction is required to sign a copy of an Investment Repurchase Agreement under the guidelines of Section 2256.011 of the PFIA, using the Bond Market Association Public Securities Association Master Repurchase Agreement as a general guide and with such changes thereto as are deemed in the best interest of the authority. Such an Agreement must be executed prior to entering into any transaction with a repo counter-party.
 - (4) Guaranteed Investment Contracts (GIC's) collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the authority's investment and are pledged and held with the authority's custodial bank or a third-party safekeeping agent approved by the authority. Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested for a term which exceeds five years from the date of bond issuance.

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- (5) Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than “AA” or its equivalent, with fixed interest rates and fixed maturities.
 - (6) SEC registered no-load money market mutual funds with a dollar weighted average portfolio maturity of 90 days or less; that fully invest dollar for dollar all authority funds without sales commissions or loads; and whose investment objectives include the maintenance of a stable net asset value of \$1 per share
 - (7) Local government investment pools, which are “AAA” rated by a nationally recognized bond rating company (e.g., Moody’s, S&P, Fitch), and which participation in any particular investment pool(s) has been authorized by resolution of the board, not to exceed 80% of the total investment portfolio less bond funds. Bond funds may be invested at 100%.
- (b) The authority is prohibited from purchasing any security that is not authorized by Texas law, or any direct investment in asset-backed or mortgage-backed securities. The authority expressly prohibits the purchase of inverse floaters, interest-only (IO) and principal-only (PO) collateralized mortgage obligations (CMO’s).
- (c) An Investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. The Investment Officers shall monitor the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. The authority shall take all prudent measures that are consistent with its Investment Policy and Strategy to liquidate an investment that does not have the minimum rating.

201.015 Reporting and Review

- (a) Quarterly Report Requirements: The Investment Officers shall jointly prepare, no less than on a quarterly basis, an investment report, including a summary that provides a clear picture of the status of the current investment portfolio and transactions made after the ending period of the most recent investment report. The report shall be provided to the board and the executive director. The report shall comply with requirements of the PFIA and shall include the following:
- (1) The investment position of the authority on the date of the report.
 - (2) The signature of each Investment Officer.
 - (3) Summary for each fund stating:
 - (A) Beginning market value;

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- (B) Ending market value.
 - (4) Beginning and ending book value and market value for each investment along with fully accrued interest for the reporting period.
 - (5) Maturity date of each investment.
 - (6) Description of the account or fund for which the investments were made.
 - (7) Statement that the investment portfolio is in compliance with the authority's Investment Policy and Strategy.
- (b) Security Pricing: Current market value of securities may be obtained by independent market pricing sources including, but not limited to, the Wall Street Journal, broker dealers and banks other than those who originally sold the security to the authority as well as the authority's safekeeping agent.
- (c) Annual Audit: If the authority places funds in any investment other than registered investment pools or accounts offered by its depository bank, the above reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Executive Committee. In addition, the authority's external auditors shall conduct a compliance audit of management controls on investments and adherence to the Investment Policy and Strategy.

201.016 Current Investments Exempted from Policy

Any investment currently held that does not meet the guidelines of this article or subsequent amended versions shall be exempted from the requirements of this article. At maturity or liquidation, such monies shall be reinvested only as provided by this article.

201.017 Annual Review

The authority shall review and approve the Investment Policy and Strategy annually. This review shall be conducted by the board with recommendations from the executive director. Any approved amendments shall be promptly incorporated into written policy.

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Article 2. SWAP POLICY

201.018 Purpose

Interest rate swap transactions can be an integral part of the authority's asset/liability and debt management strategy. By utilizing interest rate swaps, the authority can expeditiously take advantage of market opportunities to reduce costs. Interest rate swaps will allow the authority to actively manage asset and liability interest rate risk, balance financial risk, and achieve debt management goals and objectives through synthetic fixed rate and variable rate financing structures. The authority shall not enter into interest rate swaps for speculative purposes.

201.019 Authorization

(a) By recommendation of the Executive Committee of the board (the "Executive Committee"), approval to execute an interest rate swap on behalf of the authority will be authorized by a resolution passed by the board on a case-by-case basis.

(b) Each swap resolution will authorize the swap agreement and its provisions to include, notional amount, security, payment, and certain other terms in regards to the swap agreement between the authority and qualified swap counterparties ("Counterparties"), and other necessary documents. Each swap resolution shall specify the appropriate authority officials authorized to make modifications to the swaps contemplated, within certain parameters. In the event of a conflict between a swap resolution and the Master Swap Policy, the terms and conditions of the swap resolution shall control.

(c) Such actions of the authority will be taken pursuant to applicable provisions of the Government Code, whereby the authority must make a finding and determine that it is prudent and advisable for the authority to enter into interest rate swap agreements or other such arrangements from time to time based on certain terms and conditions set forth in the swap resolution and this article.

201.020 General Guidelines for Interest Rate Swap Agreements

The following non-exclusive list provides certain guidelines the Executive Committee will follow in the evaluation and recommendation of interest rate swap transactions:

- (1) **Legality:** The Executive Committee must first determine, or have determined by appropriate legal counsel, that the proposed contract fits within the legal constraints imposed by state laws, authority resolutions, and existing indentures and other contracts.
- (2) **Goals:** In the authorizing resolution, the authority must clearly state the goals to be achieved through the swap contract and must adopt execution parameters consistent with the goals.

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- (3) **Rating Agencies:** The swap agreement being entered into will not have an adverse impact on any existing authority credit rating. In addition to the legal constraints as noted above, the swap agreement will conform to outstanding commitments with bond insurers, credit enhancers, and surety providers. Where possible, the authority shall obtain confirmation on the underlying ratings of the revenue source obligated under the swap agreement. All swap agreements must be discussed with the rating agencies prior to execution, and cannot be executed if doing so would impact negatively on the authority's credit ratings.
- (4) **Term:** The authority shall determine the appropriate term for an interest rate swap agreement on a case-by-case basis. However, in no circumstance may the term of a swap agreement entered into for liability management purposes between the authority and a qualified swap Counterparty extend beyond the final maturity date of the underlying debt of the authority, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds.
- (5) **Impact on Variable Rate Capacity:** The impact of the swap agreement on the authority's variable rate capacity must be quantified prior to execution so as not to hinder the authority's ability to continue the issuance of traditional variable rate products such as commercial paper which is used to fund capital projects.
- (6) **Enhancements:** The authority may utilize other swap enhancement products such as forward swaps, swap options, basis swaps, caps, floors, collars, cancellation options, etc. Utilization and consideration of each of these products will be part of the approval process per swap agreement as detailed 201.024 in Section 201.024. The costs, benefits, and other considerations regarding the enhancement will be explained to board as a part of the approval process. In the case of swap options in which the authority would receive up-front cash, the authority will not enter into any such swap agreements.
- (7) **Bond Covenants:** The implementation of derivative products or interest rate swaps will not conflict with existing bond covenants and debt policies. The derivative product will also not contain terms that would cause restrictions on additional bond test and protective covenants of outstanding bonds or create cross defaults.
- (8) **Accounting Compliance:** The impact of compliance with GASB Technical Bulletin No. 2003-1 shall be disclosed in the authority's annual financial reports.
- (9) **Staffing:** The authority shall maintain appropriate staff with responsibility and knowledge suitable for monitoring swap transactions. Before entering into a swap, the accounting impact of the swap on the authority must be determined.
- (10) **Exit Strategy:** The mechanics for determining termination values at various times and upon various occurrences must be explicit in the swap agreement, and the authority should obtain estimates from its financial advisor and swap advisor of the potential termination costs which

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might occur under various interest rate scenarios, and plan for how such costs would be funded.

201.021 Basis of Award

(a) Competitive Bid: Competitively bid transactions will be deemed “quasi-competitive” and will include not fewer than three firms. The Executive Committee will recommend to the board the method of sale and which firms will participate in the competitive transaction based on criteria described in Section 201.023. However, for a competitive bid, in situations in which the authority would like to reward a particular firm or firms, or wishes to achieve diversification of its Counterparty exposure, the Executive Committee may select one of the following bases for award:

- (1) Allow the firm or firms not submitting the best bid to amend its bid to match the best bid, and by doing so, be awarded up to a specific percentage of the transaction.
 - (2) To encourage competition, the second and third place bidders may be allowed to contract for a specific amount of the notional amount as long as their bid is no greater than a pre-specified spread from the best bidder in a proportional manner as specified in bidding parameters.
 - (3) The authority may award the transaction to a firm or firms that submit the best bid as defined in the solicitation for bid.
- (b) Negotiated Transactions: In the case of a pure negotiated transaction, the authority shall rely on its swap advisor to negotiate the price and render a “fair value opinion.” The Counterparty shall disclose payments to third parties regarding the execution of the derivative contract.

201.022 Management of Swap Transaction Risk

Certain risks will be created as the authority enters into various interest rates swap agreements with numerous swap counterparties. In order to manage the associated risks, guidelines and parameters for each risk category are as follows:

- (1) Counterparty Risk: The risk of swap Counterparty default can be reduced by limiting swap agreements between the authority and any single swap Counterparty that qualifies as an eligible swap Counterparty to the authority as described in Section (6)(a) and Section (c). In addition, the authority may require the posting of collateral by the swap Counterparty, with a mark-to-market as requested by the authority, in accordance with the guidelines described in Section Chapter 2:Article 2(5)(d).
- (2) Termination Risk:
 - (A) Optional Termination: At a minimum, the authority shall have the right to optionally terminate a swap agreement at any time over the term of the agreement (elective termination

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right) at the then-prevailing market value of the swap (so long as a swap Counterparty receiving payment upon termination is not in default). In general, exercising the right to optionally terminate an agreement should produce a benefit to the authority, either through receipt of a payment from a termination, or if a termination payment is made by the authority, in conjunction with a conversion to a more beneficial (desirable) debt obligation of the authority as determined by the authority. Termination value shall be readily determinable by one or more independent swap counterparties, who may assume the swap obligations of the authority. A Counterparty to the authority shall not have the elective right to terminate the swap agreement except when a termination option has been priced into the terms of the swap at inception. The authority should explore the viability of a unilateral termination provision without being exposed to a termination payment.

(B) **Mandatory Termination:** A termination payment by the authority may be required in the event of termination of a swap agreement due to a Counterparty default or following a decrease in credit rating of the authority. In some circumstances, the defaulting party will be required to make a termination payment to the non-defaulting party. However, under certain circumstances, upon an event of termination, the non-defaulting party may be required to make a payment to the defaulting party. It is the intent of the authority not to make a termination payment to a Counterparty failing to meet its contractual obligations. At a minimum, prior to making any such termination payment, the authority shall require a suitable time period during which the authority may evaluate whether it is financially advantageous for the authority to obtain a replacement Counterparty to avoid making a termination payment. For example, in order to mitigate the financial impact of making such a payment, at the time such payment is due, the authority will seek to replace the terms of the terminated transaction with a new Counterparty and, as a result, receive value from the replacement Counterparty. The new or replacement Counterparty would make an upfront payment to the authority in an amount that would offset (either in whole or in part) the payment obligation of the authority to the original Counterparty. The market value of each swap agreement (including termination costs) will be calculated by the swap advisor and provided periodically as information to board in accordance with the provisions of Section 201.027 to monitor the transaction's value and in order to implement an appropriate exit strategy in a timely manner, if required.

- (3) **Amortization Risk (Term):** The slope of the swap curve, the marginal change in swap rates from year to year along the swap curve, termination value, and the impact that the term of the swap has on the overall exposure of the authority shall be considered in determining the appropriate term of any swap agreement. Any swap should reflect the amortization of the debt swapped against or will be in place for no longer than the period of time that matching assets are available to hedge the transaction.
- (4) **Liquidity Risk:** The authority should consider if the swap market is sufficiently liquid (i.e., if

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enough potential qualified counterparties participate actively in the market to assure fair pricing) for the type of swap being considered and the potential ramifications of an illiquid market for such types of swaps. There may not be another appropriate party available to act as an offsetting Counterparty. The authority may enter into liquidity agreements with qualified liquidity providers and/or credit enhancers to protect against this risk.

- (5) **Basis (Index) Risk (including Tax Risk):** Any index chosen as part of an interest rate swap agreement shall be a recognized market index, including but not limited to The Bond Market Association Municipal Swap Index (TBMA) or London Interbank Offering Rate (LIBOR). The authority shall not enter into swap agreements that do not have a direct (one to one) correlation with the movement of an index without analyzing the risk associated with the enhancement. Any Counterparty for a swap which relies on an index will agree to not lobby, or otherwise influence, any changes to the index that will adversely affect the authority. The tax risk and impact to the authority of each swap transaction shall be detailed through the Counterparty disclosure requirements outlined in Section 201.024.
- (6) **Bankruptcy Risk:** Bond or swap counsel will disclose to the authority the bankruptcy risks and issues associated with the Counterparty and type of swap chosen. Additionally, bond or swap counsel will disclose to the authority the bankruptcy issues associated with the method of collateral required to be posted.

201.023 Counterparty Approval Guidelines

- (a) **Eligibility:** The authority shall enter into interest rate swap transactions only with Counterparties. To qualify as a Counterparty under this article, at the time of entry into a swap transaction, the selected swap provider(s):
 - (1) shall be rated at least AA-/Aa3/AA- by at least two of the three nationally recognized credit rating agencies (Standard & Poor's, Moody's, and Fitch Ratings, respectively) and shall have a minimum capitalization of \$50 million, or
 - (2) shall be rated at least BBB-/Baa3/BBB- by two of the three nationally recognized credit rating agencies and shall provide a credit support annex ("CSA") to the schedule to the ISDA master agreement that shall require such party to deliver collateral for the benefit of the authority:
 - (A) that is of a kind and in such amounts as are specified therein and which relate to various rating threshold levels of the Counterparty or its guarantor, from AA-/Aa3/AA- through BBB/Baa3/BBB-, and
 - (B) that, in the judgment of the authority in consultation with its Financial Advisor, is reasonable and customary for similar transactions, taking into account all aspects of such

MOBILITY AUTHORITY POLICY CODE

transaction including without limitation the economic terms of such transaction and the creditworthiness of the Counterparty or, if applicable, its guarantor; or

(C) shall post suitable and adequate collater¹ (separate from any collateral requirements of Section 6.3) at a third party for the benefit of the authority; or

(3) shall obtain credit enhancement from a provider with respect to its obligations under the transaction that satisfies the requirements of subdivision (1) of this subsection, given the undertaking involved with the particular transaction.

(b) The authority shall not enter into an interest rate swap transaction with a firm that does not qualify as a Counterparty. The Counterparty must make available audited financial statements and rating reports of the Counterparty (and any guarantor), and must identify the amount and type of derivative exposure, and the net aggregate exposure to all parties (the authority and others), along with relevant credit reports at the time of entering into a swap and annually thereafter unless the entity or credit enhancer is under credit or regulatory review and in that case immediately upon notice by the appropriate agencies to the entity.

(c) Swap Counterparty Exposure Limits and Transfer: In order to limit and diversify the authority's Counterparty risk, and to monitor credit exposure to each Counterparty, the authority may not enter into an interest rate swap agreement with a qualified swap Counterparty if the following exposure limits are reached per Counterparty:

(1) The maximum notional amount for interest rate swaps between a particular Counterparty (and its unconditional guarantor, if applicable) and the authority shall not exceed the maximum of \$100 million. The \$100 million limitation shall be the net exposure total of all notional amounts between each Counterparty and the authority. As such, notional amounts for fixed to floating swaps may be used to "offset" the notional amounts for floating to fixed swaps, or vice versa.

(2) Limitations on transfers of swaps with a particular Counterparty should be carefully analyzed and would require the authority's prior written consent. If the Counterparty unilaterally restricts transfer, then the authority should have the ability to terminate the swap without penalty if the swap is transferred or the Counterparty is merged with another entity that changes the credit profile of the swap Counterparty, unless the authority gives its prior written consent.

(3) If the maximum notional limit for a particular Counterparty is exceeded solely by reason of merger or acquisition involving two or more counterparties, the authority shall expeditiously analyze the exposure, but shall not be required to "unwind" existing swap transactions unless the authority determines such action is in its best interest, given all the facts and circumstances.

MOBILITY AUTHORITY POLICY CODE

- (4) If the exposure limit is breached by a Counterparty, then the authority shall:
 - (A) conduct a review of the exposure limit calculation of the counterparty; and
 - (B) determine if collateral may be posted to satisfy the exposure limits; and
 - (C) enter into an offsetting swap transaction, if necessary.
- (5) The authority will not enter into contracts with derivative product companies (“DPCs”) that are classified as “terminating” or “Sub-T” DPC's by the rating agencies.
- (d) Collateral Requirements: Collateral posting requirements between the authority and each swap Counterparty should not be unilateral in favor of the Counterparty. As part of the swap agreement, the authority or the swap Counterparty may require that collateralization to secure any or all swap payment obligations be posted. Collateral requirements shall be subject to the following guidelines:
 - (1) Collateral requirements imposed on the authority should not be accepted to the extent they would impair the authority's existing operational flow of funds.
 - (2) Each Counterparty shall be required to provide a form of a Credit Support Annex should the credit rating of the Counterparty fall below the “A-/A3/A-“ category by at least two of the nationally recognized agencies:
 - (3) A list of acceptable securities that may be posted as collateral and the valuation of such collateral will be determined and mutually agreed upon during negotiation of the swap agreement with each swap Counterparty.
 - (4) The market value of the collateral shall be determined on either a daily, weekly, or monthly basis by an independent third party, as provided in the swap documentation.
 - (5) Failure to meet collateral requirements will be a default pursuant to the terms of the swap agreement.
 - (6) The authority and each swap Counterparty may provide in the supporting documents to the swap agreement for reasonable threshold limits for the initial deposit and for increments of collateral posting thereafter.
 - (7) The swap agreement may provide for the right of assignment by one of the parties in the event of certain credit rating events affecting the other party. The authority (or the Counterparty) shall first request that the Counterparty (or the authority) post credit support, or provide a credit support facility. If the Counterparty (or the authority) does not provide the required credit support, then the authority (or the Counterparty) shall have the right to assign the agreement to a third party acceptable to both parties and based on terms mutually

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acceptable to both parties. The credit rating thresholds to trigger an assignment shall be included in the supporting documents.

201.024 Form of Swap Agreements and Other Documentation

Each interest rate swap agreement shall contain terms and conditions as set forth in the International Swap & Derivatives Association, Inc. (“ISDA”) Master Agreement and such other terms and conditions included in any schedules, confirmations, and credit support annexes as approved in accordance with the authority’s swap resolution pertaining to that transaction. The swap Counterparty shall provide a disclosure memorandum that will include an analysis by the Counterparty of the risks and benefits of the transactions, with amounts quantified. This analysis should include, among other things, a matrix of maximum termination values over the life of the swap. The disclosure memorandum shall become a part of the official transcript for the transaction. The swap Counterparty shall also affirm receipt and understanding of the authority’s statement of swap policies, and will further affirm that the contemplated transactions fit within the swap policies as described.

201.025 Modification of Swaps

Each swap resolution should provide specific approval guidelines for the swap transactions to which it pertains. These guidelines should provide for modifications to the approved swap transactions, provided such modifications, unless considered and recommended by the Executive Committee, do not extend the average life of the term of the swap, increase the overall risk to the authority resulting from the swap, or increase the notional amount of the swap. The swap resolution should further designate which authority officers shall be authorized to cause such modifications.

201.026 Aggregation of Swaps

Unless the swap resolution states otherwise, the approval requirements set forth in each swap resolution are applicable for the total notional amount of transactions executed over a consecutive three-month period for a given security or credit. Therefore, the notional amount of swap transactions including the average life of the swap agreements over a consecutive three-month period are considered in total (net of the notional amount of a swap reversal) to determine what approval is required pursuant to a particular swap resolution.

201.027 Reporting Requirements

The Executive Committee shall be required to report the status of all interest rate swap agreements to the board at least on an annual basis and shall present all footnote disclosure items required by GASB Technical Bulletin No. 2003-1.

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

RESOLUTION NO. 18-004

**AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AN
INTERLOCAL AGREEMENT WITH TRAVIS COUNTY FOR PROJECTS AT ELROY
ROAD AND ROSS ROAD**

WHEREAS, the Central Texas Regional Mobility Authority (“Mobility Authority”) 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, both the Mobility Authority and Travis County are authorized to design and construct roads needed to relieve existing and future traffic congestion and to improve the transportation network that serves Travis County residents and the traveling public; and

WHEREAS, under the Interlocal Cooperation Act, Chapter 791, Government Code, and Chapters 222 and 370, Transportation Code, the Mobility Authority and Travis County may enter into one or more agreements to cooperate in funding, designing, building, and maintaining improvements to the roadway system that serves the residents, landowners, businesses, and the traveling public in southeast Travis County; and

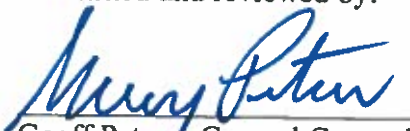
WHEREAS, Travis County has approached the Mobility Authority about the possibility of entering into an interlocal agreement to develop and deliver reconstruction projects to enhance safety and capacity on Elroy Road and Ross Road; and

WHEREAS, the Executive Director recommends that the Board authorize him to negotiate and execute an interlocal agreement with Travis County for delivery of the Elroy Road Widening and Ross Road South projects.

NOW THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized and directed to negotiate an interlocal agreement with the appropriate officials at Travis County for the delivery of the county’s Elroy Road Widening and Ross Road South projects.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 28th day of February 2018.

Submitted and reviewed by:



Geoff Petroy, General Counsel

Approved:



Ray A. Wilkerson
Chairman, Board of Directors

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

RESOLUTION NO. 18-005

**AWARD A CONTRACT FOR PAY BY MAIL, VIOLATIONS PROCESSING,
COLLECTIONS AND CUSTOMER SERVICE**

WHEREAS, in anticipation of the expiration of the Mobility Authority's current agreement with Gila Corporation, a Texas corporation subsequently converted to Gila LLC, a Texas limited liability company, d/b/a Municipal Services Bureau ("MSB") on January 14, 2018, on December 7, 2016, the Mobility Authority issued a request for qualifications from firms interested in providing pay by mail, violations processing, collections and customer services to the Mobility Authority with a deadline to submit responses by January 10, 2017; and

WHEREAS, the Mobility Authority received twelve responses by the deadline which were evaluated and ranked in accordance with the terms of the request for qualifications; and

WHEREAS, by Resolution No. 17-014, dated March 29, 2017, the Board authorized and directed the Executive Director to issue a request for proposals to a shortlist of the six firms determined to be the most highly qualified based on the evaluation of the responses to the request for qualifications; and

WHEREAS, pursuant to the Board's direction, the Mobility Authority issued a requests for proposals to the shortlisted firms on April 19, 2017; and

WHEREAS, the Mobility Authority received four responses to the request for proposals on October 27, 2017 which were evaluated in accordance with the terms of the request for proposals and then conducted interviews with each of the four eligible firms on November 15-16, 2017; and

WHEREAS, following the conclusion of the interview process, Mobility Authority staff determined it was in the best interests of the Mobility Authority to request Best and Final Offers ("BAFOs") from all four firms who responded to the request for proposals; and

WHEREAS, the Mobility Authority issued a request for BAFOs on November 21, 2017, and received responses from each of the four eligible firms on December 1, 2017; and

WHEREAS, Mobility Authority staff conducted final scoring of BAFO responses and established a ranking of the eligible firms on December 8, 2017; and

WHEREAS, by Resolution No. 17-066 dated, December 13, 2017, the Board authorized the Executive Director to negotiate a contract for pay by mail, violations processing, collections and customer services with Cofiroute USA, LLC; and

WHEREAS, the Executive Director and Cofiroute USA, LLC have negotiated an agreement for pay by mail, violations processing, collections and customer services which is attached hereto as Exhibit A and sets forth the Scope of Services, Compensation and other terms; and


WHEREAS, the Executive Director recommends that the Board authorize him to finalize and execute the proposed agreement in substantially the form attached hereto as Exhibit A.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts and approves the agreement in substantially the form attached hereto as Exhibit A; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to finalize and execute the agreement with Cofiroute USA, LLC on behalf of the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 28th day of February 2018.

Submitted and reviewed by:



Geoffrey Petrov, General Counsel

Approved:



Ray A. Wilkerson
Chairman, Board of Directors

Exhibit A

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

AGREEMENT FOR

**PAY BY MAIL, VIOLATIONS PROCESSING, COLLECTIONS
AND CUSTOMER SERVICES**

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**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
AGREEMENT FOR
PAY BY MAIL, VIOLATIONS PROCESSING, COLLECTIONS, AND CUSTOMER SERVICES**

This Services Agreement (the "Agreement") is made and entered into by and between the Central Texas Regional Mobility Authority (the "Authority" or "CTRMA"), a regional mobility authority and a political subdivision of the State of Texas, and Cofiroute USA, LLC ("Cofiroute" or the "Contractor") to be effective as of the __ day of _____, 2018 (the "Effective Date") with respect to Pay By Mail processing, collections, and customer services to be performed by Cofiroute, as an independent contractor, for the CTRMA, the North East Texas Regional Mobility Authority ("NETRMA") and, potentially, other regional mobility authorities.

WITNESSETH:

WHEREAS, pursuant to that certain Request for Proposals dated April 2017 (the "RFP"), the CTRMA sought to identify and obtain the services of a qualified firm to provide Pay By Mail, violation processing, collection, and customer services for the CTRMA, NETRMA and, potentially, other regional mobility authorities; and

WHEREAS, six firms were shortlisted and four firms submitted responses setting forth their respective proposals for the work; and

WHEREAS, Cofiroute was identified by the CTRMA as the best and most responsive proposer to provide the required services and this Agreement has been negotiated and finalized between those parties whereby the services shall be provided by Cofiroute as set forth herein;

NOW, THEREFORE, in consideration of the mutual and individual benefits received and realized by the respective parties hereto, the parties do hereby agree as follows:

**ARTICLE 1
THE SERVICES**

The Authority hereby retains the Contractor, as an independent contractor, and the Contractor agrees to provide services to the Authority, NETRMA and possibly other regional mobility authorities upon the terms and conditions provided in this Agreement. The scope of services (the "Services"), shall include, but not be limited to the Contractor: (1) sending and receiving electronic files containing Pay By Mail (PBM) transaction information, including images of PBM vehicles to be used to determine license plate information; (2) using a combination of Optical Character Recognition (OCR) software/hardware and manual review of video images to determine the license plate information for PBM transactions if requested by the Authority; (3) using license plate information to obtain the registered vehicle owner information from the Vehicle Titles and Registration Division of Texas Department of Motor Vehicles (VTR) and/or other sources for both Texas and non-Texas license plates; (4) maintaining a database of PBM and violation transactions with data obtained from CTRMA, VTR, customers themselves and other relevant sources to facilitate reporting on and reconciliation of PBM toll amounts, associated fees and funds disposition; (5) sending toll bills and notices to identified customers for the purpose of collecting PBM toll amounts and associated fees; (6) accepting payments of PBM toll amounts and associated fees and other ancillary payments from customers; (7) bundling and transmitting PBM toll amounts and fee payments to CTRMA

on a periodic basis; (8) preparing and maintaining documents to be used in the course of legal proceedings, collection actions, etc. for violation transactions; (9) attempting to collect unpaid fees and PBM toll amounts and other ancillary payments as described in the Scope of Services; (10) providing full reporting and auditable data detailing the amount of PBM transactions, actual collections, outstanding amounts, account payment status, and other information requested by CTRMA, with such reporting to occur at intervals and in the format specified by CTRMA; (11) assuring that its systems (and those of its subcontractors) maintain compliance with industry standard financial, security, quality and software process standards, as outlined in the technical proposal in Appendix F; and (12) providing other technical services as requested as Additional Services at the rates outlined in Appendix D, Change Order Rate Schedule. The foregoing items, however, are considered to be part of the Services whether or not they are more fully described in Appendix A.

The Contractor acknowledges and agrees that the Services provided for herein will be provided to CTRMA and will also be provided for the benefit of NETRMA and possibly other regional mobility authorities through agreements between CTRMA and the other entities. All terms related to the performance of the Services hereunder to CTRMA shall apply equally to Services provided to NETRMA and other regional mobility authorities, and CTRMA shall have the right, without objection from Contractor, to seek performance hereunder and enforce the terms of this Agreement on its own behalf and on behalf of any other entities receiving the Services provided for herein.

The Contractor will provide CTRMA and/or representatives of CTRMA various reports and real time access to the PBM and violation database maintained by the Contractor in accordance with the terms of this Agreement and as otherwise agreed between the parties from time to time.

The Contractor shall be expected to operate independently from the Authority and without extensive oversight and direction. The Contractor shall commit the personnel and resources reasonably required to promptly and fully perform and fulfill the responsibilities and tasks necessary to meet the key performance indicators/service level agreement (KPIs/SLAs) contained in Appendix B.

ARTICLE 2 **COMPENSATION**

Authorization for Contractor to perform the Services, compensation for Contractor's work, and other aspects of the mutual obligations concerning Contractor's work and payment therefore are as follows:

FEE COLLECTION. Contractor shall collect tolls and fees consistent with the Authority's Toll Rate Policy. Such tolls and fees shall be directly collected by Contractor and a portion thereof shall be remitted to CTRMA as provided herein on a weekly basis. Contractor shall be entitled to retain on a weekly basis a portion of the tolls and fees collected as shown on Appendix C as full compensation for the performance of the Services and other work under this Agreement. The Authority shall have no further obligation to pay any funds or provide any compensation to the Contractor in relation to any of the Services, except as otherwise specifically provided herein.

EXPENSES. The compensation described above is anticipated by the Authority and the Contractor to be full and sufficient compensation and reimbursement for the Services. The Contractor shall not be entitled to reimbursement from the Authority for out of pocket expenses incurred by the Contractor related to the performance of its duties under this Agreement.

FEE SUMMARIES AND RECORDS. The Contractor shall electronically submit one (1) copy of a weekly summary of tolls and fees charged and tolls and fees collected in providing the Services under this Agreement during the previous week, and shall also present a reconciliation of the invoices and accounts to which the work relates. Each summary shall be in such detail as is required by the Authority. All books and records relating to the Contractor's work and Services to the Authority under this Agreement shall be made available during the Contractor's normal business hours to the Authority and its representatives for review, copying, and auditing throughout the term of this Agreement and, after completion of the work, for four (4) years, or such period as is required by Texas law, whichever is longer.

TAXES. The Contractor acknowledges that the Authority is a tax-exempt entity under Sections 151.309, et seq., of the Texas Tax Code.

AS-NEEDED BASIS. As provided for above, the Authority may request that the Contractor perform specific additional Services on an as-needed basis consistent with the rates set forth in Appendix D, and the scope of such additional Services shall be set forth in a separate Work Authorization that is agreed to and executed by both parties. No representation or assurance has been made on behalf of the Authority to the Contractor as to the total compensation to be paid to the Contractor under this Agreement.

ARTICLE 3 **TIME OF PERFORMANCE**

It is understood and agreed that the initial term of this Agreement shall be a maximum of five (5) years, commencing on the Effective Date and concluding on _____, 2023, (the "Expiration Date") subject to the earlier termination of this Agreement pursuant to Articles 4 or 5 below or further extension upon agreement of both parties. There shall be two (2) successive two (2) year renewal terms following the expiration of the initial five (5) year period. In addition to any termination rights set forth in this Agreement, either party may elect not to extend the term of one or both of the renewal years by providing ninety (90) days written notice to the other prior to the end of the then current term. Absent such notice or termination pursuant to other provisions of this Agreement, the renewal terms will automatically take effect. If at any time during the contract term the Contractor cannot provide the requested Services within the time required by the CTRMA or for any other reason, the Authority reserves the unilateral right to procure the Services from any other source it deems capable of providing those Services in addition to any other rights that CTRMA may have.

ARTICLE 4 **TERMINATION FOR DEFAULT**

Time is of the essence with respect to the performance and completion of all the Services to be furnished by the Contractor pursuant to Work Authorizations issued and which specify an agreed-upon completion or delivery date. Without limiting the foregoing, the Contractor shall furnish all Services in such a manner and at such times as the CTRMA may require. Except as provided below, should the Contractor at any time (a) not carry out its obligations under this Agreement or (b) not be providing the Services to be rendered hereunder in an expeditious and efficient manner and in full compliance with this Agreement, or if the Contractor shall fail in any manner to discharge any other of its obligations under this Agreement, the Authority may, upon providing the Contractor with not less than thirty (30) days prior written notice and opportunity to cure (provided that in no event shall the cure period be more than thirty

(30) days from receipt of the written notice), terminate this Agreement. Such termination shall not constitute a waiver or release by the Authority of any claims for damages, claims for additional costs incurred by the Authority to complete and/or correct the work described in this Agreement, or any other claims or actions arising under this Agreement or available at law or equity which it may have against the Contractor for its failure to perform satisfactorily any obligation hereunder, nor shall such termination pursuant to this Article 4 or Article 5 below abrogate or in any way affect the indemnification obligations of the Contractor set forth in Article 16 hereof.

Notwithstanding the foregoing, in the event that Contractor fails, in the sole discretion of CTRMA, to demonstrate operational readiness of local facilities (i.e., physical facilities required to meet operational requirements under this Agreement that are located in Travis or Williamson Counties) ninety (90) days prior to Go Live, as defined in and based on the Project Schedule as set forth in Appendix A or as may be mutually agreed between the Parties, or fails to demonstrate the hiring and training of local staffing necessary to meet the operational requirements and KPIs under this Agreement, CTRMA shall, in its sole discretion, have the right, acting in good faith, to terminate this Agreement after Authority has given contractor no less than thirty (30) day prior written notice to Contractor and Contractor has, within such notice period, not cured the failure notified.

If the Authority terminates this Agreement as provided either in this Article 4 or Article 5, no fees of any type, other than fees due and payable as of the termination date pursuant to Article 2 hereof for work performed and acceptable to the Authority, shall thereafter be paid to or collected by the Contractor, and the Authority shall have a right to offset or otherwise recover any damages incurred by reason of the Contractor's breach hereof, together with the right to offset amounts owed to the Contractor pursuant to the indemnity provisions. In determining the amount of any payments owed to the Contractor, the value of the work performed by the Contractor prior to termination shall be no greater than the value that would result by compensating the Contractor in accordance with Article 2 hereof for all Services performed and expenses reimbursable in accordance with this Agreement.

ARTICLE 5 OPTIONAL TERMINATION

In addition to the process for termination described above, this Agreement may also be terminated as follows:

- a. **GENERALLY.** The Authority has the right to terminate this Agreement at its reasonable option, at any time with or without cause, by providing ninety (90) days written notice of such intention to terminate pursuant to this subsection 5.a. hereof and by stating in said notice the optional termination date". Upon such optional termination, the Authority shall enter into a settlement with the Contractor upon an equitable basis as determined by the Authority, which shall fix the value of the work performed by the Contractor prior to the optional termination date. In determining the value of the work performed, the Authority in all events shall compensate the Contractor for any reasonable costs or expenses actually incurred and which are attributable to the exercise of the Authority's optional termination, including reasonable and actual costs related to developing a transition plan and providing data as provided for in Article 6 on an equitable basis as determined by the Authority as noted above, provided, however, that no consideration will be given to anticipated profit which the Contractor might possibly have made on the uncompleted portion of the Services.

- b. **NO FURTHER RIGHTS, ETC.** Termination of this Agreement and payment of an amount in settlement as described in this Article 5 shall extinguish all rights, duties, obligations, and liabilities of the Authority and the Contractor under this Agreement (except those which are designated as surviving termination, including without limitation the indemnification obligations of Contractor set forth in Article 16), and this Agreement shall be of no further force and effect, provided, however, such termination shall not act to release the Contractor from liability for any previous default either under this Agreement or under any standard of conduct set by common law or statute.
- c. **NO FURTHER COMPENSATION.** If the Authority shall terminate this Agreement as provided in this Article 5, no fees of any type, other than fees due and payable as of the optional termination date, shall thereafter be paid to the Contractor, provided that the Authority shall not waive any right to damages incurred by reason of the Contractor's breach thereof. The Contractor shall not receive any compensation for Services performed by the Contractor after the optional termination date, and any such Services performed shall be at the sole risk and expense of the Contractor.

ARTICLE 6 **TERMINATION, GENERALLY**

The Authority's rights and options to terminate this Agreement, as provided in any provision of this Agreement, shall be in addition to, and not in lieu of, any and all rights, actions, options, and privileges otherwise available under law or equity to the Authority by virtue of this Agreement or otherwise. Failure of the Authority to exercise any of its said rights, actions, options, and privileges to terminate this Agreement as provided in any provision of this Agreement or otherwise shall not be deemed a waiver of any of said rights, actions, options, or privileges or of any rights, actions, options, or privileges otherwise available under law or equity with respect to any continuing or subsequent breaches of this Agreement or of any other standard of conduct set by common law or statute. Upon notice of termination of this Agreement by either of the parties, and subject to Article 12 hereto, the Contractor shall update and implement the transition plan as required in Appendix A, Section 19 to ensure a smooth, efficient, and uninterrupted transition to any successor Contractor or subcontractor.

ARTICLE 7 **SUSPENSION OR MODIFICATION OF SERVICES; DELAYS AND DAMAGES**

In addition to the foregoing rights and options to terminate this Agreement, the Authority may elect to suspend any portion of the Services of the Contractor hereunder, but not terminate this Agreement, by providing the Contractor with prior written notice to that effect. Thereafter, the suspended Services may be reinstated and resumed in full force and effect upon receipt from the Authority of written notice requesting same. In the event the Authority elects to suspend the performance of the Services in their entirety for a period that exceeds ninety (90) days, Contractor shall be entitled to terminate the Agreement subject to Appendix A, Section 19.

Similarly, the Authority may expand, cancel (in whole or part), or otherwise modify any portion of the Services previously assigned to the Contractor in accordance with this Agreement. In the event the Services are modified, the Parties shall agree to and execute a Work Authorization and Contractor's compensation shall be adjusted (up or down) based on the rates set forth in Appendices C or D as applicable. Without limiting the foregoing, the Contractor agrees that no claims for damages or other compensation shall be made by the Contractor for any delays, hindrances or modifications occurring during the progress of any portion of the Services specified in this Agreement as a result of any suspension or modification of

the Services or otherwise. Such delays or hindrances, if any, shall be provided for by an extension of time for such reasonable periods as the Authority may decide. It is acknowledged, however, that permitting the Contractor to proceed to complete any Services or any part of them after the originally specified date for completion, or after the date to which the time for completion may have been extended, shall in no way operate as a waiver on the part of the Authority or any of its rights herein.

ARTICLE 8
PERSONNEL, EQUIPMENT AND MATERIAL, GENERALLY

Contractor shall provide personnel and equipment as follows:

- a. **ADEQUATE PERSONNEL, ETC.** The Contractor shall furnish and maintain, at its own expense, adequate and sufficient personnel (drawn from its own employees or from approved subcontractors) and equipment, in the reasonable opinion of the Authority, to perform the Services with due and reasonable diligence customary of a firm providing similar services and enjoying a favorable national reputation, and in all events without delays attributable to the Contractor which have a reasonable likelihood of adversely affecting the progress of others involved with one or more of the Projects. All persons, whether employees of the Contractor or of an approved subcontractor, providing the Services shall be fully licensed to the extent required by their professional discipline associations' codes or otherwise by law.
- b. **REMOVAL OF PERSONNEL.** All persons providing the Services, whether employees of the Contractor or of an approved subcontractor, shall have such knowledge and experience as will enable them, in the Contractor's reasonable belief, to perform the duties assigned to them. Any such person who, as determined by the Authority in its sole discretion, is incompetent or by his/her conduct becomes detrimental to the provision of the Services shall, upon request of the Authority, immediately be removed from the Services. The Contractor shall furnish the Authority with a fully qualified candidate for the removed person within ten (10) days thereafter, provided, however, said candidate shall not begin work under this Agreement unless and until approved by the Authority.
- c. **CONTRACTOR FURNISHES EQUIPMENT, ETC.** Except as otherwise specified or agreed to by the CTRMA, the Contractor shall furnish all equipment, transportation, supplies, and materials required for its performance of Services under this Agreement.

ARTICLE 9
KEY PERSONNEL

The Contractor acknowledges and agrees that the individual(s) identified on Appendix E attached hereto and incorporated herein are key and integral to the satisfactory performance of the Contractor under this Agreement. Throughout the term of this Agreement, the Contractor agrees that the identified individual(s) will remain in charge of the performance of the Services and they shall devote substantial and sufficient time and attention thereto. The death or disability of any such individual, his/her disassociation from the Contractor or the approved subcontractor, or his/her failure or inability to devote sufficient time and attention to the Services shall require the Contractor promptly to replace said individual with a person suitably qualified and otherwise acceptable to the Authority. Failure to do so within thirty (30) days of the event requiring replacement shall be an event of default under this Agreement.

ARTICLE 10
BUSINESS OPPORTUNITY PROGRAM AND POLICY COMPLIANCE

Contractor acknowledges that the Authority has a Business Opportunity Program and Policy ("BOPP") with which it requires contractors to comply in connection with Disadvantaged Business Enterprises. To the extent the Contractor utilizes third parties to provide the Services hereunder, Contractor agrees to comply with the BOPP and observe the guidelines set forth therein. Contractor shall provide annual reporting to the CTRMA (beginning one (1) year from the Effective Date) regarding its utilization of disadvantaged business enterprises ("DBEs") and the manner in which such utilization complies with, or deviates from, Contractor's commitment to DBE utilization as reflected in its response to the RFP attached as Appendix F.

ARTICLE 11
PLANNING AND PERFORMANCE REVIEWS; INSPECTIONS

As directed by the Authority, key personnel shall meet with the Authority's Executive Director and/or his designee(s) upon request to: (a) assess the Contractor's performance of the Services; and (b) plan staffing levels to be provided by the Contractor to the Authority for the upcoming calendar quarter. The Contractor shall permit inspections of its Services and work by the Authority or others, when requested by the Authority. Nothing contained in this Agreement shall prevent the Authority from scheduling such other planning and performance reviews with the Contractor or inspections as the Authority determines necessary.

ARTICLE 12
OWNERSHIP OF REPORTS

Ownership of reports and related materials prepared by Contractor (or any subcontractor) at the direction of the Authority shall be as follows:

- a. **GENERALLY**. All of the documents, reports, plans, computer records, software maintenance records, discs and tapes, proposals, sketches, diagrams, charts, calculations, correspondence, memoranda, opinions, testing reports, photographs, drawings, analyses and other data and materials, and any part thereof, created, compiled or to be compiled by or on behalf of the Contractor solely under this Agreement ("work product"), including all information prepared for or posted on the Authority's website and together with all materials and data furnished to it by the Authority, shall at all times be and remain the property of the Authority and, for a period of four (4) years from completion of the Services or such period as is required by Texas law, whichever is longer, if at any time demand be made by the Authority for any of the above materials, records, and documents, whether after termination of this Agreement or otherwise, such shall be turned over to the Authority without delay. The Authority hereby grants the Contractor a revocable license to retain and utilize the foregoing materials, said license to terminate and expire upon the earlier to occur of (a) the completion of Services described in this Agreement or (b) the termination of this Agreement, at which time the Contractor shall deliver to the Authority all such materials and documents. If the Contractor or a subcontractor desires later to use any of the data generated or obtained by it in connection with the Projects or any other portion of the work product resulting from the Services, it shall secure the prior written approval of the Authority. Notwithstanding anything contained herein to the contrary, the Contractor shall have the right to retain a copy of the above materials, records, and documents for its archives.

- b. **SEPARATE ASSIGNMENT.** If for any reason the agreement of the Authority and the Contractor set forth in subsection 12.a. above regarding the ownership of work product and other materials is determined to be unenforceable, either in whole or in part, the Contractor hereby assigns and agrees to assign to the Authority all right, title, and interest that Contractor may have or at any time acquire in said work product and other materials which are prepared for this Agreement, without royalty, fee or other consideration of any sort, and without regard to whether this Agreement has terminated or remains in force. The Authority hereby acknowledges, however, that all documents and other work product provided by the Contractor to the Authority and resulting from the Services performed under this Agreement are intended by the Contractor solely for the use for which they were originally prepared. Notwithstanding anything contained herein to the contrary, the Contractor shall have no liability for the use by the Authority of any work product generated by the Contractor under this Agreement on any project other than for the specific purpose and Project for which the work product was prepared. Any other reuse of such work product without the prior written consent of the Contractor shall be at the sole risk of the Authority.
- c. **DEVELOPMENT OF CONTRACTOR WORK PRODUCT.** The Authority acknowledges that the Contractor's work product will be developed using data that is available at the time of the execution of a given work authorization, and will not constitute any guarantee or other assurance of future events. The Contractor will prepare work product using practices that are standard procedures in the industry.
- d. **OWNERSHIP OF MATERIALS, SOFTWARE AND LICENSES.** The Authority acknowledges and agrees that, the Contractor and/or its subcontractors or licensors of are the exclusive owners all copyrights, trade secret rights and related intellectual property rights (such rights together referred to herein as "Intellectual Property Rights") in all Software and accompanying documentation developed, produced or implemented in connection with this Agreement by the Contractor, its officers, employees, subcontractors or agents. Except as expressly stated herein, this Agreement does not grant the Authority any rights in or to such Intellectual Property Rights. The Contractor reserves the right to grant licenses to use such Software to any other party or parties, provided that any such licenses do not affect the provision of any of the Services to the Authority pursuant to this Agreement.
- i. The provisions of this subsection 12.d. shall be without prejudice to, and shall not interfere with the Authority's Ownership of Reports as provided for under the subsection 12.a to 12.c. of this Agreement.
 - ii. The Contractor reserves all rights in Software and all Intellectual Property associated therewith that have not been expressly granted herein.
 - iii. For the duration of this Agreement, the Contractor hereby grants to the Authority a non-exclusive, non-transferable license to use the Software for such purposes and to the extent necessary to enable the Authority to receive the Contractor's Services under this Agreement. Notwithstanding anything to the contrary in this Agreement, the license referred in this sub-clause (iii) shall not survive termination or expiry of this Agreement. Provided however that the license referred to in this sub-clause (iii) shall be extended for the limited purposes and term that may be necessary to give effect to any post termination or post expiry transition related obligations expressly undertaken by the Contractor under

this Agreement, such that Contractor's Services shall remain continuous and uninterrupted for the duration of any post termination or post expiry transition period under this Agreement, with Contractor providing the Authority with all permissions and licenses necessary to enable the Authority to receive Contractor's Services throughout any such transition period, including permissions and licenses necessary for use of any third-party software implemented by Contractor under this Agreement.

- iv. The Authority shall have no right to access or use the source code of the Software.
- v. The Authority shall not attempt to make any part of the Software or any accompanying documentation supplied by the Contractor along with the Software, available to any third party, or otherwise allow access to the same to any third party except as required by law.
- vi. The Authority shall not attempt to reverse compile, decompile, disassemble or reverse engineer the Software, nor shall it amalgamate, amend, incorporate, modify, reproduce, translate or otherwise alter the same into or with any other software or use the same in conjunction with any third party's software.
- vii. For purposes of this Agreement, the term Software shall mean any software used by the Contractor or any subcontractor of the Contractor to provide the Services to the Authority, including any software owned or provided by the Contractor or by a sub-consultant of the Contractor.

ARTICLE 13 **SUBLETTING OF WORK**

The Contractor shall not sublet, assign, or transfer any part of the work or obligations included in this Agreement without the prior written approval of the Authority, which approval shall not be unreasonably withheld. Responsibility for sublet, assigned or transferred work shall remain in all instances with the Contractor.

ARTICLE 14 **APPEARANCE AS WITNESS AND ATTENDANCE AT MEETINGS**

Contractor shall cooperate with the Authority and requests for attendance at meetings and in various types of proceedings as follows:

- a. **WITNESS.** If requested by the Authority or on its behalf, the Contractor shall use its best efforts to help Authority prepare such exhibits as may be requested for all hearings and trials related to any of the Services provided under this Agreement.
- b. **MEETINGS.** At the request of the Authority, the Contractor shall provide appropriate personnel for conferences at its offices, or attend meetings and conferences at (a) the various offices of the Authority, (b) the offices of the Authority's legal counsel, bond counsel, and/or financial advisors, or (c) any reasonably convenient location.

- c. **WORK AUTHORIZATION**. In the event that services under this section are not covered by an existing Work Authorization, the Authority will issue a Work Authorization, pursuant to Article 2 hereto, to cover such services.

ARTICLE 15
**COMPLIANCE WITH LAWS AND AUTHORITY POLICIES;
PROTECTION OF DATA AND INFORMATION**

The Contractor shall comply with all federal, state, and local laws, statutes, ordinances, rules, regulations, codes and with the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance under this Agreement, including, without limitation, debt collection laws, workers' compensation laws, antidiscrimination laws, environmental laws, minimum and maximum salary and wage statutes and regulations, health and safety codes, licensing laws and regulations, the Authority's enabling legislation (Chapter 370 of the Texas Transportation Code), other applicable portions of the Texas Transportation Code, and all amendments and modifications to any of the foregoing, if any. The Contractor shall also comply with the Authority's policies and procedures related to operational and administrative matters, such as, but not limited to, security of and access to CTRMA information and facilities. When requested, the Contractor shall furnish the Authority with satisfactory proof of compliance with said laws, statutes, ordinances, rules, regulations, codes, orders, and decrees above specified.

As part of their operations, CTRMA, NETRMA and other regional mobility authorities to whom services may be provided collect and maintain information about individuals (including toll customers, vehicle owners, and employees) that may include data such as a person's Social Security number, driver's license number, license-plate number, geolocation or travel data, bank account or credit card information, health information, employment-related information, or login and password credentials (all such data pertaining to individuals, whether or not specifically listed, being "Personal Information"). As part of its performance of the Services, Contractor may have access to, handle, or receive Personal Information or other confidential or proprietary materials, information, or data maintained by or concerning CTRMA, NETRMA and other regional mobility authorities to whom services may be provided (collectively with Personal Information, "RMA Information"). Contractor therefore agrees that:

- a. Contractor is responsible for the security of RMA Information that it receives or accesses in performing Services, and Contractor shall at all times maintain appropriate information-security measures with respect to RMA Information in a manner consistent with applicable law.
- b. Contractor must implement and maintain current and appropriate administrative, technical, and physical safeguards with respect to RMA Information in its possession, custody, or control, or to which it has access, to protect against unauthorized access or use of such RMA Information. At a minimum, such safeguards shall be consistent with generally-recognized best practices for information security in the handling of similar types of data. Without limiting the foregoing, Contractor must appropriately and effectively encrypt RMA Information (i) transmitted over the Internet, other public networks, or wireless networks, and (ii) stored on laptops, tablets, or any other removable or portable media or devices.
- c. Contractor must identify to CTRMA all subcontractors, consultants, and other persons who may have access to RMA Information in connection with the Services. Contractor must restrict the RMA Information to which a given employee or approved subcontractor has access to only that RMA Information which such employee or approved subcontractor needs to access in the course of such employee's or approved subcontractor's duties and responsibilities in connection with the Services.



- d. Before granting access to RMA Information, Contractor must ensure that its employees and each approved subcontractor agrees to abide by these information security measures (or other applicable measures that are at least as protective of RMA Information).
- e. Absent CTRMA's advance written permission, RMA Information must not be stored, accessed, or processed at any location outside of the United States.
- f. Contractor may use RMA Information only for performing the Services, and Contractor must ensure that its employees and approved subcontractor are restricted from any use of RMA Information other than for such purpose.
- g. Except to the extent otherwise expressly permitted, Contractor may not disclose CTRMA Information except as required by law or a governmental authority having jurisdiction over Contractor. In the event of such required disclosure, Contractor must notify CTRMA in advance (if legally permissible to do so) and reasonably cooperate with any decision by CTRMA to seek to condition, minimize the extent of, or oppose such disclosure.
- h. Contractor will immediately notify CTRMA if Contractor discovers any actual or reasonably suspected breach of security or unauthorized use of RMA Information (i) in the possession, custody, or control of Contractor, its employees, or its subcontractors and/or (ii) effectuated using access permissions or credentials extended to an employee or subcontractor of Contractor (either of occurrences (i) or (ii) being referred to as a "Security Incident"). In no event shall Contractor's notification to CTRMA be later than three (3) calendar days after Contractor discovers the Security Incident; provided, however, that more immediate notification shall be given as the circumstances warrant or if more immediate notification is required by law. Contractor must provide all necessary and reasonable cooperation with respect to the investigation of such Security Incident, including the exchange of pertinent details (such as log files). In addition, Contractor must promptly undertake appropriate remediation measures and inform CTRMA regarding the same.
- i. Subject to requirements of data security or privacy laws, CTRMA, in its sole discretion, will determine whether, and when to provide notice of a Security Incident to (a) any individuals whose personal information has been actually or potentially compromised; (b) any governmental authority; and/or (c) any other entity, including, but not limited to, consumer credit reporting agencies or the media. All notices must be approved by CTRMA before they are distributed. Contractor must reimburse CTRMA for costs or expenses CTRMA incurs in connection with such notices (including the provision of credit monitoring or other identity protection services, to the extent the provision of such services is legally required or customary for similar data security incidents). Furthermore, and in addition to any other indemnification requirements under this Agreement, Contractor shall indemnify and hold CTRMA harmless from all claims, costs, expenses, and damages (including reasonable attorneys' fees) that CTRMA incurs in connection with any regulatory action or third party claim arising from a Security Incident.
- j. Contractor must cooperate and permit CTRMA (and any governmental authorities with jurisdiction in connection with an audit requested by CTRMA) reasonable access for on-site review of Contractor's data security systems and procedures to verify Contractor's compliance with its obligations under this Addendum.
- k. Each calendar year, Contractor must provide a current Type 2 Service Organizations Control (SOC) report or comparable report satisfactory to CTRMA, confirming the adequacy of Contractor's controls under the Trust Services Principles and Criteria of the American Institute of CPAs, or comparable principles and requirements satisfactory to CTRMA. The scope of each report must include all of Contractor's applications and systems that have access to or are involved in the processing of CTRMA



Information, and each report must include a list of the controls that were tested.

- l. Whenever RMA Information is no longer needed for the performance of Services, or at any time upon written notification from CTRMA, Contractor must unconditionally and without any charge or fee return or, at CTRMA's written election, certify the secure destruction of, all RMA Information in Contractor's possession, custody, or control (including RMA Information in the possession, custody, or control of any of Contractor's subcontractors or consultants).
- m. With respect to all RMA Information that constitutes payment cardholder information under the PCI DSS and with respect to any actions or activity that may impact the security of CTRMA's systems securing payment cardholder information, Contractor must, and must cause its approved subcontractors, as applicable, to:
 - i. abide by PCI DSS, as updated from time to time (currently, version 3.2), and related security and reporting requirements or standards imposed by applicable payment card brand(s) including through the provision of, preparation of, or cooperation in connection with any all reports, assessments, audits, inquiries, or attestations made, to be made, or desired by CTRMA pursuant to PCI DSS or applicable payment card brand requirements or standards;
 - ii. annually, and at such other times as CTRMA may reasonably request, provide CTRMA with a certification demonstrating compliance with PCI DSS in the relevant capacity, without charging CTRMA any fee or other amount with respect to such compliance or certification thereof; and
 - iii. without limiting the foregoing, refrain from any recording or storage of card security codes, render primary account numbers unreadable wherever stored, and dispose of payment cardholder information in compliance with PCI DSS Requirement 9.8.

ARTICLE 16
AUTHORITY INDEMNIFIED

THE CONTRACTOR SHALL INDEMNIFY AND SAVE HARMLESS THE AUTHORITY AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, AND CONTRACTORS FROM ANY CLAIMS, COSTS OR LIABILITIES OF ANY TYPE OR NATURE AND BY OR TO ANY PERSONS WHOMSOEVER, ARISING FROM THE CONSULTANT'S NEGLIGENT ACTS, ERRORS OR OMISSIONS WITH RESPECT TO THE CONTRACTOR'S PERFORMANCE OF THE WORK TO BE ACCOMPLISHED UNDER THIS AGREEMENT, WHETHER SUCH CLAIM OR LIABILITY IS BASED IN CONTRACT, TORT OR STRICT LIABILITY. IN SUCH EVENT, THE CONTRACTOR SHALL ALSO INDEMNIFY AND SAVE HARMLESS THE AUTHORITY, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, AND CONTRACTORS (COLLECTIVELY THE "INDEMNIFIED PARTIES") FROM ANY AND ALL EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES, INCURRED BY THE AUTHORITY OR ANY OF THE INDEMNIFIED PARTIES IN LITIGATING OR OTHERWISE RESISTING SAID CLAIMS, COSTS OR LIABILITIES. IN THE EVENT THE AUTHORITY, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS IS/ARE FOUND TO BE PARTIALLY AT FAULT, THE CONTRACTOR SHALL, NEVERTHELESS, INDEMNIFY THE AUTHORITY OR ANY OF THE INDEMNIFIED PARTIES FROM AND AGAINST THE PERCENTAGE OF FAULT ATTRIBUTABLE TO THE CONTRACTOR, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUB CONSULTANTS, AND CONTRACTORS OR TO THEIR CONDUCT.

NOTWITHSTANDING THE FOREGOING, THE CONTRACTOR SHALL NOT BE RESPONSIBLE FOR THE FAILURE OF ANY UNRELATED OR UNAFFILIATED CONTRACTOR, CONTRACTORCONTRACTORVENDOR, OR OTHER PROJECT PARTICIPANT, NOT UNDER CONTRACT TO THE CONTRACTOR, TO FULFILL CONTRACTUAL RESPONSIBILITIES TO THE AUTHORITY OR TO COMPLY WITH FEDERAL, STATE OR LOCAL LAWS, REGULATIONS AND CODES.

ARTICLE 17
CONFLICTS OF INTEREST

The Contractor represents and warrants to the Authority, as of the effective date of this Agreement and throughout the term hereof, that it, its employees and subcontractors (a) have no financial or other beneficial interest in any Contractor, engineer, product or service evaluated or recommended by the Contractor, except as expressly disclosed in writing to the Authority, (b) shall discharge their responsibilities under this Agreement professionally, impartially and independently, and (c) are under no contractual or other restriction or obligation, the compliance with which is inconsistent with the execution of this Agreement or the performance of their respective obligations hereunder. In the event that a firm (individually or as a member of a consortium) submits a proposal to work for the Authority, Contractor shall comply with the Authority's conflict of interest policies and shall make disclosures as if it were one of the key personnel designated under such policies.

ARTICLE 18
INSURANCE

Prior to beginning the Services designated in this Agreement, the Contractor shall obtain and furnish certificates to the Authority for the following minimum amounts of insurance:

- a. **WORKERS' COMPENSATION INSURANCE.** In accordance with the laws of the State of Texas covering all of Contractor's employees and employer's liability coverage with a limit of not less than \$1,000,000. A "Waiver of Subrogation" in favor of the Authority shall be provided.
- b. **COMMERCIAL GENERAL LIABILITY INSURANCE.** On an "occurrence basis" with limit a limit of not less than \$1,000,000 combined single limit per occurrence for bodily injury, including those resulting in death; and property damage on an "occurrence basis" with an aggregate limit of not less than \$2,000,000. A "Waiver of Subrogation" in favor of the Authority shall be provided.
- c. **BUSINESS AUTOMOBILE LIABILITY INSURANCE.** Applying to owned, non-owned, and hired automobiles in an amount not less than \$1,000,000 for bodily injury, including death, to anyone person, and for property damage on account of anyone occurrence. This policy shall not contain any limitation with respect to a radius of operation for any vehicle covered and shall not exclude from the coverage of the policy any vehicle to be used in connection with the performance of the Contractor's obligations under this Agreement. A "Waiver of Subrogation" in favor of the Authority shall be provided.
- d. **VALUABLE PAPERS INSURANCE.** With limits not less than \$500,000 to cover the full restoration of any records, information, logs, reports, diaries, or other similar data or materials of Contractor

relating to the Services provided under this Agreement in the event of their loss or destruction, until such time as the work has been delivered to the Authority or otherwise completed.

- e. **CYBERSECURITY INSURANCE.** Professional/technology errors and omissions liability insurance, including liability for financial loss and/or business interruption suffered by CTRMA, due to error, omission, negligence of employees and machine malfunction, cyber liability/network security/privacy coverage arising from errors, omission, negligence of employees and hardware malfunction, or causing electronic data to be inaccessible, computer viruses, denial of service, loss of service, network risks (such as data breaches, unauthorized access or use, identity theft, invasion of privacy, damage/loss/theft of data, degradation, downtime, etc.) in connection with all Services provided by Contractor, in an amount of at least ten million dollars (\$10,000,000), and which has no exclusion or restriction for encrypted or unencrypted portable devices;
- f. **EXCESS UMBRELLA LIABILITY.** With minimum limits of \$6,000,000 per claim and in the aggregate, annually, as applicable excess of the underlying policies required at a. - e. above. The Umbrella Policy shall contain the provision that it will continue in force as an underlying insurance in the event of exhaustion of underlying aggregate policy limits.
- g. **GENERAL FOR ALL INSURANCE.** The Contractor shall promptly, upon execution of this Agreement, furnish certificates of insurance to the Authority indicating compliance with the above requirements. Certificates shall indicate the name of the insured, the name of the insurance company, the name of the agency/agent, the policy number, the term of coverage, and the limits of coverage.

All policies are to be written through companies (a) registered to do business in the State of Texas; (b) rated: (i), with respect to the companies providing the insurance under subsections 18.a. through e., above, by A. M. Best Company as "A-X" or better (or the equivalent rating by another nationally recognized rating service) and (ii) with respect to the company providing the insurance under subsection 18.f., a rating by A. M. Best Company or similar rating service satisfactory to the Authority and/or its insurance consultant; and (c) otherwise acceptable to the Authority.

All policies are to be written through companies registered to do business in the State of Texas. Such insurance shall be maintained in full force and effect during the life of this Agreement or for a longer term as may be otherwise provided for hereunder. Insurance furnished under subsections 18.b., c., d., e. and f. above, shall name the Authority as additional insureds and shall protect the Authority, the Contractor, their officers, employees, directors, agents, and representatives from claims for damages for bodily injury and death and for damages to property arising in any manner from the negligent or willful wrongful acts or failures to act by the Contractor, its officers, employees, directors, agents, and representatives in the performance of the Services rendered under this Agreement. Applicable Certificates shall also indicate that the contractual liability assumed in Article 16, above, is included.

The insurance carrier shall include in each of the insurance policies required under subsections 18.a., b., c., d., e., and f. the following statement: "This policy will not be canceled or non-renewed during the period of coverage without at least thirty (30) days prior written notice addressed to the Central Texas Regional Mobility Authority, 3300 N. IH 35, Suite 300, Austin, TX 78705, Attention: Executive Director."



ARTICLE 19
COORDINATION OF CONTRACT DOCUMENTS

The Proposal dated October 27, 2017 submitted by Cofiroute in response to the RFP is attached hereto and incorporated herein as Appendix F for all purposes ("Proposal"). In the event of a conflict, the order of prevailing precedence (a-highest order to d-lowest order of precedence) shall be as follows:

- (a) Any amendments to the Agreement.
- (b) The Agreement.
- (c) Appendices to the Agreement.
- (d) The Contractor's Proposal.

However, if the Proposal can reasonably be interpreted as providing higher quality materials or services than those required by the other contract documents or otherwise contains offers, statements or terms more advantageous to the CTRMA, Contractor's obligations under the Agreement shall include compliance with all such statements, offers and terms contained in the Proposal

ARTICLE 20
MAINTENANCE OF, ACCESS TO, AND AUDIT OF RECORDS

a. **RETENTION AND AUDIT OF RECORDS.** Contractor shall maintain at its offices in Austin, Texas, a complete set of all books, records, electronic files and other documents prepared or employed by Contractor in its management, scheduling, cost accounting and other activities related to this Agreement. Contractor shall maintain all records and documents relating to this Agreement, including copies of all original documents delivered to the Authority until four years after the date of the termination of this Agreement. Contractor shall notify the Authority where such records and documents are kept. If approved by the Authority, photographs, microphotographs or other authentic reproductions may be maintained instead of original records and documents.

Contractor shall make these records and documents available for audit and inspection to the Authority, at Contractor's offices in Austin, Texas, at all reasonable times, without charge, and shall allow the Authority or its representatives to make copies of such documents. The Authority may direct its own auditors or representatives to perform such audits or reviews. Contractor shall cooperate fully with the entity performing the audit or review. In the event that an audit or review shows an underpayment to CTRMA of amounts owed for the period reviewed by more than two percent (2%) reasonable cost of the audit or review will be borne by Contractor.

Notwithstanding the foregoing, the Contractor shall comply with all laws pertaining to the retention of records and the provision of access thereto. The Contractor shall maintain its books and records in accordance with generally accepted accounting principles in the United States, subject to any exceptions required by existing bond indentures of the Authority, and shall provide the Authority with a copy of any audit of those books and records as provided herein or otherwise requested by the Authority.

b. **PUBLIC RECORDS ACT.** Contractor acknowledges and agrees that all records, documents, drawings, plans, specifications and other materials in the Authority's possession, including materials submitted by

Contractor, are subject to the provisions of the Public Information Act. Contractor shall be solely responsible for all determinations made by it under such law, and for clearly and prominently marking each and every page or sheet of materials with "Trade Secret" or "Confidential", as it determines to be appropriate. Contractor is advised to contact legal counsel concerning such law and its application to Contractor.

If any of the materials submitted by the Contractor to the Authority are clearly and prominently labeled "Trade Secret" or "Confidential" by Contractor, the Authority will endeavor to advise Contractor of any request for the disclosure of such materials prior to making any such disclosure. Under no circumstances, however, will the Authority be responsible or liable to Contractor or any other person for the disclosure of any such labeled materials, whether the disclosure is required by law, or court order, or occurs through inadvertence, mistake or negligence on the part of the Authority.

In the event of litigation concerning the disclosure of any material marked by Contractor as "Trade Secret" or "Confidential," the Authority's sole obligation will be as a stakeholder retaining the material until otherwise ordered by a court, and Contractor shall be fully responsible for otherwise prosecuting or defending any action concerning the materials at its sole cost and risk; provided, however, that the Authority reserves the right, in its sole discretion, to intervene or participate in the litigation in such manner as it deems necessary or desirable.. All costs and fees, including attorneys' fees and costs, incurred by the Authority in connection with any litigation, proceeding or request for disclosure shall be reimbursed and paid by Contractor.

ARTICLE 21 **RELATIONSHIP BETWEEN THE PARTIES**

Notwithstanding the anticipated collaboration between the parties hereto, or any other circumstances, the relationship between the Authority and the Contractor shall be one of an independent contractor. The Contractor acknowledges and agrees that neither it nor any of its employees or subcontractors, shall be considered an employee of the Authority for any purpose. The Contractor shall have no authority to enter into any contract binding upon the Authority, or to create any obligation on behalf of the Authority. As an independent contractor, neither the Contractor nor its employees shall be entitled to any insurance, pension, or other benefits customarily afforded to employees of the Authority. Under no circumstances shall the Contractor, or its employees, or subcontractors, represent to suppliers, contractors or any other parties that it is employed by the Authority or serves the Authority in any capacity other than as an independent contractor. The Contractor shall clearly inform all suppliers, Contractors and others that it has no authority to bind the Authority. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create the relationship of employee-employer or principal-agent, or to otherwise create any liability for the Authority whatsoever with respect to the liabilities, obligations or acts of the Contractor, its employees, subcontractors, or any other person.

ARTICLE 22 **DELIVERY OF NOTICES, ETC.**

In each instance under this Agreement in which one party is required or permitted to give notice to the other, such notice shall be deemed given either (a) when delivered by hand; (b) one (1) business day after being deposited with a reputable overnight air courier service; or (c) three (3) business days after being

mailed by United States mail, registered or certified mail, return receipt requested, and postage prepaid. Any notices provided under this Agreement must be sent or delivered to:

In the case of the Contractor:

Cofiroute USA, LLC
200 Spectrum Center Drive
Suite 1650
Irvine, California 92618
Attn: President & CEO

In the case of the CTRMA:

Central Texas Regional Mobility Authority
3300 N IH-35, Suite 300
Austin, TX 78705
Attn: Director of Operations

and:

Central Texas Regional Mobility Authority
3300 N IH-35, Suite 300
Austin, TX 78705
Attn: General Counsel

Either party hereto may from time to time change its address for notification purposes by giving the other party prior written notice of the new address and the date upon which it will become effective.

ARTICLE 23
REPORTING OF SUBPOENAS, NOTICES, ETC.

The Contractor shall immediately send the Authority a copy of any summons, subpoena, notice, or other documents served upon the Contractor, its agents, employees, subcontractors, or representatives, or received by it or them, in connection with any matter related to the Services under this Agreement.

ARTICLE 24
AUTHORITY'S ACTS

Anything to be done under this Agreement by the Authority may be done by such persons, corporations, firms, or other entities as the Authority may designate.

ARTICLE 25
LIMITATIONS

Notwithstanding anything herein to the contrary, all covenants and obligations of the Authority under this Agreement shall be deemed to be valid covenants and obligations only to the extent authorized by Chapter 370 of the Texas Transportation Code and permitted by the laws and the Constitution of the

State of Texas, and no officer, director, or employee of the Authority shall have any personal obligations or liability thereunder or hereunder.

The Contractor is obligated to comply with applicable standards of professional care in the performance of the Services. The Authority shall have no obligation to verify any information provided to the Contractor by the Authority or any other person or entity.

ARTICLE 26
CAPTIONS NOT A PART HEREOF

The captions or subtitles of the several articles, subsections, and divisions of this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its articles, subsections, divisions, or other provisions.

ARTICLE 27
CONTROLLING LAW, VENUE

This Agreement shall be governed and construed in accordance with the laws of the State of Texas. The parties hereto acknowledge that venue is proper in Travis County, Texas, for all disputes arising hereunder and waive the right to sue and be sued elsewhere.

ARTICLE 28
COMPLETE AGREEMENT

This Agreement, including all Appendices attached hereto, sets forth the complete agreement between the parties with respect to the Services and supersedes all other agreements (oral or written) with respect thereto. Capitalized terms shall have the definitions provided herein and in Appendix G. Any changes in the character, agreement, terms and/or responsibilities of the parties hereto must be enacted through a written amendment. No amendment to this Agreement shall be of any effect unless in writing and executed by the Authority and the Contractor. This Agreement may not be orally canceled, changed, modified or amended, and no cancellation, change, modification or amendment shall be effective or binding, unless in writing and signed by the parties to this Agreement. This provision cannot be waived orally by either party.

ARTICLE 29
TIME OF ESSENCE

With respect to any specific delivery or performance date or other deadline provided hereunder, time is of the essence in the performance of the provisions of this Agreement. The Contractor acknowledges the importance to the Authority of the timely provision of the Services and will perform its obligations under this Agreement with all due and reasonable care.

ARTICLE 30
SEVERABILITY

If any provision of this Agreement, or the application thereof to any person or circumstance, is rendered or declared illegal for any reason and shall be invalid or unenforceable, the remainder of this

Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but shall be enforced to the greatest extent permitted by applicable law.

ARTICLE 31
AUTHORIZATION

Each party to this Agreement represents to the other that it is fully authorized to enter into this Agreement and to perform its obligations hereunder, and that no waiver, consent, approval, or authorization from any third party is required to be obtained or made in connection with the execution, delivery, or performance of this Agreement.

ARTICLE 32
SUCCESSORS

This Agreement shall be binding upon and inure to the benefit of the Authority, the Contractor, and their respective heirs, executors, administrators, successors, and permitted assigns. The Contractor may not assign the Agreement or any portion thereof without the prior written consent of CTRMA.

ARTICLE 33
INTERPRETATION

No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court, other governmental or judicial authority, or arbiter by reason of such party having or being deemed to have drafted, prepared, structured, or dictated such provision.

ARTICLE 34
BENEFITS INURED

This Agreement is solely for the benefit of the parties hereto and their permitted successors and assigns. Nothing contained in this Agreement is intended to, nor shall be deemed or construed to, create or confer any rights, remedies, or causes of action in or to any other persons or entities, including the public in general.

ARTICLE 35
SURVIVAL

The parties hereby agree that each of the provisions in the Agreement are important and material and significantly affect the successful conduct of the business of the Authority, as well as its reputation and goodwill. Any breach of the terms of this Agreement is a material breach of this Agreement, from which the Contractor may be enjoined and for which the Contractor also shall pay to the Authority all damages which arise from said breach. The Contractor understands and acknowledges that the Contractor's responsibilities under Articles 12 and 16 of this Agreement shall continue in full force and effect after the Contractor's contractual relationship with the Authority ends for any reason.



ARTICLE 36
FORCE MAJEURE

If a Force Majeure Event occurs, the Nonperforming Party is excused from performance of its obligations under this Agreement but only for the time and to the extent that such performance is prevented by the Force Majeure Event. During a Force Majeure Event that prevents Contractor from delivering Services, Contractor's entitlement to compensation under this Agreement is suspended.

When the Nonperforming Party is able to resume performance of its obligations under this Agreement, it will immediately give the Performing Party (defined below) written notice to that effect and promptly resume performance under this Agreement.

The relief offered by this Force Majeure provision is the exclusive remedy available to the Nonperforming Party with respect to a Force Majeure Event.

The Performing Party may terminate this Agreement if:

- (a) the Nonperforming Party's failure to perform under this Agreement due to a Force Majeure Event impairs material benefits of this Agreement to the other party (the "Performing Party"); and
- (b) the Nonperforming Party does not resume performance in accordance with this Agreement within 30 days following the giving of notice to the Nonperforming Party of the Performing Party's intent to terminate this Agreement.

In this Agreement, "Force Majeure Event" means any act, event, or condition not foreseeable by a party (the "Nonperforming Party") that: (A) prevents the Nonperforming Party from performing its obligations under this Agreement; (B) is beyond the control of, not caused in whole or in part by, and not otherwise the fault of the Nonperforming Party; and (C) is not able to be overcome or avoided by the Nonperforming Party's exercise of diligence or preventative measures. Provided, however, economic hardship, changes in market conditions, or insufficiency of funds do not constitute a Force Majeure Event.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first written above.



Authority:

**CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY
3300 N IH-35, Suite 300
Austin, TX 78705**

By: _____

Name: Mike Heiligenstein
Title: Executive Director

APPROVED AS TO FORM:

By: _____

Name: Geoff Petrov
Title: General Counsel

Contractor:

**COFIROUTE USA, LLC
200 Spectrum Center Drive, Suite 1650
Irvine, CA 92618**

By: _____

Name: Gary Hausdorfer
Title: President and Chief
Executive Officer

Appendix A— Scope of Services

SCOPE OF SERVICES

The Scope of Services shall include the following tasks detailed in this Section.

The Authority requires a Pay By Mail Back Office System to include:

- Creating and managing customer accounts.
- Providing customer service capabilities including Pay By Mail and violations processing.
- A customer facing website for customer information and self-service.
- Processing toll transactions.

Detailed requirements for this project are included in this document and its related attachments. This project includes:

- Facilitation of multiple payment channels including website, retail, IVR, etc.
- The installation/implementation of the BOS with all associated subsystems and functionality.
- The implementation of various system interfaces (tolling back office, DMVs, etc.)
- The possible migration of data from the Authority's existing Pay By Mail processor.
- Any/all modifications to the selected Contractors' off the shelf system(s) to support the Authority's specific requirements.
- Testing and transition activities for the release of the external website.
- Development and delivery of specific project documentation.
- At the Authority's option, the Contractor may be tasked with image processing related to toll transactions.

In addition, all project management and quality assurance activities including all testing phases associated with the project's delivery are required.

1. PROGRAM STARTUP

The Contractor shall perform all tasks necessary to begin performing the scope of services, including:

- Securing all necessary infrastructure necessary to perform the Scope of Services, including office space, IT, telephony, etc.
- Securing necessary computer hardware and software.
- Performing any development work necessary to meet the Authority's requirements, including all digital interfaces.
- Appropriate staffing.
- Testing.
- Data migration as required.
- All other tasks necessary in order to begin operation and meet all KPIs and milestones in the project schedule.

2. SYSTEMS TO SUPPORT OPERATIONS

The Contractor shall own, lease or otherwise have continual, guaranteed access to an automated system for collecting, organizing, processing and documenting violations and related collection activities.

The Contractor shall provide all necessary hardware and software needed to accomplish all tasks required by the Scope of Services.

All data elements and images received and/or collected by the Contractor must be maintained in a secure environment. The Contractor must ensure that data elements are secure and data privacy cannot be compromised. The Contractor shall maintain compliance with the Payment Card Industry Data Security Standards (PCI DSS) as applicable. The Contractor shall advise the Authority when updating its current Disaster Recovery Plans for any/all systems where the Authority's violations and collections transactions will be processed. A copy of this document must be submitted to the Authority at the contract's onset and whenever updates are made.

The Contractor shall provide a lockbox or similar secure operation for processing mail-in payments. The Authority's approval of the Contractor's chosen operation is required.

The transaction processing and revenue collection systems shall segregate revenue received by revenue type and facility. This currently includes tolls and related administrative fees. The Contractor must have the capability to expand their collection systems to accommodate volumes generated by future toll projects regionally and statewide.

3. DATA INTERFACES

An interface shall be required from the Contractor for receiving and transmitting transaction information; processing payments; and reporting adjustments and uncollectible transactions to and from the Authority's Electronic Toll Collection System. The cost of providing the Contractor's side of all interfaces required for the implementation of this Project's scope of work will be at the expense of the Contractor.

Figure A-1 presents a high-level diagram of the data interfaces.

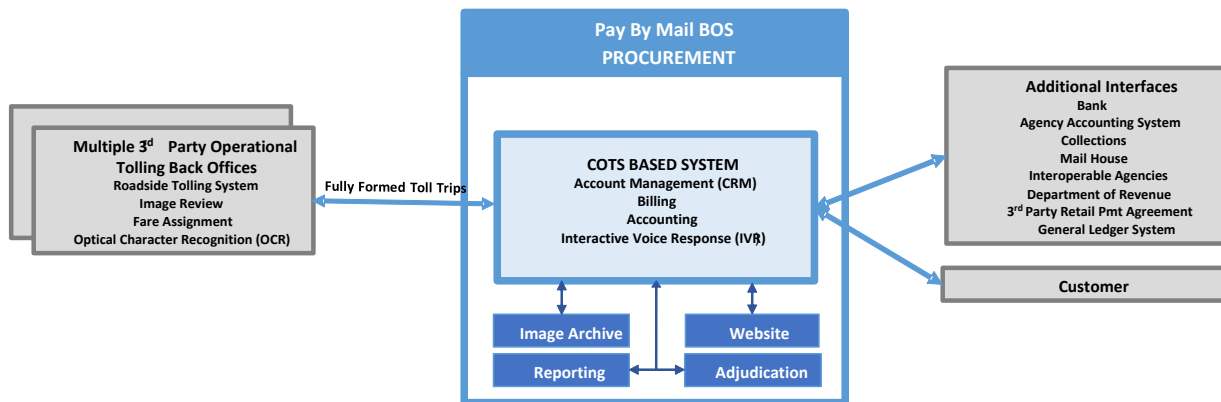


Figure A-1: Data Interfaces

For transferring files to and from the Authority, the Contractor will need to securely connect to the Authority and/or agent server, using Secure File Transfer Protocol (SFTP).

The Contractor shall receive electronic files containing toll violation information and images of violation vehicles.

Data elements for the interface may include:

- Vehicle Image (license plate visible)
- Toll amount due
- Offense Description
- Offense Date
- Toll Description (offense)
- Vehicle license plate number
- Vehicle license plate state
- Registered vehicle owner name
- Registered vehicle owner address

The Contractor shall also have the capacity to send and receive secure electronic messages (files, transactions, emails, texts, etc.) between itself and the Authority, Interoperable agencies, collection agencies, Justice Courts, law enforcement and other entities as appropriate.

The Contractor shall obtain electronic access to vehicle registration data from all 50 United States. This access can include direct interfaces to state DMV's or through third party sources. All costs for these interfaces shall be paid by the Contractor.

Attachment A provides the current Interface Control Document between the current PBM contractor and the CTRMA Host System.

4. PLATE-BASED ACCOUNT PROGRAM

The Contractor shall provide a license plate based account system. Accounts set up shall be acquired with license plate data obtained from the registered vehicle owner information directly from the customer or the Department of Motor Vehicles (DMV) Division and/or other sources for both Texas and non-Texas license plates. Plate-based accounts shall align with the project Business Rules regarding account maintenance, owner and vehicle information, and pre- and post-paid funds allowance. The Contractor shall provide a means to email and/or SMS message customers who have provided the required information, with informational messages (for example, low balance messages, returned check notice, etc.). The license plate based account system shall allow customers the ability to fluctuate between being a prepaid customer and a postpaid customer based solely upon account balance. The customer pre and postpaid account status shall affect the customer billing and toll rates as defined further in Attachment B - Toll Collection Business Rules.

5. TRANSACTION PROCESSING

The roadside system provides fully formed transactions/trips to the Contractor for processing within the Pay By Mail system. The Contractor shall also have the ability to receive, apply and process various forms of data in order to apply the project Business Rules. Transactions include but are not limited to the following:

- Toll Transactions
- Payments
- Administrative Fees
- Credits

6. IMAGE PROCESSING

Image processing is currently conducted by the roadside toll system provider. A fully formed transaction inclusive of toll amount due, license plate details (plate number and jurisdiction), a region of interest (ROI) image and front and/or rear images shall be provided to the Contractor for processing. However, the Authority may, during the term of this contract, wish to task the Contractor with image processing responsibility in place of the current methods. To that end, the Contractor shall provide an Image Processing solution to the Authority for review and optional inclusion in the overall solution. The Authority intends to purchase this as a service based on a per-transaction (not per-image) fee structure. Table B-4 in Appendix B of the contract document contains the key performance indicators related to image processing.

7. PAY BY MAIL AND VIOLATION PROCESSING

The Contractor shall maintain a relational database of Pay By Mail and violation transactions with data obtained from the Authority, DMVs, violators themselves, and other relevant sources to facilitate reporting on and reconciliation of transactions and funds disposition. All data, of all types, shall be stored and eventually archived. No data shall be purged or erased.

The Contractor shall send toll bills and notices to identified patrons for the purpose of collecting tolls due plus, if applicable, administrative fees.

The Contractor shall provide Pay By Mail and violation processing services, collection activities related to violations and the management of accounts receivables, along with skip tracing services.

One of the Authority's goals is to increase payment rates in the early stages of the customer billing and violation processing and reduce the number of transactions that move on to collections or court proceedings. The Contractor is urged to utilize methods that will achieve this goal. T

The Authority desires that the first toll bill be sent to each Pay By Mail customer in the form of a single communication. The layout and design of the toll bill, notices, and other correspondence shall be reviewed and approved by the Authority.

If multiple transactions exist for the registered vehicle owner for the applicable time period, all transactions shall be included. If the customer maintains a prepaid balance on the account and an email address has been provided, the system shall send the toll bill electronically to the customer. If no email address is provided for the customer and/or the customer is a postpaid customer, the system shall generate and mail the toll bill to the customer address. If the customer is postpaid with an email address on file but fails to pay the electronic toll bill within a configurable time period, then the system shall mail the toll bill to the customer address.

Once in the violation lifecycle, the Contractor shall assign varying penalties depending on the duration of time and at what point the violation is finally adjudicated. When Pay By Mail customers do not pay the toll bill within the prescribed time period, a Notice of Non-Payment shall be generated with a single non-payment fee per notice added. Upon non-payment of the Notice of Non-payment, then the document's purpose turns to that of a delinquency Violation Notice with a fee added per transaction. The Contractor shall proceed with the collection process and/or legal action if the violation notice is not paid by the due

date. The Authority prefers to see a rolling account balance on the toll bill/notices wherein new transactions are listed with older unpaid transaction totals providing a full view of the customer's account status. If a toll bill or notice is returned due to the customer address and a new address is obtained, then the transactions included within the returned document shall restart the aging process and be mailed to the updated address.

The Pay By Mail toll bill/notices must carry appropriate language, approved by the Authority, that communicates the exact meaning of all charges. At least one vehicle/violation image shall be included per license plate on the communication that has reached a violation status. In all situations, this toll bill/notice must meet, both in verbiage and delivery, the thirty-day notice of nonpayment requirements of Section 370.177(c) of the Texas Transportation Code, as amended.

The initial toll bill and subsequent notices shall include language indicating that the Authority reserves the right to take further action against egregious violators for non-payment, in accordance with Texas SB 1792, which offers strong enforcement action for people chronically refusing to pay. This is known as the Habitual Violator statute which provides various remedies including the ability to block vehicle registration renewal.

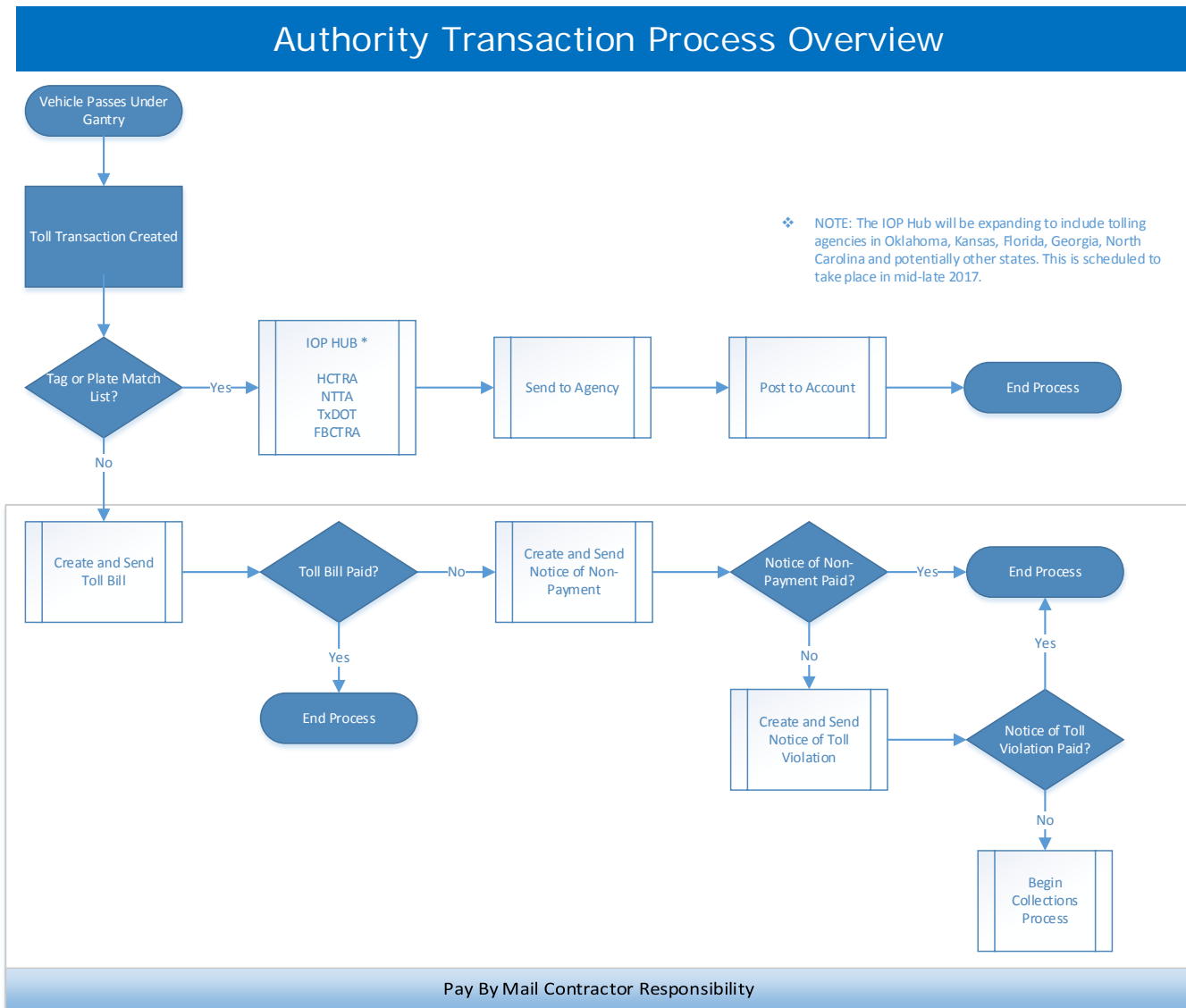
The Contractor shall provide skip tracing services or an equal and approved method with documentation providing a description of these services and methods used. The Authority may desire a configurable dollar amount owed when considering implementation of skip tracing for vehicles registered in states other than Texas.

All information obtained through skip tracing and other approved methods shall be provided to the Authority upon request. Address and contact information may be requested from the Contractor by the Authority when violation notices are sent and returned as undeliverable for any reason.

Address and contact information obtained for collection purposes shall only be used by the Contractor to pursue unpaid items or other activity approved by the Authority.

Figure A-2 Depicts the Required Transaction Process flow:

Figure A-2: Required Transaction Process Overview



8. CUSTOMER SERVICE

The Contractor shall establish and operate a call center supporting both the Pay By Mail and violation enforcement program. The Contractor shall maintain a toll-free telephone number for customer service and include the number on all correspondence to customers.

The Contractor shall provide staffing such that customers can communicate with the Contractor's staff verbally in either English or Spanish. The Contractor shall utilize a fully integrated phone system to manage all calls with features such as call processing, call queuing, voicemail, fax, and unified messaging.

A fully capable Interactive Voice Response (IVR) system shall be utilized to offer self-service options and after-hours operations. The IVR shall be available in both English and Spanish. The IVR shall have customer convenience features including the ability to leave a callback number so that a CSR can call the customer back without losing their place in the queue. The Contractor shall digitally record all inbound and outbound calls, and shall have the ability to configure call recordings based on business rules. Recordings shall be stored for a minimum of two years.

In order to maintain responsiveness, keep call wait times to an acceptable level, and ensure a continued high level of customer service, the Contractor shall have the ability to expand customer services to accommodate additional collection volumes generated by enhanced collection efforts, billing delays, and future toll projects. CSRs shall be trained in all aspects of the program such that a high percentage of calls result in resolution to the customer's inquiry.

The Contractor shall, through a high level of customer service and thorough understanding of the Authority's business processes and operational practices, work to achieve a continually lower volume of violations (violation rate) on the Authority operated roadways. The Contractor shall provide a plan for lowering the Authority's violation rates both by way of deterrent (collections), encouraging violators to become electronic toll tag account holders (customer service), and establishing prepaid plate-based accounts for customers who are resistant to using a toll tag but willing to establish an automated way of paying their tolls.

Each Pay By Mail toll bill/notice and other documents issued by the system shall have a barcode associated with the document. The barcode shall be used to quickly archive and associate a document with a customer account. These documents and others received by the system in relation to a specific account shall be saved in an electronic document management system. Once in the system a CSR shall be able to query a customer and see any document affiliated with that customer.

The Authority allows customers to request a dismissal of a toll transaction should it meet the requirements as stated in the approved Business Rules. For tolls to be waived, the customer must provide reason and any supplemental documentation as requested by the CSR to complete the dismissal. Tolls requested for dismissal shall not age or have additional fees assessed for non-payment while awaiting documentation/information from the customer. If the allowed time passes without proper documentation/information provided to support the dismissal, then the toll transaction shall return to a billable state. The Contractor shall describe how this will be tracked and accomplished through customer service. Reports detailing the volume of dismissed transactions and the reasons for the dismissal are required.

9. CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Customer Relationship Management (CRM) deals with managing the interactions with customers for data gathering to evaluate services provided and implement improvements where possible. CRM gathers data from customer feedback through various communication channels. These channels may include phone, email, web chat, social media, and mobile solutions. A goal of the Authority is to determine, based on customer input, how well the PBM program is meeting customers' needs and expectations while seeking opportunities for improvement.

The Authority wants the ability to gather immediate feedback from customers after they interact with the customer service center through short surveys, regardless of the method of contact. Such feedback shall be gathered through a formal customer relationship management (CRM) program. The CRM program can also use social media such as Twitter and Facebook, to dialogue with customers and manage the relationship. Should CTRMA choose to implement social media CRM, the Authority will be the primary responder to customers in this channel.

10. PAYMENT CHANNELS AND PROCESSING

The Contractor can collect payment for a Toll Bill, Notice of Non-payment, Notice of Violation or to specific transactions at any time during the Pay By Mail lifecycle. Payments shall be applied in First in First out (FIFO) order and no partial payments to a toll or fee shall be applied. Any partial payment received shall be added to the account and applied when a full toll/fee amount is available for application. Payment tracking in the system shall be traceable and auditable. At a minimum, the Contractor must support payment channels of mail, telephone, payment plan, and website. The Authority also strongly prefers that customers have the ability to make payments via retail channels in the geographic area of the toll roads (Austin and Tyler, TX). Acceptable forms of payment include:

- Credit Card
- Debit Card
- ACH (Automated Clearing House)
- EFT (Electronic Funds Transfer)
- Cash
- Money Order
- Cashier's Check
- Personal Check

When a personal check payment is returned for insufficient funds, a returned check fee shall be applied to the customer account and a communication is sent to the customer.

11. CUSTOMER SERVICE CENTER (CSC)

The Contractor shall provide all office space, staff, software, hardware and any other equipment required to support the back office administrative and operational tasks. The CSC shall provide call center employees to support customer calls in regard to payment, disputes, inquiries and questions for a time

period of no less than 10.5 hours a day (7:30 am to 6:00 pm Central Time), five (5) days a week. The CSC shall staff bilingual employees (English and Spanish).

The Contractor shall fully equip the CSC to provide the following support:

- IVR
- Customer communication and correspondence
- Pay By Mail and Violation accounts (including prepaid accounts)
- Payment processing locally or via a lock box
- Document scanning and uploading (to associate documents to accounts)
- Transaction processing
- System Administration

The location of the CSC is subject to the Authority approval and must be located within the continental United States.

The Contractor shall staff, at a minimum, two employees (two FTE's) for walk-in customers at the TxTag Customer Service Center (located at 12719 Burnet Rd, Austin, TX 78727) to accept payments, answer questions, handle disputes, and provide supporting account documentation. TxTag's hours of operation are 8 am to 7 pm on Monday and Friday, and 8 am to 5 pm Tuesday through Thursday. Weekend staffing may be required should the TxTag CSC hours change. The two staff members may have differing shifts but both shall be present between 10 am and 3 pm every day. The Contractor shall have sufficient staffing to cover vacations and sicknesses.

12. COLLECTIONS

The Contractor shall use additional means to collect unpaid toll amounts and violation fees and other ancillary payments for violators who do not respond to notices. Violators entering the collections phase follow a pre-court selection process (see [Attachment F - Toll Collection Business Rules](#) for pre-court selection details).

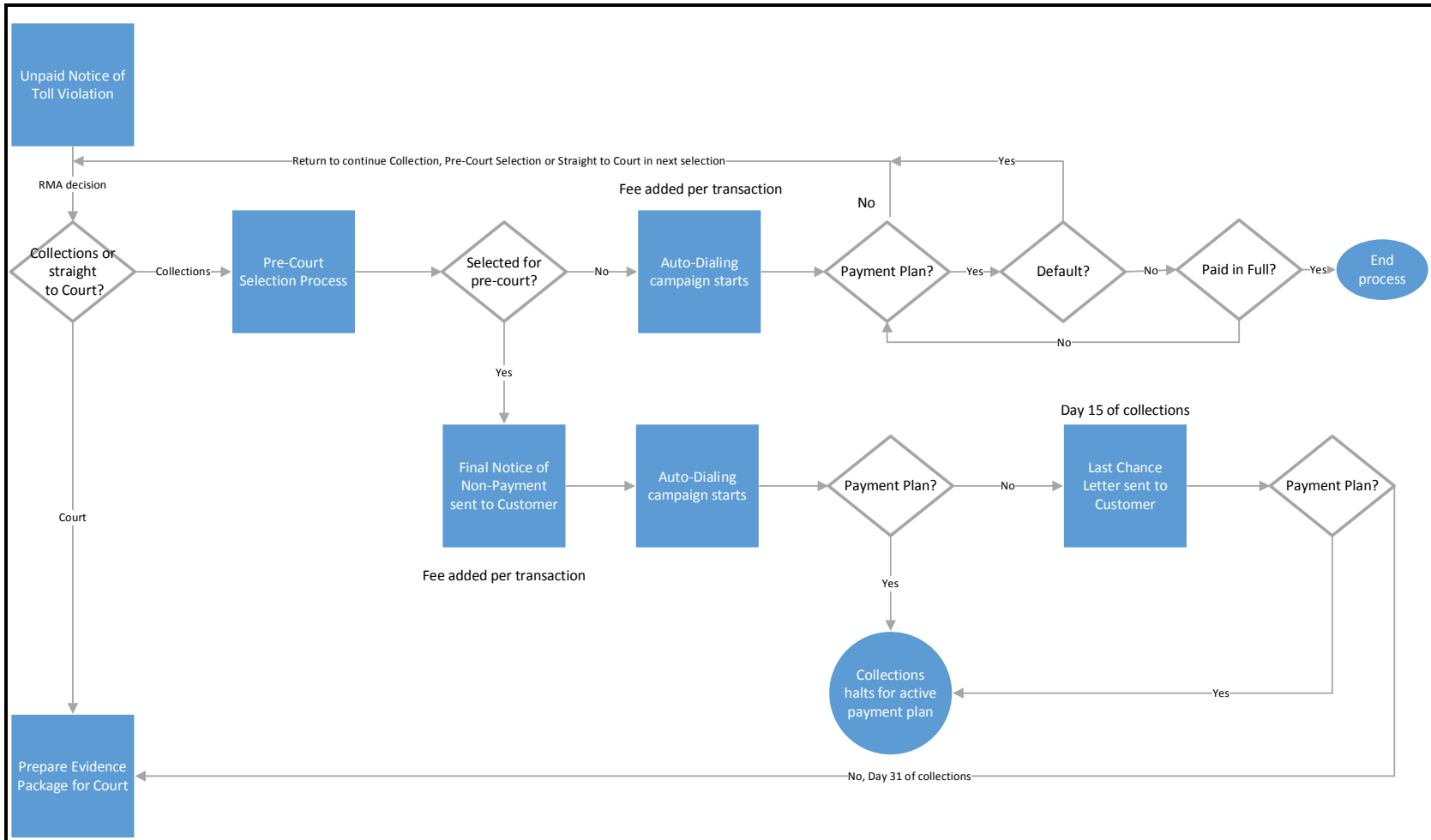
The Contractor shall pursue recovery of all transactions unpaid from violation processing, for those violators selected for pre-court, through a series of collection letters and auto-dialed telephone calls, email or text messages. These transactions, shall be pursued until the delinquent amount is satisfied or for a configurable period, initially set for thirty (30) days. Prior to starting the dialing campaign, a Final Notice of Non-Payment shall be mailed to the customer. If after fifteen (15) days in collection and the auto-dialing campaign, and no payment is received or payment plan has been set up, a Last Chance Letter shall be generated and mailed. If a violator makes full payment, then collection and pre-court process ceases. If a violator sets up a payment plan within the collection period, then the active collection period is put on hold. However, should the violator default on the plan, then the collection period shall resume with the remaining days of the collection period unused prior to the plan. After the thirty (30) day period ends, the Contractor shall generate the Initial Court Evidence Packet and proceed to legal action (see [Attachment F – Toll Collection Business Rules](#) for package details). The thirty (30) day period in collections is not a prerequisite for legal action and extreme violators may bypass collections processing at the discretion of the Authority.

Violators not selected for pre-court and not sent directly to court processing, shall enter collection processing. The Contractor shall pursue payment of the unpaid transactions through the dialing campaign. If the violator has not made payment in full or established an active payment plan, then the violator is eligible for pre-court selection processing again.

During the dialing campaign, violators may be contacted by mail, telephone, email or text. A collector shall not contact a violator before 8:00 am or after 9:00 pm local time. The Contractor shall digitally record all collector inbound and outbound calls, and shall have the ability to configure call recordings based on business rules. Correspondence shall indicate an escalation of importance with resolution from one letter to the next. All communications and/or contact or attempted contact with a violator must be in full accordance with the provisions of the state and federal fair collections practice laws, as well as all other applicable laws, statutes, rules and regulations.

Figure A-3 Depicts the Collections process:

Figure A-3: Collections Process



13. REMITTANCE OF FUNDS

The Contractor shall remit collected funds to the Authority's designated financial institution using the following guidelines. Based on revenue type (tolls, fees, etc.), the remittance amounts may be forwarded to more than one entity. Interest accrued from money collected on behalf of the Authority shall be disbursed to the Authority as a separate revenue type. Each remittance shall be accompanied by documentation that shall clearly break down the funds by roadway and revenue type.

The Contractor shall bundle and transmit violation payments to the Authority at least once per week.

The Contractor shall remit payments on collections as described below:

- Payments received from the violator shall be remitted to the Authority's designated financial institution via EFT within seven (7) days of receipt.
- Payments received for outstanding transactions, where the collection time period has exceeded sixty days, shall be remitted within seven (7) days.
- The Authority does not recognize a partial payment as a satisfaction of an outstanding transaction submitted to the collection agency. Any partial payment received by the collection agency shall be remitted to the Authority within seven (7) days. The collection agency shall document the partial payment and continue to collect on the transaction until it is paid in full. If the thirty (30) day collection period expires prior to complete payment, the collection agency shall cease their efforts with the outstanding transaction and return it to the Authority as an unsatisfied transaction.

The Authority will notify the Contractor when payments made to the Authority (or another agency) by a violator during the collection process are received through the Authority (or other agency) office, so that the Contractor may reconcile the account.

14. LEGAL ACTION SUPPORT

Once a violation has progressed through Collections without payment or other resolution, the Contractor, through in-house staff, shall prepare a full court package for each transaction now eligible for legal action. All documents and communications shall be maintained on the violator's account to be used during legal proceedings and support the activities of the legal team. This work shall include:

- Report the transactions and accounts eligible for filing in court by Precinct based on criteria such as age of debt, number of violations by precinct and amount of tolls and fees owed.
- Generate an evidence package and filing packet for transactions to be filed in court by precinct either on demand or on a pre-determined schedule, or both.

In addition to these tasks, the Contractor shall provide sufficient court liaisons (and any associated necessary legal and staff support) to perform the following tasks:

- Administer the Authority's toll violation prosecution program in the current and future Justice of the Peace courts where CTRMA operates toll roads. Current precincts include Williamson County JP #2 and Travis County JP #1 with Travis County JP #2 and #4 expected soon.

- Manually or electronically file the evidence package and filing packet with Justice of the Peace courts.
- Provide testimony related to toll violations as requested by the local prosecutor.
- Generate additional information for court prosecution, which shall be dependent on the court's requirements.
- Send and receive updates on court dates, dispositions and filings and the transfer of funds.
- Be available in-person for meetings with the Authority and/or Justices of the Peace in the service area at CTRMA's direction.

Four (4) court liaisons shall be required at NTP. The number of liaisons may vary over time as transaction volumes change or court processes evolve.

The Authority will provide staff supervision of legal activities.

The Habitual Violator program, under Texas SB 1792, shall be set up for violators within the system accumulating 100 or more unpaid transactions for a single license plate within a one-year period. Potential habitual violators shall be tracked within the system and converted to a Habitual Violator for purposes of applying the statutory remedies.

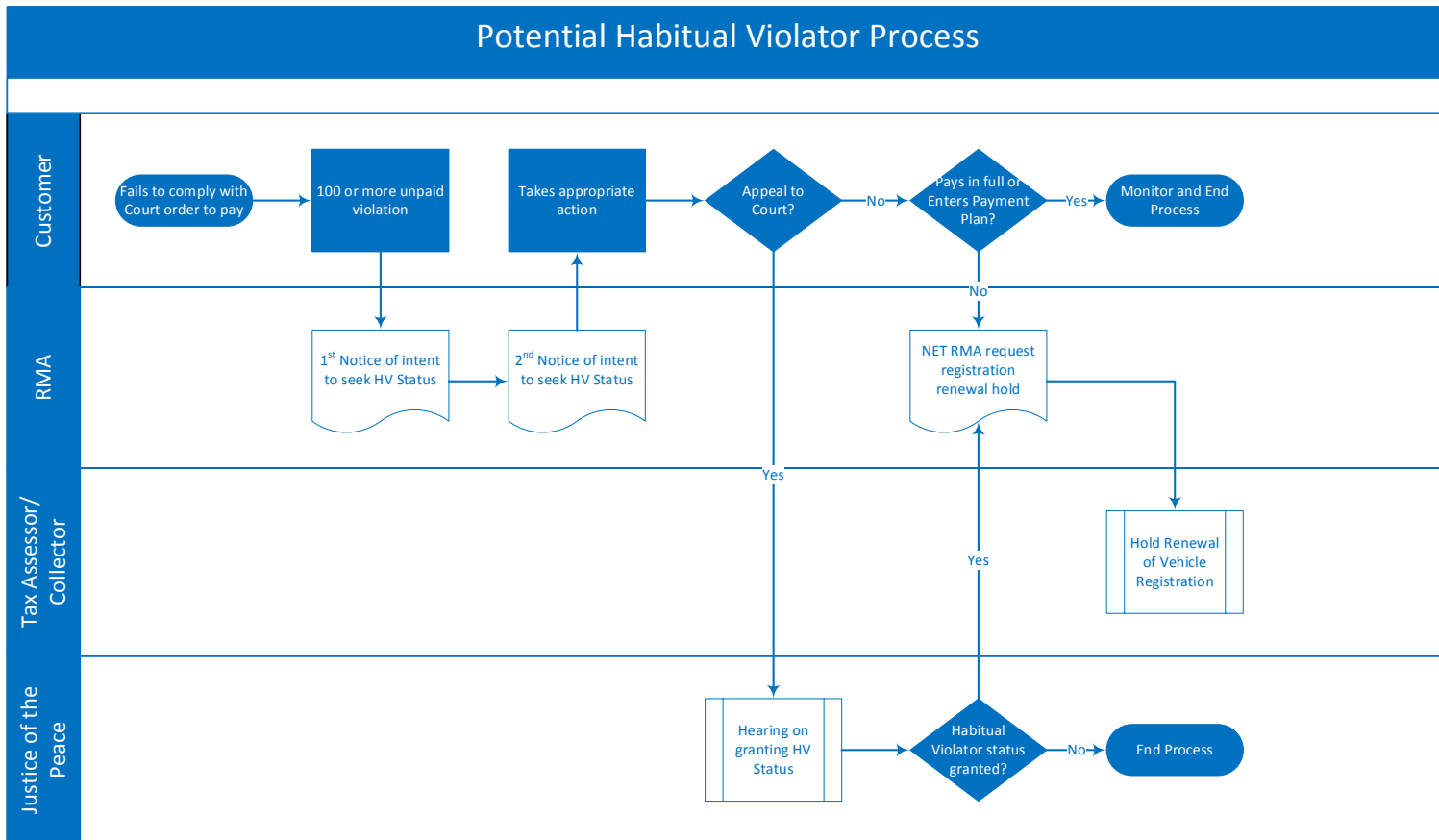
The Contractor shall generate two separate mailed notices to potential habitual violators informing the violator of the outstanding balance for the hundred (100) or more unpaid transactions, along with information stating that continued non-payment will result in the Authority exercising the Habitual Violator remedies. The second notice shall be generated and sent thirty (30) days after the first notice of non-payment, if necessary. Each notice must comply with the following:

1. Be sent by first class mail
2. State:
 - a. the total number of transactions of nonpayment, fees and the total amount due;
 - b. the date of the determination under Subsection (a) of SB 1792;
 - c. the right of the violator to request a hearing on the determination; and
 - d. the procedure for requesting a hearing, including the timeframe for the request.

If the Authority receives a written request for a hearing within thirty-five (35) days after the determination notice, then the Authority shall provide a hearing as stated in Section 372.107 before a justice of the peace. If the potential habitual violator does not request a hearing, then the violator becomes a Habitual Violator without appeal. The Contractor shall then generate a notice of prohibition order to the registered owner. The Authority may then prohibit the vehicle owner from operation of the motor vehicle on the Authority's toll roads.

The Habitual Violator process is depicted in [Figure A-4](#).

Figure A-4: Habitual Violator Process Diagram



Habitual Violator - S.B. 1792 Sec. 372.106:
 Customers with 100 or more unpaid violations in 365 days
 Allowable actions by toll authority:
 1. Publish names
 2. Impound vehicle
 3. Prohibit use of toll road
 4. File to withhold registration renewal

15. REPORTING

The Contractor shall provide the Authority a Financial Reconciliation and Reporting System utilizing a comprehensive reporting engine and reporting database environment. Appropriate transaction and revenue, reconciliation, operational and system performance as well as financial and audit reports shall all be provided to the Authority on an approved schedule (depending on the reports these may be daily, weekly, or monthly timeframes). Report formats shall be developed and approved during the Design Phase of the project. It is imperative that the reporting database provide inception to closure details on a per transaction basis for all transactions within the BOS for accurate revenue reporting and auditability. In addition to the Contractor's standard suite of reports, the Contractor shall provide a minimum of ten custom reports for this project.

The Contractor shall provide the following services with regard to escheatment:

- Identify and process accounts eligible for escheatment based on Texas law.
- Notify customers with inactive accounts that meet a configurable escheatment threshold amount, in accordance with Authority business policies.
- Aggregate escheated account balances for the same persons.
- Electronically send residual account balances to the Texas State Comptroller annually, in accordance with Authority business policies, via CTRMA.
- Deactivate or end date all stored payment methods on inactive accounts with \$0 balance immediately after residual funds are transmitted to CTRMA.
- Close inactive accounts with \$0 balance after residual funds are transmitted to CTRMA.

16. COMPLIANCE, QUALITY, AND PERFORMANCE

All information, data and records made available to, utilized, or generated by the Contractor shall, at all times, be utilized and referenced in full compliance with all applicable laws, rules and regulations relating to the Contractor's scope of work.

The Contractor shall be required to participate in an annual audit conducted by outside, independent auditors that meet all Generally Accepted Accounting Principles (GAAP).

The Contractor shall conduct and document regular phone conversation monitoring for internal quality assurance.

The Contractor shall comply with a set of Key Performance Indicators (KPIs). These KPIs are listed in Appendix B of the contract document, along with the target performance levels. The Contractor shall measure these KPIs periodically (no less often than monthly) and report them to the Authority along with all necessary reports and data to support the measured levels of performance.

It is important to note that the Authority is not establishing direct or liquidated damages for non-compliance with the KPIs. However, compliance with the KPIs is a contract requirement and should the performance fall below acceptable levels the Authority will use the remedies in the contract to encourage the Contractor to return to compliance.

17. PROJECT MILESTONES AND DELIVERABLES

Table A-1, below, lists the project milestones and deliverables, along with the suggested number of days after Notice to Proceed. These are the required timeframes for the submittal of project documentation/deliverables, as well as the timeframes for significant project milestones.

The Contractor shall submit a detailed schedule which:

- Includes when each of the milestones will be accomplished.
- Contains predecessor and successor relationships for all tasks.
- Identifies the Critical Path.

Within the timeframe described in the Project Milestones and Deliverables Schedule, the Contractor shall conduct a kick-off meeting to present a detailed Project Schedule and discuss with the Authority their plans to begin the work. Key project personnel shall be in attendance for this meeting. The Contractor shall be prepared to initiate their plan for meeting all required milestones in the timeframes listed in the table.

Table A -1: Project Milestones and Deliverables Schedule

| | |
|----------------------------------------|--------------------------|
| Project Schedule | 15 days after NTP |
| Kick-off Meeting | 15 days after NTP |
| Project Management Plan | 30 days after NTP |
| Detailed Design Document | 75 days after NTP |
| Requirements Traceability Matrix (RTM) | 75 days after NTP |
| Quality Management Plan | 45 days after NTP |
| Samples of Customer Communications | 90 days after NTP |
| Standard Reporting Plan | 90 days after NTP |
| Disaster Recovery Plan | 75 days prior to Go-Live |
| Transition Plan | 75 days prior to Go-Live |
| Data Migration Plan | 75 days prior to Go-Live |
| CSC Fully Functional | 30 days prior to Go-Live |
| Data Migration, Transition and Go-Live | |

All documentation shall be submitted to the Authority for review, comment and approval. Dates provided are for initial submittal of the document. Updated versions of the draft documentation may be required by the Authority before approval is granted. Final versions of documentation shall be delivered in soft copy to the Authority. Wherever practical, documents shall be produced using Microsoft Office applications. The Authority will review and comment on deliverables no later than fifteen (15) days from the date of submittal. Final review durations will be discussed during contract negotiation.

18. REQUIRED MANAGEMENT PLANS

A. PROJECT MANAGEMENT PLAN

A project management plan shall be submitted to the Authority . After award the Contractor shall update the Plan for review and approval by the Authority. This project management plan will be a living document, and as such, shall be updated periodically to reflect any changes as approved in writing by the Authority. Requirements for the project management plan are detailed below.

ORGANIZATION CHART AND PROJECT STAFFING

The project management plan shall include an organization chart(s) listing key personnel together with their roles and responsibilities and the percentage of time that will be dedicated to the Project. The organization chart(s) shall indicate the Project Manager as well as other personnel who will be responsible for the Quality Assurance (QA) / Quality Control (QC), requirements, software development, networking, maintenance, training, and documentation aspects of the Project.

The Contractor shall be responsible for assigning and maintaining enough competent and qualified professionals and other technical personnel needed to deliver a Pay By Mail system that meets the requirements defined in this scope of work.

The Contractor shall clearly describe categories of work that will be performed by the Contractor's own personnel and those categories that will be performed by subcontractors. The Contractor shall also include a description of the procedures that will be used for managing all subcontractors.

PLANNING, COMMUNICATIONS AND REPORTING

The project management plan shall include a description of the protocol and procedures that will be used for communications with the Authority related to planning, issues resolution and reporting. This description shall address correspondence, document control, submittals and submittal letters, change orders, reporting of project status, and the Authority's access to the Contractor's key personnel.

RISK MANAGEMENT

The project management plan shall describe the system of risk management that the Contractor will implement to identify, track and mitigate areas of project risk. Factors that shall be tracked over the course of the project include the events subject to risk, probability, impact, mitigation, contingency and reduction. A special focus shall be the protection and privacy of customer data.

B. DETAILED DESIGN DOCUMENT

As part of the design phase of the project, the Contractor shall submit a Detailed Design Document that describes the design specifications of all hardware, software, and communications/networks to be provided by the Contractor to meet the requirements of the Pay By Mail system as described in the Scope of Services. Hardware design shall describe all hardware specifications including appropriate diagrams and facility layouts. Software design shall describe the module and/or process level. The DDD will first be submitted in draft form; the draft submission shall be followed by an initial review and comment period,

after which design reviews shall take place. Upon completion of design reviews, the DDD may be revised and submitted to the Authority for final review and approval.

The DDD shall include at least the following:

- Computer/server sizing and design details
- Description of all Contractor-developed and third-party software
- Preliminary report samples and formats
- Description of system diagnostics, status monitoring and error handling
- Description of redundancy and failover processes
- Interface Control Documents (ICDs) (also referred to as Application Program Interfaces “APIs”)
- Data integrity assurance plan
- Data communications/network diagram

The DDD shall be kept current. The document shall be updated after every significant release or configuration change of any portion of the PBM system.

C. BUSINESS RULES

The Authority’s existing Business Rules document is included in Attachment B of this document. The Contractor shall work with the Authority during the requirements phase and design phase of the project to update the Business Rules as necessary to reflect additions or updates to the Business Rules document to support the Authority operations with the new Pay By Mail system. The Contractor shall base their efforts (technical, pricing, plans, etc.) on the Business Rules.

D. REQUIREMENTS TRACEABILITY MATRIX

The Contractor shall develop and maintain a Requirements Traceability Matrix (RTM). The initial version of the RTM shall be provided with the Detailed Design Document with traceability between this Scope of Services and Business Rules to the DDD. The expectation is that with each formal test executed, the RTM shall be updated to indicate where test procedures also aligned with the requirements/rules. At the end of the testing period and before Go-Live, a final completed RTM shall be provided to the Authority for approval.

E. QUALITY MANAGEMENT PLAN

After NTP, the Contractor shall provide a Quality Management Plan for review, comment and approval by the Authority. The Quality Management Plan shall describe the Contractor’s QA/QC processes and shall encompass all aspects of the project.

The quality management plan developed for the project shall specifically address the scope of work defined for the project and shall describe:

- Contractor’s QA/QC staffing
- Configuration management system
- Change control process
- Records of subcontractor QA/QC programs and audits

- Testing processes and programs

F. STANDARD REPORTING PLAN

The Contractor shall provide a reports manual that shall include all agreed upon reports. The report manual shall include at least:

- Name of the report
- Report description
- Version number
- Identification of field level reconciliation [i.e., which fields can be reconciled to other report(s)]

During the design phase of the project the Contractor's standard reports shall be reviewed, and any additional reports designed, and approved.

G. DISASTER RECOVERY PLAN

After NTP, the Contractor shall provide a Disaster Recovery Plan for the Authority review, comment and approval. The Disaster Recovery Plan shall include the following:

- Description of Redundant Systems and Failover Processes
- Emergency Contact Lists
- Details of the procedures/processes that will be used in the event of complete destruction of the primary host site

The disaster recovery plan shall be tested prior to any transaction processing under this Scope of Work.

H. TRANSITION PLAN

The Authority's strategy for transitioning from the current contractor to the new contractor is to minimize the need for migration of data. On a specific calendar day, all new transactions will be routed to the new contractor. The current contractor will continue to pursue payment for all transactions that they have received (prior to the transition date).

Notwithstanding the cutoff strategy described above, the Authority anticipates that some data migration will be needed so that the new contractor can implement, at a minimum, the collections and/or Habitual Violator programs. The exact requirements for this migration are not currently known. These requirements will be determined during the design phase of the project.

The Authority will assist the Contractor with transfer of the website domain name from the current Contractor. The Authority is not aware of any other assets that need to be transferred. The Contractor should identify any other items (licenses, equipment, data, etc.) necessary to achieve the transition.

After NTP, the Contractor shall prepare and submit a detailed Transition Plan, which shall include:

- List of all activities necessary to accomplish a clean, efficient transition from the incumbent Contractor
- Timeline for all activities leading up to, during, and after the transition

- Risk mitigation measures necessary to ensure a successful transition
- Any other asset transfers the new Contractor feels necessary

I. DATA MIGRATION PLAN

As described above, the Authority anticipates a modest amount of data migration will be needed. However, once it is determined what migration is necessary, the Contractor shall propose, design, and deliver a comprehensive Data Migration Plan. This plan shall include an analysis of the current database structure(s) with details for data migration and conversion into the new Pay By Mail back office database structures. The Contractor shall confirm data conversion requirements before submitting the plan to the Authority for review. The plan shall include at least:

- All files, tables, and other database constructs to be built in the new back office
- Data sources for the files and other constructs to be built in the new back office
- Data validation checks to be performed on the new back office
- Expected data volumes
- Roles, responsibilities, and a schedule for the migration effort
- Identification of where automated conversion tools will be used

The Authority will provide approval to this data migration plan before it is implemented. The migration will be treated as a negotiated change to the contract.

J. TESTING PLANS

After NTP, and in accordance with the requirements of the Contract, the Contractor shall provide a complete Master Test Plan and perform all PBM BOS testing activities. In addition to any other criteria specified by the Authority, test plans, procedure, and parameters shall be approved by the Authority prior to commencing PBM BOS testing. The Authority or its representatives will be present and witness all formal testing. After completing each test phase or event, the Contractor shall produce and submit a Test Report documenting the test results to the Authority.

The Contractor shall maintain test environments (separate from the production system) as needed to ensure that CTRMA's configurations are matched exactly during every phase of development, installation, and testing.

The following test phases shall be performed in conjunction with and witnessed by CTRMA's staff and/or designees, unless otherwise determined by CTRMA:

- Factory Acceptance Test (FAT), demonstrated at Contractor's test facility in a factory environment with hardware and software representative of the production system to be used to process CTRMA transactions, including simulated transaction volumes to represent the expected real-world load on the system.
- Systems Integration Test (SIT), demonstrated with the production facility with hardware and software to be used with completed BOS using simulated data to provide confidence the system can integrate with all required interfaces accurately and reliably.

- Site Acceptance Test (SAT), demonstrated using the production system with hardware and software to be used with the completed BOS and representative of all functionality required for full operation.

Upon successful completion of SAT, the Contractor shall make final preparations for Go-Live, including resolution of any critical defects, as agreed to by the Contractor and CTRMA. Once CTRMA and the Contractor have agreed the system is fully prepared for Commissioning and all critical defects have been resolved to the satisfaction of CTRMA, a Commissioning date and time will be determined.

- Operations Test, shall be conducted for a period of no less than sixty (60) days after Commissioning. During this time, the system shall be observed for accuracy, performance, and reliability. CTRMA reserves the right to stop testing based on system issues. Testing shall either resume where left off or start over based on the sole discretion of CTRMA.

The Contractor shall continue to resolve non-critical defects during this period, with CTRMA approval and coordination, and give careful consideration to possible effects on system performance, accuracy, and reliability.

Final Project Acceptance for the CTRMA Pay By Mail BOS shall be given upon successful completion of required tests, closure of all software and hardware defects, completion and submission of all required documents, and meeting of other conditions as specified in the Contract.

19. CLOSEOUT AND TRANSITION

Upon Authority direction, the Contractor shall support a 120-day period to transition operations from the Contractor's Pay By Mail system to a succeeding PBM system. During this 120-day period the Contractor must provide maintenance and operations services and transition support to ensure that there is business continuity and no negative effects to customers and customer service during the transition. Payment for the 120-day transition period shall be in the lump sum amount of \$20,000 in addition to the agreed upon compensation for transaction processing and revenue collection activities. This payment is full compensation for all labor, materials, equipment, supplies, and incidentals necessary to provide the transition services.

Upon request by the Executive Director of the Authority or their designee, the Contractor shall develop a transition plan to be implemented upon termination of this Agreement with the Contractor for any reason or upon the release of any subcontractor to ensure a smooth, efficient, and uninterrupted transition to any successor contractor or subcontractor. The plan shall anticipate the steps necessary to transfer documents, computerized data, plans, work tasks, etc. in possession of or to be provided by the Contractor or its subcontractor(s), as the case may be, and include a schedule of events necessary to complete the transition. The plan should include, but not be limited to, a list of original documents/data being held on behalf of the Authority by the Contractor or its subcontractors; the manner and form in which information is being held; accessibility to the information; the Contractor's records retention policy and/or plan; and strategy to minimize disruption of Services in the event of the release of a subcontractor.

A copy of the plan shall be given to the Executive Director or their designee for review and approval within 180 days of Go-Live and shall be updated as necessary to reflect any changes in Contractor activity. IF

necessary, the final transition plan shall be provided within thirty (30) days of receipt of the Executive Director's request.

The Authority and the Contractor may, at the discretion of the Authority, negotiate a different price for this item at the time of transition based on the actual scope and duration of transition activities. The Authority may also choose to transition away from Contractor's system without the support of the Contractor. In this case, no transition payment shall be made.

ATTACHMENT A—INTERFACE CONTROL DOCUMENT

This attachment contains the Interface Control Document between the Authority's Host computer (part of their roadside system) and the incumbent Pay By Mail contractor.

ATTACHMENT B—MOBILITY AUTHORITY BUSINESS RULES

This attachment contains the business rules to which the Mobility Authority operates.

Appendix B – Key Performance Indicators/Service Level Agreements

KEY PERFORMANCE INDICATORS

Table B-1: Key Performance Indicators - Accessibility

| Accessibility Category | Performance Measure | Description |
|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Abandoned calls | Maximum 5% | The caller hangs up or ends the call before speaking with a CSR. |
| Average hold time | Maximum 90 seconds | The average time between customer requesting a CSR to connection to CSR. |
| Average Speed of Answer | Maximum 30 seconds; <30 seconds | The average time for line to be answered (either by the IVR or a CSR) from completion of dialing. |
| Trunk Utilization | 1% Maximum | Maximum percent of time phone trunks are at capacity. |
| Percent of calls placed on hold | Maximum 2% | Customer placed on hold for any reason during call with CSR. |
| Hold or queue time | Maximum 60 seconds | CSR places customer on hold for any reason during call. |
| Percent of calls escalated | Maximum 1% | Initial CSR must pass customer to someone else for resolution (as a percent of total call volume). |
| Respond to email inquiries | 100% within 2 days from time of system auto response | Complete, accurate responses to customer email inquiries. |
| Respond to written inquiries | 98% in 2 days; 100% in 4 days of stamped receipt | Complete, accurate responses to customer written inquiries. |
| Respond to telephone inquiries or complaints | 98% w/in 1 day 100% w/in 2 days | Complete, accurate response to customer messages left via telephone. |
| Customer requests correspondence, customer brochures, and others (receipts, statements) | Minimum of 85% processed within 48 hours of receipt Remainder (100%) processed within 72 hours of receipt Minimum accuracy rate of 99.5% | Time to complete fulfillment of customer requests |

Table B-2: Key Performance Indicators - Quality

| Quality Category | Performance Measure | Description |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Correspondence Accuracy / Quality | Data entry minimum 99.5% Quality monitoring 83% - 93.9% Quality assurance score of 98% Quality score of 94% | Measures the accuracy of data input to minimize errors, rework, and complaints |

Pay By Mail, Violations Processing, Collections, and Customer Services

| Quality Category | Performance Measure | Description |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Incidence of customer service complaints | Not more than 2 per 1,000 of all customer correspondence | This number or percentage of customer complaints compared to a set number of total customer contacts. |
| Percent of calls monitored | Minimum 2% for experienced CSRs Minimum of 5% for inexperienced CSRs (6 months or less on job) | The percent of calls that are monitored by supervisor or training personnel to ensure customer service representatives (CSRs) are providing professional, knowledgeable, and polite service. |
| Customer satisfaction | 95.5% | Acceptable score on after-call survey (to be defined in design). |

Table B-3: Key Performance Indicators – System Availability

| System Availability Category | Performance Measure | Description |
|--------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------|
| CSC / BOS System Availability | 98% uptime | System is operational and properly processing transactions, reporting and supporting customer self-service activities. |
| Website Accessibility | 99.5% uptime | All functions of website fully available 99% of the time, excluding Agency-approved maintenance windows. |

Table B-4: Key Performance Indicators – Image Processing (Optional service to be executed at the direction of the Authority)

| Image Processing Category | Performance Measure | Description |
|----------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Image Processing Accuracy | 99.5% | Percentage of transactions that have correct license plate number and jurisdiction indicated. Note: this measure excludes transactions which have no associated images in which the license plate number and jurisdiction can be accurately determined by the human eye. |
| Image Processing Response | 72 hours | The amount of time Contractor is allocated to process transaction images and return the required license plate state and jurisdiction data to the Authority. This time period begins when the transaction is made available to the Contractor and ends when the Contractor has made the results available to the Authority. |

Pay By Mail, Violations Processing, Collections, and Customer Services

Table B-5: Key Performance Indicators – Collection Performance

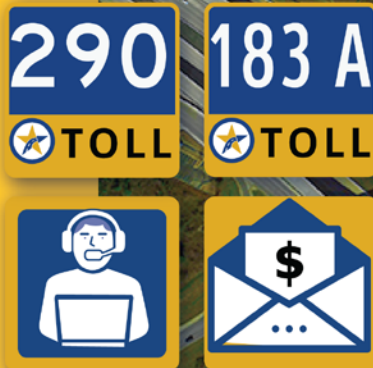
| Collections Category | Performance Measure | Description |
|----------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Collection Rate | 95% | Percentage of toll transactions received by the Contractor that result in full payment of the toll, including automatic payment to prepaid plate-based accounts, payment of toll bills, violation notices, and collections activities. |

Appendix C— Contractor Compensation Schedule



CENTRAL TEXAS
Regional Mobility Authority

COPY 1 OF 5



PAY BY MAIL, VIOLATIONS PROCESSING, COLLECTIONS, AND CUSTOMER SERVICES

Submitted By:
COFIROUTE USA
OCTOBER 27, 2017



COST PROPOSAL
VOLUME 3

COVER LETTER

COVER LETTER

October 27, 2017

Central Texas Regional Mobility Authority
Attn: Tracie Brown
3300 N. IH-35, Suite 300
Austin, TX 78705

Re: Pay By Mail, Violation Processing, Collections, and Customer Services

Dear Ms. Brown,

Cofiroute USA (Cofiroute) is pleased to submit our response to the CTRMA & NET RMA Pay By Mail, Violations Processing, Collections, and Customer Services Request for Proposal. In selecting the Cofiroute Team, CTRMA & NET RMA will gain a partner with an outstanding 22 year history as a tolling and express lanes operator, specializing in the management, design, implementation, integration, operation and maintenance of express lane systems.

The Cofiroute Team was assembled by design to address the requirements of your Pay By Mail, Violations Processing, Collections, and Customer Service Request for Proposal. This team incorporates Cofiroute's sister company, TollPlus, to jointly provide the Authorities with a Back Office System configured specifically to fulfill your requirements; the incorporation of the BancPass solution, allowing us to provide the Authorities with an innovative mobile payment methodology which offers more convenient payment options for your traveling patrons; and the services of Global Agility to answer your optional Image Review processing needs. With these services included in our solution, Cofiroute brings CTRMA & NET RMA a team that possesses A) the tools necessary to manage and support complex multi-agency systems such as yours, B) extensive experience using these tools to accomplish developmental and operational goals on similar projects, and C) a thorough understanding and experienced team to successfully achieve your requirements.

By choosing our proposed team and solution, CTRMA & NET RMA will gain:

- A versatile team experienced in **implementing** like systems and services for 22 years, including toll facilities management, operation and maintenance; toll and ITS systems design and integration of toll revenue collection systems; customer service and violation enforcement; and marketing and customer relationship management
- A global and financially sound organization with a **demonstrated track record of strong performance**, delivering projects that meet KPIs on schedule and on budget
- An **operations partner** focused on open communications and providing swift, responsive problem resolution

- An operational initiative to **increase payment rates earlier in the process**, reducing costs and improving overall customer experience
- Broad **interoperability** and **transaction reconciliation** experience
- Proven experience in managing complex **multi-agency** revenue collection systems
- A history of operational stability with extensive **staffing expertise**
- A team dedicated to a **collaborative approach** to partnership with CTRMA & NET RMA, and to creating long-term operational efficiency for the Authorities

Why the Cofiroute Team

The Cofiroute Team understands the importance of providing CTRMA & NET RMA with a lasting partnership that will achieve your goals for Pay-By-Mail services, violations processing, collections, and customer services. Our goal in this partnership will be to deliver to CTRMA & NET RMA an accurate, efficient system that will streamline your communications, collect revenue on your behalf, and serve as an extension of the Authorities.

Our Point of Contact for the RFP is:

Tawnya Clark
Chief Commercial Officer
Cofiroute USA
200 Spectrum Center Drive, Suite 1650
Irvine, California 92618
Phone: 949.943.8503 - Cell: 760.214.3715
Email: tclark@cofirouteusa.com

Cofiroute appreciates this opportunity to present our proposal to CTRMA & NET RMA and looks forward to the opportunity to deliver our solution. Should you have any questions or clarifications regarding our submittal, please do not hesitate to reach out to us.

Regards,



Tawnya Clark
Chief Commercial Officer

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COST PROPOSAL
VOLUME 3

ATTACHMENT C,
SCHEDULE 2

3.3 COST PROPOSAL REQUIREMENTS (VOLUME NO. 3)

ATTACHMENT C, SCHEDULE 2

**Attachment C - Schedule 2 - Pay By Mail Pricing (BASE CONTRACT)
REVISED 06-08-17**

| Pay Item | Description of Item | Unit | Volume ² (per month) | Unit Price | | % of Toll Collected | |
|----------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------|--------------------------|----------------------------|------------------------|
| | | | | Proposed Price (USD) | Maximum Allowed (USD) | Proposed Percentage (%) | Maximum Allowed (%) |
| 1 | Transactions Paid from Pre-paid Balance (plate-based Account) | Transaction | 0-150,000 | \$ 0.81 | | 0% | |
| | | | 150,001-300,000 | \$ 0.42 | | 0% | |
| | | | >300,000 | \$ 0.29 | | 0% | |
| 2 | Paid First Video Bill (paid prior to issuance of 1st Notice of Non-Payment) | One Paid Bill (30 days of transactions except for initial video bill - see Business Rules 85 and 86) | 0-50,000 | \$ 1.00 | \$ 1.00 | 20% | 20% |
| | | | 50,001-75,000 | \$ 1.00 | \$ 1.00 | 20% | 20% |
| | | | > 75,000 | \$ 1.00 | \$ 1.00 | 12% | 20% |
| 3 | Paid 1st Notice of Non-Payment (paid prior to issuance of Violation Notice) | One Paid Bill (30 days of transactions except for initial video bill - see Business Rules 85 and 86) | 0-20,000 | \$ 5.19 | | 15% | 15% |
| | | | 20,001-40,000 | \$ 4.35 | | 14% | 15% |
| | | | > 40,000 | \$ 3.07 | | 13% | 15% |
| 4 | Paid Violation Notice | One Paid Bill (30 days of transactions except for initial video bill - see Business Rules 85 and 86) | 0-10,000 | \$ 6.91 | | 10% | 10% |
| | | | 10,001-20,000 | \$ 6.56 | | 9% | 10% |
| | | | >20,000 | \$ 5.00 | | 8% | 10% |
| 5 | Paid in Collections | Each Transaction Paid | 0-5,000 | \$ 3.61 | | 0% | 5% |
| | | | 5,001-10,000 | \$ 3.61 | | 0% | 5% |
| | | | >10,000 | \$ 3.50 | | 0% | 5% |
| 6 | Image Review ¹ | Transaction | 0-3,000,000 | \$ 0.03 | | | |
| | | | 3,000,001-4,000,000 | \$ 0.02 | | | |
| | | | >4,000,000 | \$ 0.02 | | | |
| 7 | Court Packets | Packet | 0-50 | \$ 20.00 | | | |
| | | | 51-150 | \$ 20.00 | | | |
| | | | >150 | \$ 17.00 | | | |
| 8 | Legal Support (Liaisons) | Per Liaison (per month) | As needed | \$ 16,360.00 | | | |

NOTES:

A - Proposers should not make any changes to the format or structure of the spreadsheet.

B - Proposers are to fill in all green-shaded cells. Zero is an acceptable entry.

C - Each set of transactions on a bill or notice shall age together.

D - The Contractor shall only be paid for one of the pay items for each set of transactions. That is, once a set of transactions moves from the toll bill to the 1st Notice of Non-Payment, the unit prices in rows 21-23 are used to determine payment. The unit prices in rows 13-15 no longer apply to this set of transactions. Transactions shall only be charged once, according to the phase in which the transaction was paid.

E - ²The unit price shall be determined by the unit price listed next to the total number of units that occurred in the calendar month.

F - The prices above should include all costs for performance of all aspects of the Scope of Services, except Section 2.6 (Image Processing) and any costs associated with performing any required data migration.

G - ¹Image Processing (Review) is an optional service. The cost of reviewing all images associated with one transaction, including non-revenue transactions.

H - Data Migration will be treated as a negotiated change to the contract.

I - Court packet pricing will only apply when an Authority does not need the services of Court Liaisons but only needs the packages prepared.

J - Legal Support pricing should include all costs of the Liaisons, any support staff necessary, and the preparation of the court packages and all other functions necessary for the legal support.

Appendix D — Contractor Labor Rate Schedule

| Staff Position/Classification | Loaded Hourly Rate (2018) |
|-------------------------------|------------------------------|
| Database Administrator | \$ 89.29 |
| Manager, QA/QC | \$ 111.47 |
| QA/QC | \$ 54.60 |
| Network Administrator | \$ 77.22 |
| Project Manager | \$ 163.65 |
| Software Architect | \$ 134.47 |
| Software Development Engineer | \$ 118.29 |
| Software Development Manager | \$ 139.15 |
| Software Programmer I | \$ 68.96 |
| Software Programmer II | \$ 62.06 |
| System Administrator | \$ 78.47 |
| System Analyst | \$ 82.34 |
| Technology Manager | \$ 124.13 |
| Training Manager | \$ 83.27 |
| CSC Manager / Supervisor | \$ 67.24 |
| Finance Manager | \$ 116.33 |
| Finance Clerk | \$ 38.77 |

Appendix E— Key Personnel

Key Personnel

- David Hartt, Project Principal
- Gabriel Valdez, Project Manage
- Julie Adamson, Quality Assurance Manage
- Dave Galzote, Back Office System Implementation Project Manager
- Hareesh Kakarla, Software Technical Maintenance Manager
- Sarath Gosipathala, Software Development

Appendix F— RFP Response

[Currently unavailable]

Appendix G— List of Acronyms/Terms

| Term | Definition |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Authority | Central Texas Regional Toll Mobility Authority (CTRMA) |
| ATC | Alternative Technical Concept |
| AVI | Automatic Vehicle Identification is the radio frequency system that identifies vehicles using transponders as they pass fixed antennas or readers to automatically charge the toll to the Customer. |
| BOPP | Business Opportunity Program and Policy |
| BOS | Back Office System is the toll processing system that contains the Host, Image Review, Customer Service and Violations Processing subsystems. |
| Business Rules | Rules that define the business and are intended to assert business structure to control the behavior of the business. |
| Contractor | The prime contractor resulting from this Request for Proposal |
| CRM | Customer Relationship Management |
| CSC | Customer Service Center |
| CSR | Customer Service Representative is a person that interacts with Mobility Authority Customers on its behalf. |
| DBE | Disadvantaged Business Enterprises |
| Deliverables | Documents provided by the Contractor as part of the agreed to contract terms. |
| DMV | Department of Motor Vehicles is the Texas state agency that provides vehicle registration information to the Mobility Authority. |
| ETC | Electronic Toll Collection is a means of toll revenue collection which uses AVI technology to automatically charge the toll to the Customer. |
| FIFO | First in, First Out describes the order in which payments are applied to outstanding transactions. |
| GAAP | Generally Accepted Accounting Principles |
| ICD | Interface Control Document describes the technology, format, frequency, and processing requirements for data exchanged between systems. |
| IFRS | International Financial Reporting Standards |
| IOP | Interoperability |
| ISMS | Information Security Management System |
| ISO | International Organization for Standardization |
| KPI | Key Performance Indicator |
| Notice | Violation notification document provided to the roadway violators |
| OCR | Optical Character Recognition |
| PBM | Pay By Mail |

| | |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PCI-DSS | Payment Card Industry Data Security Standard |
| Proposal | A Proposer's response to this RFP |
| Proposer | Any of the pre-qualified firms submitting a proposal |
| RFP | Request for Proposal |
| SOC | Service Organization Control |
| SLA | Service Level Agreement |
| Transaction | An event that occurs when a vehicle travels through a tolling location where the event may or may not be associated with a transponder read. Refers to both a transponder or Video transaction. |
| Transponder | A device placed on or within a motor vehicle that capable of transmitting or receiving information used to assess or collect tolls that results in recognizable vehicle identification for tolling purposes. |
| SSAE | Statement on Standards for Attestation Engagements |
| Violation | A video transaction that does not match to a Transponder account and remains unpaid after initial invoicing. |
| VTR | Vehicle Titles & Registration, a division of the Texas Department of Transportation |

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

RESOLUTION NO. 18-006

**RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY RIGHTS
BY AGREEMENT OR CONDEMNATION OF CERTAIN PROPERTY IN
TRAVIS COUNTY FOR THE 183 SOUTH / BERGSTROM EXPRESSWAY
PROJECT (PARCEL E18F)**

WHEREAS, pursuant to and under the authority of Subchapter E, Chapter 370, Texas Transportation Code and other applicable law, the Central Texas Regional Mobility Authority ("Mobility Authority") hereby finds and determines that to promote the public safety, to facilitate the safety and movement of traffic, and to preserve the financial investment of the public in its roadways and the roadways of the State of Texas, the public convenience and necessity require acquisition of a utility easement, as that utility easement is described by metes and bounds in Exhibit A to this Resolution (the "Property"), owned by DepTech Properties, LLC, a Texas Limited Liability Company (the "Owner"), located at 3401 Ed Bluestein, Austin, Texas 78721 at the corner of Hudson Road in Travis County, Texas for the construction, reconstruction, maintaining, widening, straightening, lengthening, and operating of the US 183 South / Bergstrom Expressway Project (the "Project"), as a part of the improvements to the Project; and

WHEREAS, an independent, professional appraisal report of the Property has been submitted to the Mobility Authority or its agent, and an amount has been established to be just compensation for the property rights to be acquired; and

WHEREAS, the Executive Director of the Mobility Authority, through agents employed or contracted with the Mobility Authority, has transmitted an official written offer to the Owner, based on the amount determined to be just compensation, and has entered into good faith negotiations with the Owner of the Property to acquire the Property; and

WHEREAS, as of the date of this Resolution, the Executive Director and the Owner have failed to agree on the amount determined to be just compensation due to said Owner for the Property; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that the Executive Director is specifically authorized to negotiate and execute, if possible, an agreement to acquire the Property for consideration in an amount that does not exceed the official written offer previously transmitted to the Owner; and

BE IT FURTHER RESOLVED that the Executive Director is authorized and directed to negotiate an agreement to acquire the Property and all leasehold interests in the Property by agreement, subject to approval of the agreement and acquisition price by the Board of Directors; and

BE IT FURTHER RESOLVED that at such time as the Executive Director concludes that further negotiations with Owner to acquire the Property by agreement would be futile, the Executive Director or his designee is hereby authorized and directed to file or cause to be filed a suit in eminent domain to acquire the Property for the aforesaid purposes against the Owner and the owners of any interest in, and the holders of any lien secured by, the Property described in the attached Exhibit A; and

BE IT FURTHER RESOLVED that the Executive Director or his designee is hereby authorized and directed to incur such expenses and to employ such experts as he shall deem necessary to assist in the prosecution of such suit in eminent domain, including, but not limited to, appraisers, engineers, and land use planners.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 28th day of February 2018.

Submitted and reviewed by:



Geoff Petrov, General Counsel

Approved:



Ray A. Wilkerson, Chairman

Exhibit A

Field Notes for Parcel 18F Water Line Easement

BEING 0.149 OF ONE ACRE (6,476 S.F.) OF LAND, MORE OR LESS, OUT OF AND A PART OF THE JESSE C. TANNEHILL SURVEY No. 29, ABSTRACT No. 22 IN TRAVIS COUNTY, TEXAS, SAME BEING A PORTION OF LOT 2, TIEMANN AND RYMER SUBDIVISION, RECORDED IN BOOK 57, PAGE 27 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS CONVEYED TO DEPTECH PROPERTIES, LLC BY GENERAL WARRANTY DEED WITH VENDOR'S LIEN EXECUTED ON NOVEMBER 17, 2011 AND FILED FOR RECORD ON NOVEMBER 17, 2011, AND RECORDED IN DOCUMENT 2011168839 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 0.149 OF ONE ACRE (6,476 S.F.) OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS AND AS SHOWN ON THE ATTACHED SKETCH:

BEGINNING at a TxDOT Type III monument found in the easterly right-of-way line of US Highway 183 (known locally as Ed Bluestein Boulevard - R.O.W. varies), same being in the northeasterly line of said Lot 2 and in a southwesterly line of Lot 1A-B of Resubdivision Plat of Lot 1A, Resubdivision Plat of Lot 1, Motorola Inc. Ed Bluestein Facility recorded in Document 200900045 of the Official Public Records of Travis County, Texas, for the Point of Beginning and the most northerly corner of the herein described tract of land, having grid coordinate (Texas State Plane, Central Zone, NAD 83(HARN) U.S. Feet, Surface Adjustment Factor of 1.00011) values of N=10071927.46 and E=3137580.77;

1. THENCE, South 63°23'41" East, a distance of 290.19 feet, leaving the easterly right-of-way line of US Highway 183, with the northeasterly line of said Lot 2 and a southwesterly line of said Lot 1A-B, to a calculated point at the most easterly corner of said Lot 2, same being an internal corner of said Lot 1A-B, for the most easterly corner of the herein described tract of land;

2. THENCE, South 32°33'31" West, with the southeasterly line of said Lot 2 and a northwesterly line of said Lot 1A-B, at a distance of 318.63 feet passing a calculated point at a southwesterly corner of said Lot 1A-B and at a northwesterly corner of Lot 2A, Resubdivision of Lot 1, Motorola, Inc. Ed Bluestein Facility recorded in Document 200600304 of the Official Public Records of Travis County, Texas, from which a 5/8 inch iron rod with cap stamped Baker Aiklen found bears South 57°31'22" East, a distance of 0.11 feet, continuing with a westerly line of said Lot 2A, in all a distance of 369.07 feet to a calculated point in the northeasterly right-of-way line of Hudson Road (R.O.W. varies) at the most southerly corner of said Lot 2, for the most southerly corner of the herein described tract of land, from which a Mag nail found at a corner in the northeasterly right-of-way line of Hudson Road and in a westerly line of said Lot 2A bears South 32°33'31" West, a distance of 5.00 feet;

3. THENCE, North 59°35'05" West, a distance of 10.01 feet, leaving a westerly line of said Lot 2A, with a northeasterly right-of-way line of Hudson Road and a southwesterly line of said Lot 2, to a calculated point for a southwesterly corner of the herein described tract of land, from which a TxDOT Type II monument found in the easterly right-of-way line of US Highway 183 bears North 59°35'05" West, a distance of 123.58 feet, North 12°18'31" West, a distance of 111.08 feet and North 11°08'12" East, a distance of 53.95 feet;

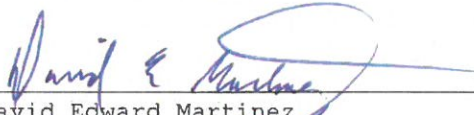
Exhibit "A"

4. THENCE, North 32°33'31" East, a distance of 358.35 feet, leaving the northeasterly right-of-way line of Hudson Road and a southwesterly line of said Lot 2 and crossing said Lot 2, to a calculated point for a corner;

5. THENCE, North 63°23'41" West, a distance of 277.52 feet, to a calculated point in the easterly right-of-way line of US Highway 183, for the most westerly corner of the herein described tract of land, from which a TxDOT Type II monument found in the easterly right-of-way line of US Highway 183 bears South 17°41'45" West, a distance of 212.34 feet;

6. THENCE, North 17°41'45" East, a distance of 10.12 feet, with the easterly right-of-way line of US Highway 183, to the Point of Beginning and containing an area of 0.149 of one acre (6,476 s.f.) of land, more or less.

I hereby declare that this survey was made on the ground, under my supervision, and that it substantially complies with the current Texas Society of Professional Surveyors standards.


David Edward Martinez
Registered Professional Land Surveyor 5434

01/19/18
Date



MWM DesignGroup
305 East Huntland Drive, Suite 200
Austin, Texas, 78752 (512) 453-0767
TBPLS Firm Registration No. 10065600

Bearing Basis: The bearings described herein are Texas State Plane, Central Zone, NAD 83(Harn), U.S. Feet. For surface coordinates multiply grid coordinates by the Surface Adjustment Factor of 1.00011. The reference points for this project are MWM control point 112, a cotton spindle in the centerline of sidewalk on the east side of Springdale Road approximately 85' east of Rockhurst Lane, having surface coordinate values of N=10088638.55, E=3138681.05 and MWM control point 141, a cotton gin spindle on the south side of Smith Road, approximately 920 feet east of U. S. Highway 183 centerline, at the 90 degree bend, having surface coordinate values of N= 10068786.90, E= 3136881.27, having a grid bearing of South 05°10'49" West and a surface distance of 19,933.07 feet.

TCAD No. : 0207260302
City Grid: M22

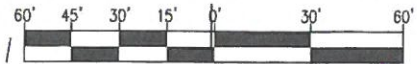
FIELD NOTES REVIEWED

By: _____

Date: _____

Signed: _____

Austin Water Utility



GRAPHIC SCALE

REPLACEMENT ELECTRIC DISTRIBUTION UTILITY EASEMENT DOC. 2008118876 OPRCT
 ACCESS EASEMENT DOC. 2008198689 OPRCT

20' WATERLINE EASEMENT DOC. 2007170074 OPRCT

POINT OF BEGINNING
 N=10071927.46
 E=3137580.77
 (GRID COORDINATES)

WATER LINE EASEMENT DOC. 2006158127 OPRCT

RESUBDIVISION PLAT OF LOT 1A,
 RESUBDIVISION PLAT OF LOT 1,
 MOTOROLA INC. / ED BLUESTEIN FACILITY
 DOC. 200900045 OPRCT

US HIGHWAY 183
 (R.O.W. VARIES)

15' WATERLINE EASEMENT VOL. 11374, PG. 1 RPRTCT

S63°23'41"E 290.19' (N63°23'55"W 290.11')

N17°41'45"E N63°23'41"W 277.52'

S17°41'45"W 212.34'
 S17°41'45"W 222.46'

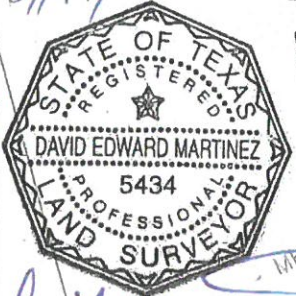
5' ELECTRIC AND TELEPHONE EASEMENT VOL. 4955, PG. 1813 DRTCT

18F WATER LINE EASEMENT
 0.149 AC
 (6,476 S.F.)

LOT 1A-B

JAMES BURLESON SURVEY NO. 19
 ABSTRACT NO. 4

01/14/18



David E. Martinez

TITLE REPORT REFERENCE:
 CHICAGO TITLE INSURANCE OF TEXAS
 1501 S. MOPAC EXPY #130
 AUSTIN, TEXAS 78746
 REF: CTA1403406

THIS SKETCH ACCOMPANIES
 A METES AND BOUNDS
 DESCRIPTION OF EQUAL DATE.

LEGEND:

- TXDOT TYPE II MONUMENT FOUND
- ▲ TXDOT TYPE III MONUMENT FOUND
- IRCF 1/2" IRON ROD W/CAP STAMPED BAKER AIKLEN FOUND
- ▲ MAG NAIL FOUND
- () CALCULATED POINT
- () INDICATES RECORD DATA
- PRCT PLAT RECORDS OF TRAVIS COUNTY, TEXAS
- RPRTCT DEED RECORDS OF TRAVIS COUNTY, TEXAS
- OPRPTCT OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

▨ AREA OF EASEMENT

ALL BEARINGS ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, NAD83(HARN). ALL DISTANCES SHOWN HEREON ARE ADJUSTED TO SURFACE USING A SURFACE ADJUSTMENT FACTOR OF 1.00011. UNITS: U.S. FEET.

TIEMANN AND RYMER SUBDIVISION VOL. 57, PG. 27 PRCT

10' ELECTRIC AND TELEPHONE EASEMENT VOL. 7022, PG. 1301 DRTCT LICENSE AGREEMENT DOC. 2008131091 OPRCT

DEPTECH PROPERTIES, LLC
 DOC. 201168839 OPRCT

J.C. TANNEHILL SURVEY NO. 29
 ABSTRACT NO. 22

N11°08'12"E 53.95'

N12°18'31"W 111.08'

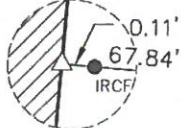
SEE DETAIL A

N59°35'05"W 10.01'

N59°35'05"W 123.58'

N59°35'05"W 133.59'

HUDSON RD. S32°33'31"W 5.00'
 (R.O.W. VARIES)



DETAIL A
 NTS

N32°33'31"E 358.35'
 S32°33'31"W 369.07'
 (N32°33'17"E 318.53')

APPROXIMATE SURVEY LINE

3443 ZEN GARDEN LIMITED PARTNERSHIP
 DOC. 2016189772 OPRCT

(S57°26'43"E) (68.00')

S57°31'22"E 67.95'

N32°33'31"E 55.44'

(N32°33'17"E) (55.44')

RESUBDIVISION OF LOT 1,
 ED BLUESTEIN FACILITY
 DOC. 200600304 OPRCT

HPI ENTERPRISES SERVICES, LLC
 DOC. 2016005768 OPRCT



305 East Huntland Drive
 Suite 200
 Austin, Texas 78752
 p: 512.453.0767
 f: 512.453.1734

TBAE 1452
 TBPE F-1416
 TBPLS 10065600

SKETCH TO ACCOMPANY
 FIELD NOTES

TRAVIS COUNTY, TEXAS

DATE: 18 JAN 19
 JOB NO: 658-01
 FILE: 18F_WE.DWG

Parcel E18F – DepTech Properties LLC



Red: Approximate subject property boundary line
Yellow: Approximate location of proposed easement area