STRICTLY PRIVATE AND CONFIDENTIAL

HIGHWAY IMPROVEMENT GENERAL OBLIGATION BONDS

Structuring Considerations & Analysis

August 12, 2010

J.P.Morgan

Executive Summary

- As TxDOT and the State of Texas ("State") contemplates the optimal structure for the anticipated Highway Improvement General Obligation Bond ("HIGO") financings in FY2011-2014, J.P. Morgan has analyzed several alternative financing structures that could help TxDOT and the State achieve their debt management goals with favorable market acceptance and competitive borrowing costs
- The five structures analyzed by J.P. Morgan seek to achieve level debt service on the HIGO debt program, while comparing more traditional debt structures to alternative structures that minimize total interest costs and reduce near-term debt service

1a **Tax-exempt Level Debt Structure:** Level Debt structure for each of the Series 2010-2014 financings
   - A level debt structure for each series provides a stable payment schedule, however the use of tax-exempt bonds results in a higher aggregate net cost of capital than alternative structures

1b **Tax-exempt and BABs Level Debt Structure (Base Case):** Level Debt structure for each of the Series 2010-2014 financings
   - Despite reducing the net cost of capital compared to issuing only tax-exempt bonds, using a mix of tax-exempt bonds and BABs may still result in a higher aggregate net cost of capital than the alternative structures described below

2 **Backloaded Debt Structure:** Backloaded debt issues in 2010 and 2012, with accelerated repayment of higher cost tax-exempt SIB debt in 2011 to mimic a debt structure similar to the Base Case after the issuance of the initial $3 billion of HIGO debt
   - By backloading debt in 2010 and 2012, the State can take advantage of current low interest rates and protect against rising rates in the future
   - Compared to the Base Case, a backloaded structure provides significant upfront savings from 2011-2015 by deferring principal payments during these years on the Series 2010-2012 issues
   - Due to the savings associated with backloading low-cost debt, deferring principal amortization in 2011-2015 where the State's debt service capacity may be constrained does not significantly increase the total interest cost of the HIGO program

3 **Partial Backloaded and Wrapped Debt Structure**: By deferring the amortization of the lowest cost debt issued in 2010 and 2012 and wrapping subsequent issues, the State could achieve an overall level debt service structure after the issuance of the first $3 billion and maintain level payments from 2016 through final maturity
   - Similar to the backloaded structure in Scenario 2 above, some or all principal could also be deferred in the early years to mitigate near-term fiscal pressure, while still providing lower aggregate maximum annual debt service relative to the base case despite higher total interest payments

4 **Program Backloaded and Wrapped Debt Structure:** Structuring the entire $5 billion HIGO program to achieve an overall level debt service profile would involve backloading lower cost debt to the maximum extent possible while accelerating the amortization of later issues
   - A program backloaded and wrapped structure provides the highest upfront savings by deferring principal payments in all series until after 2015 while maintaining level debt service payments through 2044

Key Assumptions and Considerations for HIGO Bonds

Assumptions

- HIGO Bonds are assumed to be issued on the following schedule:
  - September 2010 - $1 billion
  - February 2011 - $1 billion (*Tax-Exempt SIB Financing*)
  - April 2012 - $1 billion
  - April 2013 - $1 billion
  - April 2014 - $1 billion
- Each HIGO issue is subject to a 30-year limit on the final maturity from the date of issue, as established in the statute
- Tax-exempt bonds assume a 10-year par call while BABs assume a make-whole call
- Federal BAB subsidy rate declines from 35% in 2010 to 32% in 2011, 30% in 2012 and then terminates in 2013 as currently contemplated under the latest proposed legislation in Congress
- Benchmark rate increases of 50 bps in 2011, 75 bps in 2012, and 100 bps in 2013 and 2014 relative to current interest rate levels

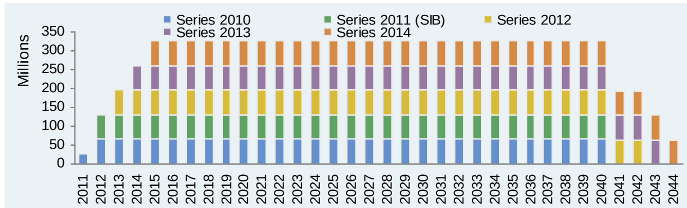
Considerations

- BAB subsidy risk
  - Authorization for BAB issuance under the 2009 ARRA legislation is scheduled to expire at the end of 2010
  - While officials in Washington support a BABs program renewal, the most recent House bill contemplates lower subsidy rates for BAB issuance in 2011 and 2012
  - The federal government's treatment of the BAB subsidy is not guaranteed over the life of the Bonds
  - Issuing more long-dated BABs today ensures that the State is able to take full advantage of this low cost financing alternative before the opportunity for interest cost savings are reduced or eliminated
- Interest rate risk
  - Long-term interest rates are currently at historically low levels
  - While the consensus view on Wall Street is that interest rates will rise over the next year, which would increase the net cost of capital for the HIGO debt program, J.P. Morgan cannot guarantee that rates will change
- Near-term debt service requirements
  - Strategically deferring principal amortization on one or more issue(s) can create near-term financial flexibility, over the long term this will create higher debt service requirements

1a **Tax-Exempt Level Debt:** A level debt structure for each series of HIGO financings would provide a debt service profile similar to other GO financings by the State

- **Pros:** Shortest amortization schedule **|** Stable payment schedule **|** Structure is not reliant on amortization of future issues
- **Cons:** Higher net cost of capital than level debt structure with BABs **|** Highest upfront debt service payments

Net Debt Service for HIGO Series 2010-2014 Level Debt Structures



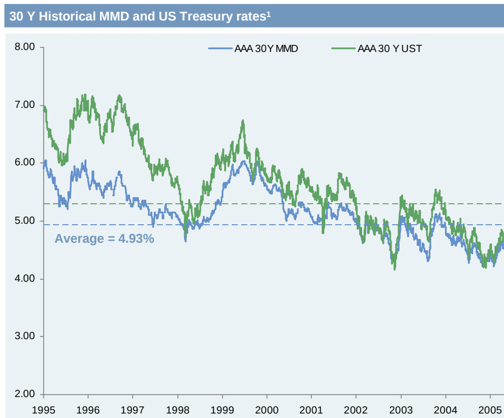
Reflects market rates as of August 3, 2010; preliminary and subject to change.

Debt Summary Statistics

	2010 Series	2011 Series (SIB)	2012 Series	2013 Series	2014 Series	Total
True Interest Cost Net of Subsidy	4.207%	4.476%	4.638%	4.835%	4.835%	4.580%
Total Tax-Exempt Par	$1,000,000,000	$1,000,000,000	$1,000,000,000	$1,000,000,000	$1,000,000,000	$5,000,000,000
Total BAB Par	$0	$0	$0	$0	$0	$0
Max Annual Gross Debt Service	$65,595,150	$65,951,250	$64,496,650	$64,496,650	$64,496,650	$325,029,550
Max Annual Net Debt Service	N/A	N/A	N/A	N/A	N/A	N/A
Avg Annual Gross Debt Service	$64,247,308	$65,948,634	$64,494,377	$64,494,377	$64,494,377	$283,659,515
Avg Annual Net Debt Service	N/A	N/A	N/A	N/A	N/A	N/A
Net Interest Paid	$927,419,243	$912,510,375	$934,831,300	$934,831,300	$934,831,300	$4,644,423,518
Average Life (years)	18.73	18.47	18.89	18.89	18.89	20.37

30 year MMD and Treasury Rates are significantly below historic averages

30 Y Historical MMD and US Treasury rates[1]

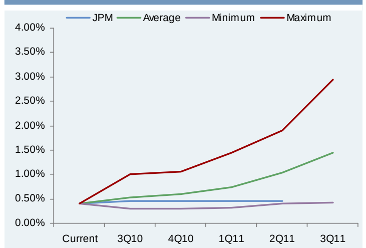


%	30 Y MMD	30 Y Treasury
Current	3.96	4.05
Average	4.93	5.29
Minimum	3.81	2.55
Maximum	6.05	7.19

Source: J.P. Morgan
[1] 30-year MMD and US treasury rates from August 3, 1995 to August 3, 2010

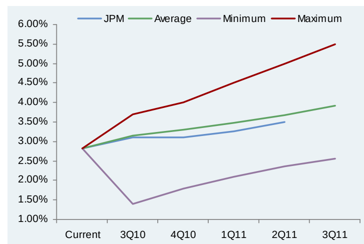
Interest rates are projected to increase over the next year

The Street's 3-Month LIBOR Forecast



Source: Bloomberg. Medians include the forecasts of 28 – 34 institutions

The Street's 10-Year Treasury Forecast



Source: Bloomberg. Medians include the forecasts of 46 – 58 institutions.

JPM Interest Rate Forecast (%)

Security	07/30/10 Current	09/30/10 Q3 10 Forecast	12/31/10 Q4 10 Forecast	03/31/11 Q1 11 Forecast	06/30/11 Q2 11 Forecast
Fed Funds Target	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25
3-Month LIBOR	0.41	0.45	0.45	0.45	0.45
3-Month T-bill	0.15	0.20	0.20	0.25	0.25
2-Year T-note	0.51	0.60	0.75	0.95	1.00
5-Year T-note	1.51	1.75	1.90	2.10	2.30
10-Year T-note	2.82	3.10	3.10	3.25	3.50
30-Year T-bond	4.00	4.20	4.20	4.20	4.40

Source: J.P. Morgan, MorganMarkets.

Issuers in almost every state in the nation have taken advantage of the interest savings provided by the Build America Bond Program

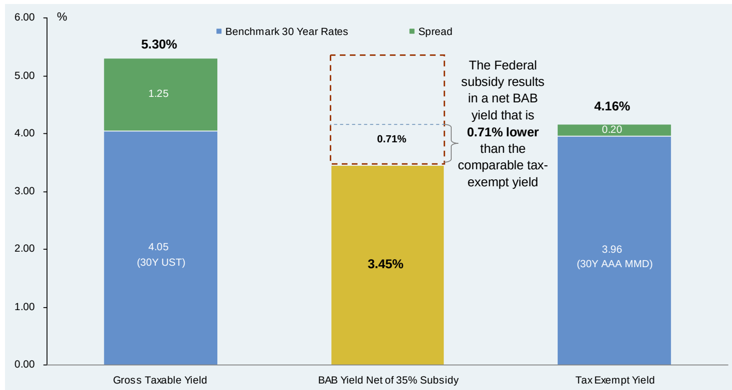
Issuance by State ($mm)

1.	CA	$25,426.7	26.	OR	$931.9
2.	NY	$13,296.2	27.	NC	$913.4
3.	TX	$9,503.6	28.	LA	$889.8
4.	IL	$8,440.1	29.	MN	$761.4
5.	WA	$4,204.9	30.	HI	$699.0
6.	FL	$3,850.1	31.	SC	$615.3
7.	NJ	$3,706.7	32.	OK	$546.1
8.	PA	$3,414.0	33.	IA	$528.3
9.	GA	$3,332.5	34.	NE	$474.9
10.	OH	$3,092.6	35.	PR	$409.6
11.	MA	$2,755.5	36.	MS	$323.3
12.	MD	$2,497.3	37.	AL	$285.4
13.	VA	$2,449.0	38.	SD	$246.9
14.	CO	$2,301.5	39.	NH	$238.9
15.	MI	$2,163.8	40.	AK	$218.6
16.	NV	$2,109.1	41.	DE	$198.2
17.	KY	$2,031.5	42.	ID	$133.2
18.	UT	$1,856.3	43.	WY	$123.6
19.	MO	$1,843.4	44.	NM	$109.9
20.	IN	$1,528.5	45.	ND	$58.1
21.	TN	$1,458.1	46.	VT	$49.8
22.	AZ	$1,443.0	47.	WV	$38.0
23.	WI	$1,341.4	48.	VI	$37.3
24.	KS	$1,131.3	49.	ME	$22.8
25.	DC	$1,131.3	50.	AR	$19.5

Source: Thomson Reuters, as of July 14, 2010

Build America Bonds provide a significant net yield advantage and interest cost savings compared to tax-exempt debt

Yield Comparison for 30-Year Series 2010 HIGO Bonds

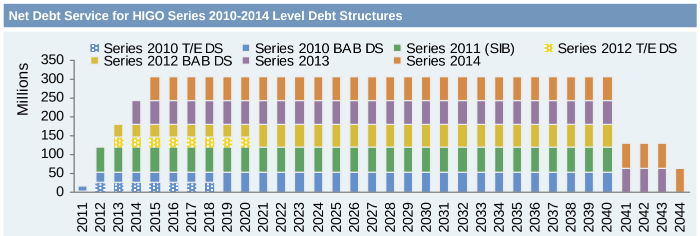


Source: J.P. Morgan; Preliminary and subject to change

1b **Tax-Exempt and BABs Level Debt (Base Case):** A mix of tax-exempts and BABs would provide the lowest net cost of capital for a level debt structure

- **Pros:** Lower cost than tax-exempt only level debt structure | Shortest amortization schedule | Stable payment schedule
- **Cons:** Higher net cost of capital and upfront debt service payments compared to alternative amortizations

Net Debt Service for HIGO Series 2010-2014 Level Debt Structures



Reflects market rates as of August 3, 2010; preliminary and subject to change. [1]Debt Service is net of assumed interest rate subsidy received annually from US Treasury.

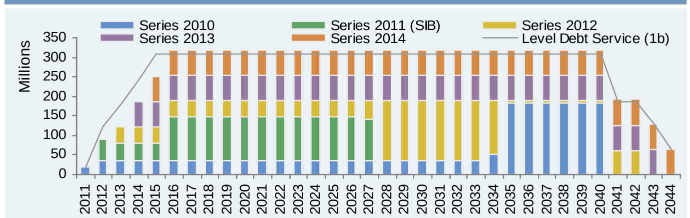
Debt Summary Statistics

	2010 Series	2011 Series (SIB)	2012 Series	2013 Series	2014 Series	Total
True Interest Cost Net of Subsidy	3.271%	4.476%	4.014%	4.865%	4.878%	4.285%
Total Tax-Exempt Par	$162,770,000	$1,000,000,000	$167,750,000	$1,000,000,000	$1,000,000,0000	$3,330,520,000
Total BAB Par	$837,230,000	$0	$832,250,000	$0	$0	$1,699,480,000
Max Annual Gross Debt Service	$69,567,663	$65,951,250	$72,938,206	$64,496,650	$64,496,650	$337,444,119
Max Annual Net Debt Service	$54,675,981	N/A	$58,484,502	N/A	N/A	$308,099,962
Avg Annual Gross Debt Service	$63,739,042	$65,948,648	$68,827,440	$64,494,377	$64,494,377	$287,034,336
Avg Annual Net Debt Service	$53,441,794	N/A	$58,482,004	N/A	N/A	$268,820,203
Net Interest Paid	$603,253,811	$912,510,375	$754,460,109	$934,831,300	$934,831,300	$4,139,886,894
Average Life (years)	17.77	18.47	18.33	18.89	18.89	20.06

Backloaded 2010 Debt: A backloaded debt structure for the 2010 financing would take advantage of current rate levels and protect against rising rates

- **Pros:** Lock-in the current 35% BAB subsidy rate on additional long dated debt | Take advantage of greater BAB interest cost savings further out the yield curve and shorter amortization of more expensive tax-exempt debt | Up-front savings | Preserve overall debt service profile that resembles level debt repayment after the issuance of $3 billion
- **Cons:** Higher overall debt service due to principal deferral | Requires shorter amortization on SIB Series 2011

Net Debt Service for HIGO Series 2010-2014 Level Debt Structure with Backloaded 2010 Issuance



Reflects market rates as of August 3, 2010; preliminary and subject to change. Debt Service is net of assumed interest rate subsidy received annually from US Treasury.

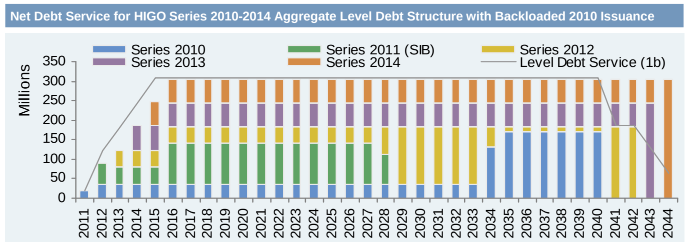
Debt Summary Statistics

	2010 Series	2011 Series (SIB)	2012 Series	2013 Series	2014 Series	Total
True Interest Cost Net of Subsidy	3.441%	3.749%	4.213%	4.865%	4.886%	4.175%
Total Tax-Exempt Par	$0	$1,000,000,000	$0	$1,000,000,000	$1,000,000,000	$3,000,000,000
Total BAB Par	$1,000,000,000	$0	$1,000,000,000	$0	$0	$2,000,000,000
Max Annual Gross Debt Service	$202,053,400	$112,154,500	$172,356,945	$64,496,650	$64,496,650	$354,299,445
Max Annual Net Debt Service	$183,865,461	N/A	$154,431,155	N/A	N/A	$317,842,855
Avg Annual Gross Debt Service	$81,092,350	$95,779,909	$74,071,704	$64,494,377	$64,494,377	$295,795,963
Avg Annual Net Debt Service	$64,376,694	N/A	$61,850,193	N/A	N/A	$270,263,169
Net Interest Paid	$931,300,826	$532,478,542	$855,505,779	$934,831,300	$934,831,300	$4,242,938,193
Average Life (years)	27.057	11.165	20.295	18.89	18.89	20.85

Partial Backloaded and Wrapped Debt: Wrapping future transactions around a backloaded 2010 financing would achieve a level debt service structure

- **Pros:** Aggregate level debt service after issuance of $3 billion | Defer principal payments to longer dated maturities | Lowest maximum annual debt service | Up-front savings | Lock-in the current 35% BAB subsidy rate on long dated debt | Shorter amortization of more expensive tax-exempt debt
- **Cons:** Higher overall debt service due to principal deferral | Concentration of amortization in each issue

Net Debt Service for HIGO Series 2010-2014 Aggregate Level Debt Structure with Backloaded 2010 Issuance



Reflects market rates as of August 3, 2010; preliminary and subject to change. Debt Service is net of assumed interest rate subsidy received annually from US Treasury.

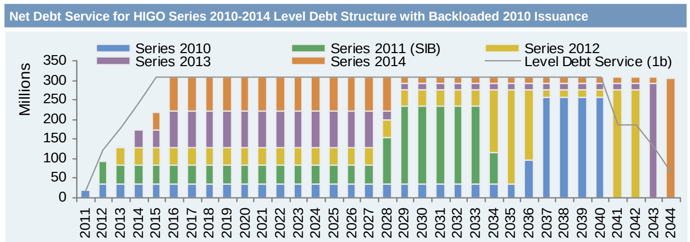
Debt Summary Statistics

	2010 Series	2011 Series (SIB)	2012 Series	2013 Series	2014 Series	Total
True Interest Cost Net of Subsidy	3.441%	3.827%	4.201%	4.933%	4.963%	4.231%
Total Tax-Exempt Par	$0	$1,000,000,000	$0	$1,000,000,000	$1,000,000,000	$3,000,000,000
Total BAB Par	$1,000,000,000	$0	$1,000,000,000	$0	$0	$2,000,000,000
Max Annual Gross Debt Service	$185,714,726	$107,205,050	$189,854,446	$245,427,000	$306,369,000	$342,896,350
Max Annual Net Debt Service	$168,994,614	N/A	$183,598,946	N/A	N/A	$306,374,470
Avg Annual Gross Debt Service	$80,588,105	$91,653,584	$78,755,889	$67,951,090	$69,122,423	$307,371,651
Avg Annual Net Debt Service	$64,048,935	N/A	$65,129,122	N/A	N/A	$280,754,648
Net Interest Paid	$921,468,050	$558,110,925	$953,873,667	$1,038,532,700	$1,073,672,700	$4,545,658,042
Average Life (years)	26.77	11.63	22.69	20.93	21.62	22.31

4 **Program Backloaded and Wrapped Debt:** A backloaded and wrapped debt structure would preserve upfront savings and protect against rising rates

- **Pros:** Additional principal deferral through 2015 **|** Take advantage of greater BAB interest cost savings further out the yield curve **|** Defer principal payments to longer dated maturities **|** Preserve aggregate level debt service profile
- **Cons:** Higher long-dated debt service costs **|** Requires shorter amortization on the SIB Series 2011 **|** Higher overall debt service due to principal deferral

Net Debt Service for HIGO Series 2010-2014 Level Debt Structure with Backloaded 2010 Issuance



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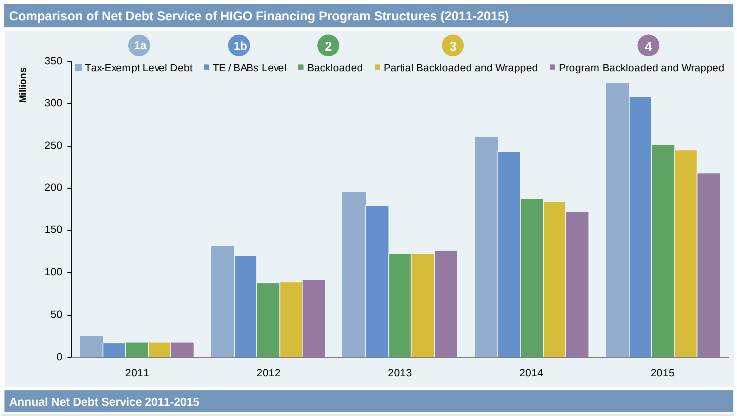
Debt Summary Statistics

	2010 Series	2011 Series (SIB)	2012 Series	2013 Series	2014 Series	Total
True Interest Cost Net of Subsidy	3.441%	4.659%	4.255%	4.496%	4.550%	4.209%
Total Tax-Exempt Par	$0	$1,000,000,000	$0	$1,000,000,000	$1,000,000,000	$3,000,000,000
Total BAB Par	$1,000,000,000	$0	$1,000,000,000	$0	$0	$2,000,000,000
Max Annual Gross Debt Service	$272,759,517	$200,574,000	$287,059,265	$291,427,500	$305,996,250	$344,382,200
Max Annual Net Debt Service	$255,352,436	N/A	$277,549,541	N/A	N/A	$307,609,910
Avg Annual Gross Debt Service	$82,602,155	$87,542,623	$86,894,605	$57,318,920	$57,637,662	$310,208,253
Avg Annual Net Debt Service	$65,358,067	N/A	$70,826,224	N/A	N/A	$280,814,898
Net Interest Paid	$960,742,019	$1,013,480,333	$1,124,786,713	$719,567,600	$729,129,850	$4,547,706,516
Average Life (years)	27.91	20.27	26.43	14.87	15.05	22.49

A backloaded structure could significantly reduce near-term debt service requirements…

Comparison of Net Debt Service of HIGO Financing Program Structures (2011-2015)



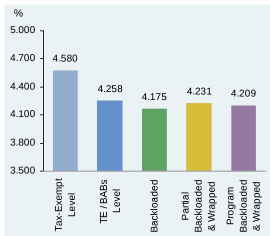
Annual Net Debt Service 2011-2015

	2011	2012	2013	2014	2015
1a **Tax-Exempt Level Debt**	25,228,193	131,540,775	196,036,700	260,528,300	325,028,650
1b **TE / BABs Level Debt**	17,714,487	120,618,956	179,103,930	243,599,430	308,097,730
2 **Backloaded Debt**	18,070,211	88,600,442	122,958,475	187,454,825	251,948,825
3 **Partial Backloaded and Wrapped Debt**	18,070,211	88,931,075	123,116,470	184,979,670	245,774,470
4 **Program Backloaded and Wrapped Debt**	18,070,211	92,752,783	126,976,510	172,780,060	218,122,560

…and could provide the lowest cost of financing and aggregate MADS

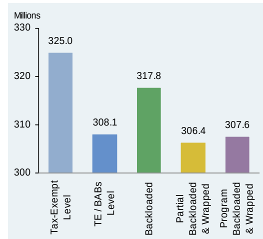
- While a level debt structure is traditionally assumed to be a lower cost approach, assuming the schedule of interest rate increases outlined on Page 2, backloaded debt structures could actually provide a lower aggregate true interest cost and aggregate maximum annual debt service requirements by protecting against rising long-term interest rates and lower Federal BAB subsidies in the future
- Despite these savings, backloaded structures do result in higher average annual debt service after 2016, though remain below a traditional tax-exempt level debt structure as a result of the savings available through the issuance of cost-saving BABs

True Interest Cost (%)



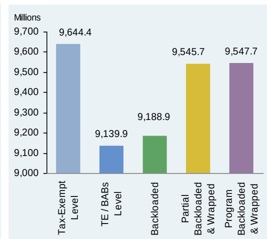
	TIC
Tax-Exempt Level Debt	4.580%
TE / BABs Level Debt	4.285%
Backloaded Debt	4.175%
Partial Backloaded and Wrapped Debt	4.231%
Program Backloaded and Wrapped Debt	4.209%

Maximum Annual Net Debt Service ($)



	Max. Annual Net DS
Tax-Exempt Level Debt	$325,029,550
TE / BABs Level Debt	$308,099,062
Backloaded Debt	$317,842,855
Partial Backloaded and Wrapped Debt	$306,374,470
Program Backloaded and Wrapped Debt	$307,609,910

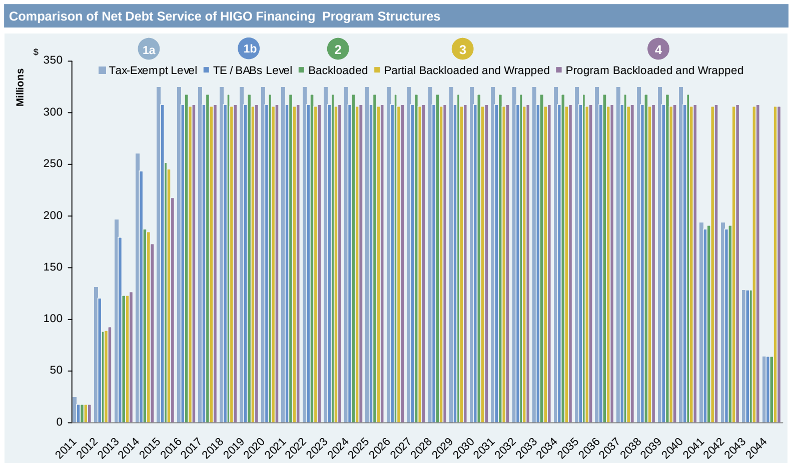
Total Net Debt Service ($)



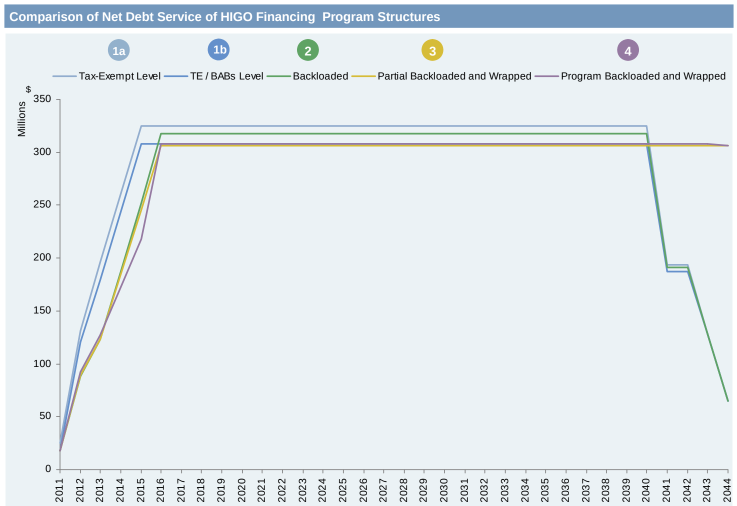
	Total Net DS
Tax-Exempt Level Debt	$9,644,423,518
TE / BABs Level Debt	$9,139,886,894
Backloaded Debt	$9,188,947,747
Partial Backloaded and Wrapped Debt	$9,545,658,042
Program Backloaded and Wrapped Debt	$9,547,706,516

Aggregate Net Debt Service Comparison

Comparison of Net Debt Service of HIGO Financing Program Structures



Aggregate Net Debt Service Comparison



Aggregate Net Debt Service Comparison

Comparison of Net Debt Service of HIGO Financing Program

Maturity	1a Tax-Exempt Level Debt Structure	1b TE / BABs Level Debt Structure	2 Backloaded Debt Structure	3 Partial Backloaded and Wrapped Debt Structure	4 Program Backloaded and Wrapped Debt Structure
4/1/2011	$ 25,228,193	$ 17,714,487	$ 18,070,211	$ 18,070,211	$ 18,070,211
4/1/2012	131,540,775	120,618,956	88,600,442	88,931,075	92,752,783
4/1/2013	196,036,700	179,103,930	122,958,475	123,116,470	126,976,510
4/1/2014	260,528,300	243,599,430	187,454,825	184,979,670	172,780,060
4/1/2015	325,028,650	308,097,730	251,948,825	245,774,470	218,122,560
4/1/2016	325,026,200	308,095,780	317,659,125	306,371,470	307,607,560
4/1/2017	325,021,900	308,093,680	317,660,425	306,371,820	307,608,010
4/1/2018	325,024,150	308,088,530	317,657,075	306,371,270	307,608,510
4/1/2019	325,025,150	308,092,530	317,656,275	306,371,070	307,606,510
4/1/2020	325,029,550	308,090,995	317,662,075	306,374,270	307,606,910
4/1/2021	325,025,300	308,096,798	317,662,275	306,369,670	307,608,510
4/1/2022	325,026,750	308,097,460	317,660,375	306,370,470	307,609,910
4/1/2023	325,024,900	308,092,654	317,661,525	306,374,470	307,609,510
4/1/2024	325,023,750	308,090,389	317,656,375	306,371,220	307,606,260
4/1/2025	325,020,250	308,083,476	317,651,125	306,371,470	307,608,260
4/1/2026	325,026,000	308,094,436	317,656,125	306,370,470	307,606,760
4/1/2027	325,029,250	308,099,115	317,663,375	306,372,970	307,606,760
4/1/2028	325,028,000	308,090,165	317,835,811	306,372,720	307,607,260
4/1/2029	325,029,500	308,099,962	317,838,875	306,371,217	307,606,510
4/1/2030	325,024,750	308,097,492	317,840,333	306,371,177	307,607,010
4/1/2031	325,024,250	308,092,984	317,834,772	306,374,235	307,605,260
4/1/2032	325,022,000	308,090,380	317,836,363	306,371,485	307,607,010
4/1/2033	325,026,250	308,096,339	317,842,855	306,373,769	307,606,760
4/1/2034	325,028,750	308,095,875	317,839,581	306,371,433	307,608,260
4/1/2035	325,020,500	308,095,588	317,836,844	306,373,184	307,605,985
4/1/2036	325,021,750	308,091,110	317,837,845	306,374,365	307,607,589
4/1/2037	325,020,500	308,087,247	317,833,148	306,372,476	307,608,672
4/1/2038	325,024,000	308,092,593	317,836,650	306,374,165	307,605,024
4/1/2039	325,022,750	308,094,434	317,836,063	306,370,004	307,609,457
4/1/2040	325,026,250	308,099,518	317,838,769	306,370,468	307,607,349
4/1/2041	193,482,000	187,468,130	191,326,134	306,369,862	307,609,486
4/1/2042	193,478,500	187,466,701	191,316,774	306,372,446	307,607,791
4/1/2043	128,987,000	128,987,000	128,987,000	306,373,500	307,605,250
4/1/2044	64,491,000	64,491,000	64,491,000	306,369,000	305,996,250
Total	**$9,644,423,518**	**$9,139,886,894**	**$9,188,947,747**	**$9,545,658,042**	**$9,547,706,516**

Aggregate Gross Debt Service Comparison

Comparison of Gross Debt Service of HIGO Financing Program

	1a	1b	2	3	4
Maturity	Tax-Exempt Level Debt Structure	TE / BABs Level Debt Structure	Backloaded Debt Structure	Partial Backloaded and Wrapped Debt Structure	Program Backloaded and Wrapped Debt Structure
4/1/2011	$ 25,228,193	$ 25,532,620	$ 27,800,325	$ 27,800,325	$ 27,800,325
4/1/2012	131,540,775	135,510,638	107,133,992	107,464,625	111,286,333
4/1/2013	196,036,700	208,450,319	159,534,100	159,638,350	163,748,800
4/1/2014	260,528,300	272,945,819	224,030,450	221,501,550	209,552,350
4/1/2015	325,028,650	337,444,119	288,524,450	282,296,350	254,894,850
4/1/2016	325,026,200	337,442,169	354,234,750	342,893,350	344,379,850
4/1/2017	325,021,900	337,440,069	354,236,050	342,893,700	344,380,300
4/1/2018	325,024,150	337,434,919	354,232,700	342,893,150	344,380,800
4/1/2019	325,025,150	337,438,919	354,231,900	342,892,950	344,378,800
4/1/2020	325,029,550	337,050,050	354,237,700	342,896,150	344,379,200
4/1/2021	325,025,300	336,648,562	354,237,900	342,891,550	344,380,800
4/1/2022	325,026,750	335,870,853	354,236,000	342,892,350	344,382,200
4/1/2023	325,024,900	335,046,279	354,237,150	342,896,350	344,381,800
4/1/2024	325,023,750	334,180,511	354,232,000	342,893,100	344,378,550
4/1/2025	325,020,250	333,263,786	354,226,750	342,893,350	344,380,550
4/1/2026	325,026,000	332,315,953	354,231,750	342,892,350	344,379,050
4/1/2027	325,029,250	331,259,974	354,239,000	342,894,850	344,379,050
4/1/2028	325,028,000	330,144,018	354,299,445	342,894,600	344,379,550
4/1/2029	325,029,500	328,947,888	352,282,786	342,354,275	344,378,800
4/1/2030	325,024,750	327,694,072	350,179,939	340,419,753	344,379,300
4/1/2031	325,024,250	326,391,268	347,981,996	338,407,800	344,377,550
4/1/2032	325,022,000	325,027,909	345,699,446	336,306,121	344,379,300
4/1/2033	325,026,250	323,621,627	343,326,186	334,122,169	344,379,050
4/1/2034	325,028,750	322,143,752	340,802,044	331,804,333	344,380,550
4/1/2035	325,020,500	320,609,541	338,165,770	329,353,672	342,204,765
4/1/2036	325,021,750	319,012,330	335,385,349	326,798,335	338,455,662
4/1/2037	325,020,500	317,354,724	332,503,410	324,151,987	334,528,532
4/1/2038	325,024,000	315,643,022	329,530,703	321,418,124	330,391,439
4/1/2039	325,022,750	313,861,941	326,451,415	318,584,260	326,120,182
4/1/2040	325,026,250	312,015,662	323,269,501	315,657,628	321,695,228
4/1/2041	193,482,000	189,461,901	193,462,620	312,629,196	317,122,265
4/1/2042	193,478,500	188,484,216	192,407,177	309,566,994	312,463,308
4/1/2043	128,987,000	128,987,000	128,987,000	306,373,500	307,605,250
4/1/2044	64,491,000	64,491,000	64,491,000	306,369,000	305,996,250
Total	**$9,644,423,518**	**$9,759,167,429**	**$10,057,062,756**	**$10,450,636,146**	**$10,547,080,590**

HIGHWAY IMPROVEMENT GENERAL OBLIGATION BONDS

TxDOT - Prop 12 (GO) Bonds
Comparison of Net Debt Service of HIGO Financing Program

Net savings comparing Structure 1b to Structure 1a
Structure 1a - All Tax-Exempt with each bond issuance having level debt service
Structure 1b - Tax-Exempt and BABs with each bond issuance having level debt service
Benefit of Including BABs vs All Tax-Exempt

	FY 2011	FY 2012	FY 2013	FY 2012-13	FY 2014	FY 2015	FY 2014-15	FY 2011	FY 2012-15	FY 2016-44	Total
Structure 1b	7,513,706	10,921,819	16,932,770	27,854,589	16,928,870	16,930,920	33,859,790	7,513,706	61,714,379	435,308,539	504,536,624

Net savings comparing other structures to Structure 1b
Structure 1b - Tax-Exempt and BABs with each bond issuance having level debt service
Other Structures - Tax-Exempt and BABs, but each bond issuance does not have level debt service, but overall bond program would
Benefit of Different Structures

	FY 2011	FY 2012	FY 2013	FY 2012-13	FY 2014	FY 2015	FY 2014-15	FY 2011	FY 2012-15	FY 2016-44	Total
Structure 2	(355,724)	32,018,514	56,145,455	88,163,969	56,144,605	56,148,905	112,293,510	(355,724)	200,457,479	(249,162,606)	(49,060,851)
Structure 3	(355,724)	31,687,881	55,987,460	87,675,341	58,619,760	62,323,260	120,943,020	(355,724)	208,618,361	(614,033,785)	(405,771,148)
Structure 4	(355,724)	27,866,173	52,127,420	79,993,593	70,819,370	89,975,170	160,794,540	(355,724)	240,788,133	(648,252,032)	(407,819,623)

Net savings comparing other structures to Structure 1a

	FY 2011	FY 2012	FY 2013	FY 2012-13	FY 2014	FY 2015	FY 2014-15	FY 2011	FY 2012-15	FY 2016-44	Total
Structure 2	7,157,982	42,940,333	73,078,225	116,018,558	73,073,475	73,079,825	146,153,300	7,157,982	262,171,858	186,145,933	455,475,773
Structure 3	7,157,982	42,609,700	72,920,230	115,529,930	75,548,630	79,254,180	154,802,810	7,157,982	270,332,740	(178,725,246)	98,765,476
Structure 4	7,157,982	38,787,992	69,060,190	107,848,182	87,748,240	106,906,090	194,654,330	7,157,982	302,502,512	(212,943,493)	96,717,001