



Contract Financial Status

Progress payments in the amount of \$5,903,752 were approved in May. The total amount approved for payment to date reached \$72,767,880 which represents 7.4% of the current total contract price. At this stage, expenditures are primarily related to mobilization, performance and payment bonds, insurance, design services, environmental activities, and right of way services.

The maximum payment curve was established initially by the Developer (LSI) at the proposal submission. The current maximum payment curve is shown in Figure 4 in comparison to the actual approved draw request amounts.



Contract Changes

A total of 25 Request for Change Proposals (RCP) have been issued for pricing. Negotiations have been completed for eleven of the RCP's, two of which will be incorporated into the pending credit Change Order No. 1. Table 4 summarizes the current financial status of the SH 130 Project as of May 31, 2003.



Schedule

At the end of this period, 147 calendar days have elapsed since the second notice-to-proceed (NTP2). This represents nearly 11 percent of the 1,360 days allowed to achieve substantial completion of Segment 2 (the first segment to be completed) and approximately 8 percent of the 1,784 days allowed to achieve substantial completion of Segment 4 (the last to be completed). Evaluation of critical path activities this month indicates that the SH 130 Project is on schedule.

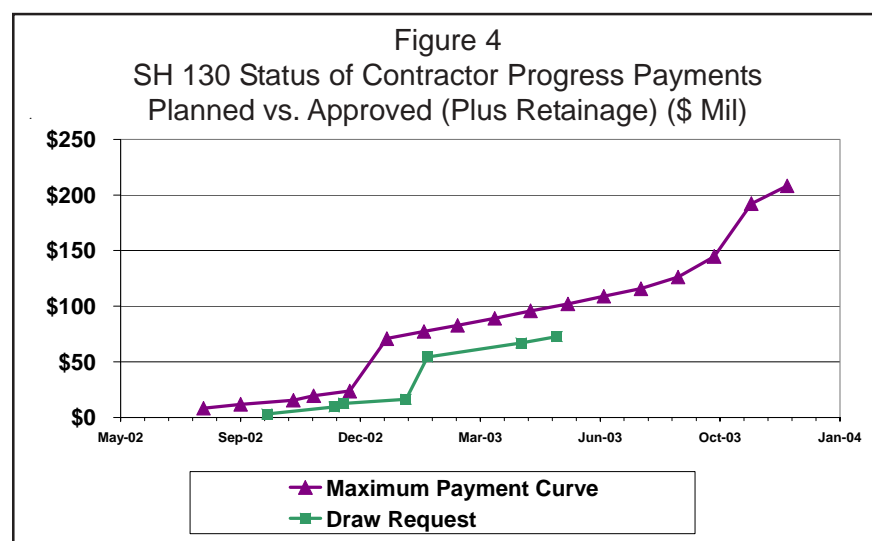


Table 4
SH 130 Contract Status – As of May 31, 2003

Original Contract Amount (NTP2 & NTP5)	\$1,306,554,920
Authorized Amount (NTP2 & NTP5)	\$ 986,321,577
Authorized Changes	\$ 0
Current Contract Amount	\$ 986,321,577
Approved Payments (Plus Retainage)	\$ 72,767,880
Amount Remaining	\$ 913,644,697
Percent Dollars Expended	7.4%
Percent Time Expended	8.2%



Construction

Comments were issued to LSI on its initial Construction Quality Control/Quality Assurance Program. LSI has begun preparing its response and re-submittal of this plan. Development of traffic control plans for major interchanges continues. Acquisition of the property for the main field office on US 79 was completed and LSI has started reconfiguration of the existing buildings. Other pre-construction activities continue, including the evaluation of haul routes, equipment requirements, batch plant and satellite office locations, and finalizing borrow site offers. LSI continues instituting training programs such as traffic control, OSHA 10 Hour, Environmental, CPR, and First Aid. No field construction activity has occurred to date.

Turnpike Team

2002 Project Bond Oversight
General Engineering Consultant: PBS&J

SH 130
Program Manager: HDR Engineering, Inc.
Developer: Lone Star Infrastructure

SH 45N & Loop 1
Construction Manager: PBS&J
Construction Contractors:
Section 3: Zachry/Gilbert Constructors
Section 4A&4B: Archer-Western Constructors, Ltd.



Central Texas Turnpike System 2002 Project*



Monthly Activity Report
Period Ending May 31, 2003

Construction Contract for IH 35/SH 45 North Interchange Awarded

The Central Texas Turnpike 2002 Project moved a step closer to reality with this month's approval by the Texas Transportation Commission of a \$103 million construction contract for a portion of the SH 45 North toll road.

The contract – with incentives for early completion – is for a two-mile section (Section 4A & 4B) of SH 45 North from County Road 172 (Quick Hill Rd.) to County Road 170 in Williamson County.

Construction will include a six-lane roadway and multi-level interchange at IH 35 and SH 45 North (current location of FM 1325 and IH 35). The eastbound frontage roads also will be extended to CR 170.

The contract was awarded to Archer-Western Contractors, Ltd. of Chicago, Ill., which submitted a bid 17 percent below the estimated cost.

Construction on this section of SH 45 North is expected to begin late this summer. It is scheduled to be open by September 2007.

To help ensure timely completion of this section, dual incentive options were included in the contract. The contractor will receive a one-time bonus of \$1.7 million if the project is completed on or before July 14, 2006. If the early completion date is not

met but the project is completed before the scheduled opening, the contractor will receive an incentive of \$10,000 per day for each day that it is early, for maximum of 60 days.

As a disincentive, the contractor will be charged a liquidated damage of \$31,900 per day if the project is not completed by the scheduled opening date.

Also, special provisions were included in the contract to minimize lane closures and the inconvenience it causes motorists.

The contractor will be charged a lane rental fee for closing the mainlanes of IH 35, as well as the frontage roads of IH 35 and SH 45 North. The fee will be based on the number of lanes closed, length of time, and time of day for the closures.

SH 45 North is part of the Central Texas Turnpike 2002 Project, which also includes the extension of Loop 1 and the northern 49

miles of SH 130. The entire turnpike project is scheduled for completion by December 2007.

Construction of the CTTTP already is under way at the SH 45/Loop 1 interchange, with additional construction contracts for the turnpike project scheduled to be awarded later this year.



Texas Department of Transportation
Texas Turnpike Authority Division

*This report is for the Central Texas Turnpike Project (2002 Project). For more complete information on the CTTTP-2002 Project, refer to the Official Statement or the latest quarterly report (www.texastollways.com). Information is also available from the State Information Depository and the Nationally Recognized Municipal Securities Information Repositories. No financial decision should be made based solely upon this report. TxDOT Public Information Office: 512-463-8588.

SH 45N/Loop 1 Project Status



Roadway and bridge design will be complete on all sections of SH 45N and Loop 1 by October 2003. Construction plans are complete on all sections except 5 and 6, which will also be complete by October 2003, as shown below.

All geotechnical work and surveying on SH 45N/Loop 1 is complete.

SH 45N/Loop 1 Construction Plans		
Section	% Complete	Estimated Completion Date
1-2	100%	Complete
3	100%	Complete
4A & 4B	100%	Complete
5	90%	Oct. 2003
6	95%	Sept. 2003
7	100%	Complete
8	100%	Complete

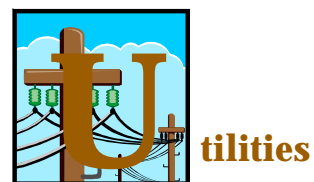
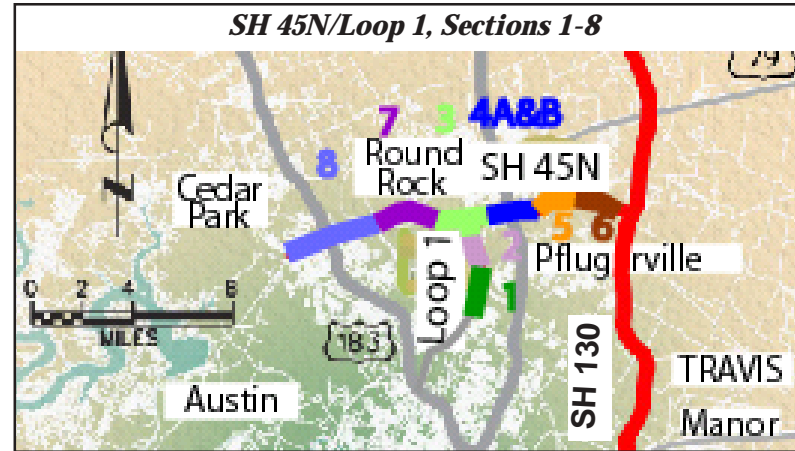
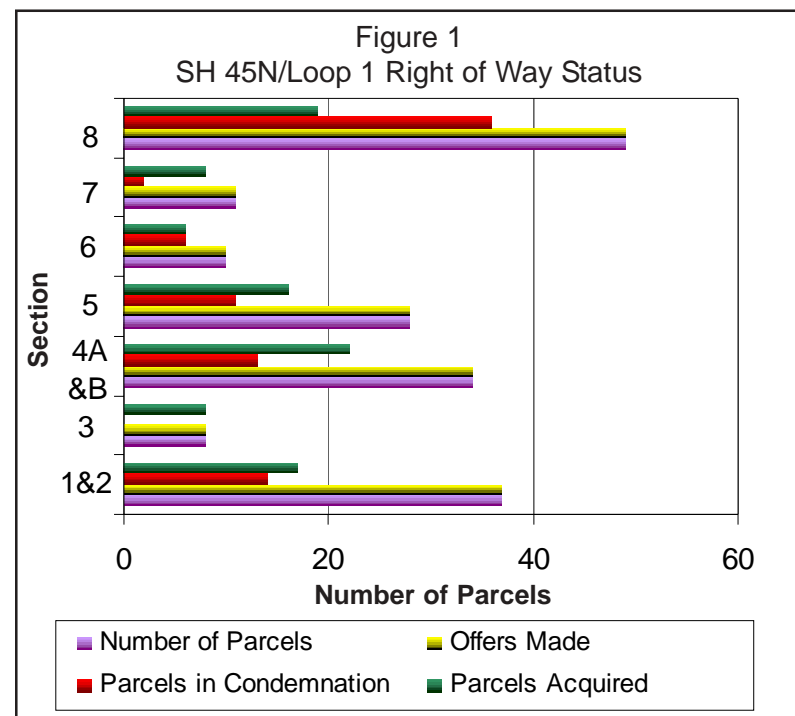


Table 1 shows the status of utility adjustments by section. For Sections 1 & 2, 7 and 8, utility relocation will be performed con-currently with construction. This will not impact the schedule.

Section	Required Adjustments	Adjustments Complete	Completion Date
1 & 2	10	2	July '04
3	10	10	Complete
4A & 4B	11	5	June '04
5	9	0	February '04
6	3	0	March '04
7	5	1	June '04
8	6	0	April '06



The right of way status for SH 45N/Loop 1 is shown in Figure 1.



The usual heavy May rainfall did not materialize this year, giving field activities a boost. Field exploration and sampling for bridge structures is now about 75% complete, while draft reports have been issued for 65% of the bridge structures. Formal reports for 18 bridges have been submitted to the Turnpike Team and were reviewed through the end of May 2003. LSI's geotechnical engineers are also proceeding with investigative plans for toll plazas, bridge class culverts, signs, and retaining walls. Field exploration and sampling work is about 60% complete for pavement investigations, while laboratory testing and engineering design analysis continue. The pavement technical work group continues their joint efforts to discuss various technical aspects of the pavement designs.



Geotechnical field exploration and sampling work being conducted on SH 130.



Development continues on the "auto uploader" and "auto logger." These applications will automatically add electronic documents into DocMan upon receipt, and update the project logs when they are added. Completion is nearing for the first version of the recently coined I2MS, which stands for Inspection and Materials Management System. This system will assist the Turnpike Team in its management of materials testing and construction inspection and will facilitate the use of quality materials on the project.



Work continued on development of the project quarterly newsletter and website updates. LSI staff edited and updated the Crisis Communication Plan, the newsletter mailing list and the SH 130 stakeholder list. Planning activities continue for SH 130 groundbreaking events. Scheduling of LSI office tours with elected officials also continued. Other public outreach efforts include preparation of a speakers bureau and ongoing communication with the public through phone calls and visits from the general public, media and property owners.



The northern most two construction sections of SH 130 cross over the environmentally sensitive Edwards Aquifer recharge zone. The Edwards Aquifer has been granted special protection under state and federal law due to its status as a sole source aquifer. Work within the Edwards requires a permit from the Texas Commission on Environmental Quality (TCEQ). Under this permit, TxDOT is required to prepare a Water Pollution Abatement Plan (WPAP) that will provide water quality protections above those typically required under water quality regulations. TxDOT recently filed with the TCEQ the WPAP for Section 1, the northern most SH 130 construction section. Submittal of the Section 2 WPAP will follow shortly.

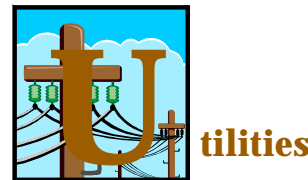
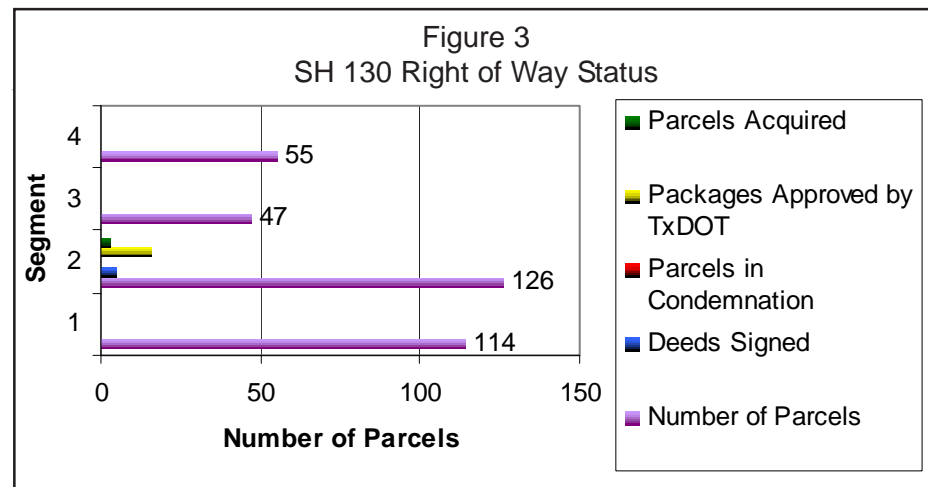
Progress continues to re-evaluate and gain federal clearance changes to the SH 130 design. For Segment 2, a re-evaluation of design changes was completed and approved by the FHWA in April 2003. A draft re-evaluation has been completed for Segment 1 and is being finalized for approval by FHWA in June 2003. Re-evaluations for Segments 3 and 4 are in the preliminary stages.



Surveys and appraisals are now being completed for parcel acquisitions. LSI expects to have a number of parcels ready for TxDOT approval starting in mid-June.

The Administrative Settlement Committee has ruled on a number of counter offers in the past month. Offers have been made on fourteen parcels with agreements reached on five. The remaining eight parcels are still in negotiations or scheduled for review through the settlement process.

Efforts to obtain rights-of-entry for surveying and testing tasks have been successful. The right of way and design teams are continuing to work together to lessen the impact to potential landlocked properties. The right of way status, by segment, is illustrated in Figure 3.



With the completion of the subsurface utility engineering through Levels B, C, and D, the utility conceptual plans have now been developed. These plans have been distributed to the prospective utility owners along with the most recent roadway design to assist with utility relocations. These 65% grade and drain plans provide sufficient information to design the utility relocations that meet the TxDOT utility accommodation policy as well as insure compatibility with other utility facilities. The contractor continues to coordinate with the utility owners as they enter into bilateral contracts known as utility adjustment agreements.

In all four segments, additional Level A Subsurface Utility Engineering (SUE) investigation is being performed to physically locate the existing utilities. This investigation is used to determine the ultimate disposition of the utility and provide adequate protection of utilities.

TxDOT continues to receive permit requests from utility owners to cross the right of way in order to serve their future customers. These requests consist of two types: (1) advanced utility installations accommodating the ultimate SH 130 design, and (2) new utility facilities which do not comply with the ultimate design because of insufficient design information at the time of construction.

Since TxDOT is responsible for maintaining the right of way of streets and highways to preserve the integrity, operational safety, and function of the transportation facility, the regulation of these new facilities requires enhanced conditions for approval. These conditions must be agreeable to LSI, TxDOT and the utility owners

prior to a permit being issued. Presently, eleven new utilities have requested permission to enter the proposed SH 130 right of way.

This cooperation has encouraged the utility owners to design their utility adjustments to occupy the future right of way in a predetermined location. Also, issues regarding property rights, frontage road access, and future access for facility maintenance are resolved. This philosophy continues to result in both economic and schedule benefits for the project. Utility adjustments are scheduled to start as early as July 2003, with the majority of adjustments scheduled in 2004. The LSI utility coordinators are working closely with the roadway design engineers to provide a corridor within the final right of way to accommodate the utility relocations.

Seg.	Utility Owner Mtgs. Held	SUE Work Level C & D	SUE Work Level B	SUE Work Level A	Estimated Completion Date
1	100%	Complete	Complete	Complete	May '03
2	100%	Complete	Complete	Complete	May '03
3	98%	Complete	Complete	In Progress	June '03
4	100%	Complete	Complete	In Progress	July '03



The Texas Commission on Environmental Quality (TCEQ) approved the Water Pollution Abatement Plan (WPAP) for Section 2 (Section 1 was approved the previous month). All permits have been obtained in Section 3. Also, all environmental issues in Sections 4A & 4B, 5 and 6 have been resolved.

In Section 7, an additional right of way parcel was identified as needed for a drainage easement to comply with Edwards Aquifer rules, and a phase I archeological investigation was conducted on this parcel. The survey is complete and the report recommending clearance at this site was submitted to the Texas Historical Commission (THC) on May 23, 2003. The THC will review the phase I report and make a recommendation by July 15, 2003, as to whether a phase II investigation will be required.

The TCEQ is scheduled to approve the Section 7 WPAP by September 2003. A pre-construction notification under Section 404 nationwide permit 14 has been requested from the U.S. Army Corps of Engineers for fill activities associated with construction. Clearance for Section 7 construction is scheduled by August 2003. TCEQ is expected to approve the WPAP for Section 8 by August 2003.



At the end of this period, 114 work days have elapsed since Zachry/Gilbert Constructors was authorized to begin work on Section 3. This represents nearly 12 percent of the contracted days to complete Section 3. Evaluation of critical path activities this month indicates that the Project is on schedule and can be opened as early as September 2006.



Activities included responding and providing information to public inquiries regarding project status, updating the TTA Division of TxDOT website: Textastollways.com, responding to media inquiries and giving interviews. A media tour was given on the SH 45N/Loop 1 interchange and staff assisted reporters with the "owl in the billboard" story (see page 4 for story). Progress continues on setting up the traffic advisory database for the website.

Barn Owls Nest in Billboard to Come Down for SH 45N

A barn owl and her chicks have made a home on a 40-foot-high perch in a billboard on Louis Henna Boulevard east of IH 35. The billboard is within the SH 45N path and must come down to accommodate the toll road. The two businesses in the same parking lot moved out in late May, however, the owls are able to stay a little longer. The owls are protected by the Migratory Bird Treaty Act, a federal law established in 1918 that covers Canada, the United States and Mexico. TxDOT officials have coordinated with U.S. Fish and Wildlife Service and have developed a monitoring plan.

Monitoring of the owl began with the installation of a small web-cam atop the billboard, about 10 to 15 feet above the nest. SH 45N field staff can now monitor the young weekly to determine their condition as well as determine when they leave the nest. Once the nest is vacant monitoring will continue daily for five days before the sign can be removed.

Frontage road construction in southeast Round Rock, where the billboard sits, could start by late summer giving TxDOT officials plenty of time to let the owls leave on their own.



A family of protected barn owls, which have white, heart-shaped faces, is nesting in a Round Rock billboard that must come down for the SH 45N toll road.



Construction

Construction bids for Sections 1 & 2 are scheduled to be opened in June 2003 with construction starting in September 2003. Construction in Section 3 (SH 45N/Loop 1 interchange) is underway beginning with drilled shafts, footings and columns that will support the interchange direct connectors. Construction of abutments on the east side of the interchange and on the southern portion of the interchange at Loop 1 are also under way. To date, the contractor has earned 13% of the total construction costs and has used 11.5% of the contract time. For Section 4A & 4B, bids were opened on May 7, 2003, with a low bid of \$103,017,730 submitted by Archer-Western Constructors, Ltd. The engineer's estimate was \$131,826,000. The contract was awarded on May 29, 2003 and construction is scheduled to begin in August 2003. To ensure timely completion of this section, dual incentive options were included in the contract (see story on page 1).

No construction activity has begun in Sections 5-8. Refer to Table 2 for the construction status of all sections.

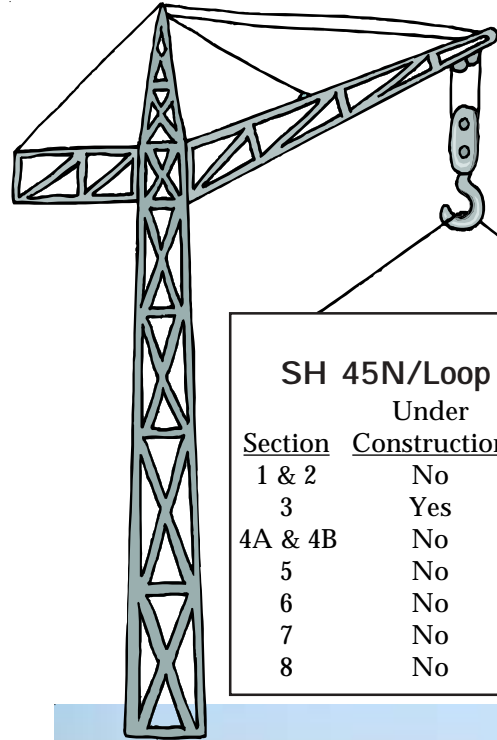


Table 2
SH 45N/Loop 1 Construction Status

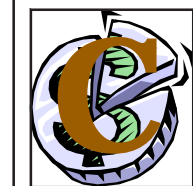
Section	Under Construction	Bid Open	Project Award	Construction Start	Construction Finish
1 & 2	No	6/03	N/A	9/03	9/07
3	Yes	10/02	1/03	2/03	9/06
4A & 4B	No	5/03	5/03	8/03	10/06
5	No	3/04	N/A	6/04	9/07
6	No	4/04	N/A	7/04	9/07
7	No	8/03	N/A	11/03	9/07
8	No	9/03	N/A	12/03	9/07



SH 45/Loop 1 Interchange east abutment/embankment

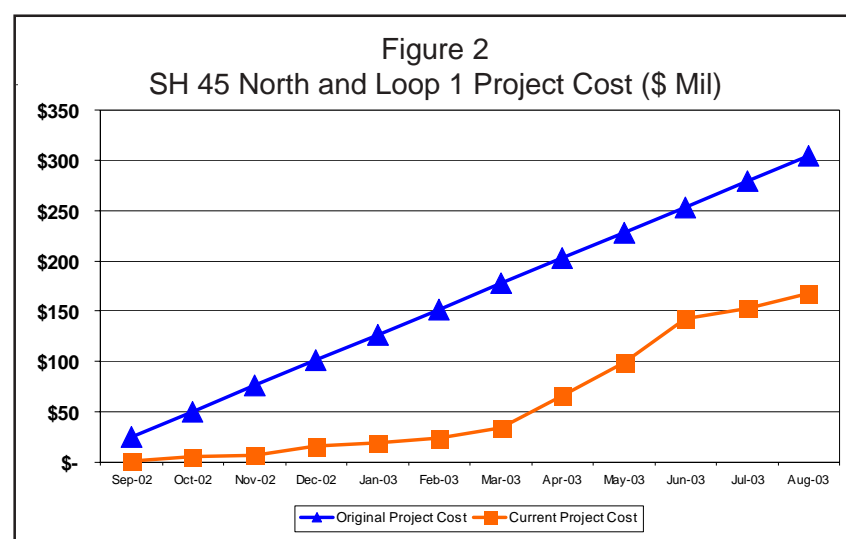


Overview - SH 45N/Loop 1 Interchange



Contract Financial Status

Payments in the amount of \$165,738,307 have been made since bonds were issued in August 2002. This represents 13.0% of the total project costs. Currently, expenditures are related to all sections in the final design, right of way acquisition and utility adjustments stages. Expenditures related to construction are only incurred by the SH 45/ Loop 1 Interchange project (Section 3). See Figure 2 for project costs.



SH 130 Project Status



Roadway Design

Design activities are continuing for all segments. Significant milestones were reached in May, including TxDOT's acceptance of both Segment 1 and 2 ultimate schematic plans. In addition, interim schematic plans for both of these segments are nearing final acceptance by the Turnpike Team and are expected in early to mid June. TxDOT has completed its initial review of interim and ultimate schematics of Segments 3 & 4 and comments have been forwarded to Lone Star Infrastructure (LSI). LSI is incorporating these comments into the plans. It is anticipated that TxDOT will accept these schematics in early July.

Concurrently with the development of the schematic plans, LSI is preparing the initial grading and drainage plans for all segments. These plans are being prepared by sections, which are subdivisions of the four segments of the project. There are a total of 15 sections and are divided as follows:

- Segment 1 - Sections 1-4
- Segment 2 - Sections 5-10
- Segment 3 - Sections 11-13
- Segment 4 - Sections 14-15

The grading and drainage package for Section 7 should be submitted in early June with Section 8 to follow shortly thereafter. See chart for the overall design completion by segment.

SH 130
Design Completion

Segment 1 - 35%

Segment 2 - 40%

Segment 3 - 25%

Segment 4 - 20%



Bridge Design

There will be 106 bridges in Segments 1 through 4. The design quality assurance firm (DQAF) and TxDOT have reviewed preliminary layouts for 51 bridges in Segments 1, 2 and 3. The LSI design team is developing bridge layouts for the remainder of the bridges, concentrating on bridges in Segments 2 and 3. LSI has submitted geometric control plans (65% completion) for 14 bridges. Of these, TxDOT has completed its review of four and the remaining 10 are awaiting review by DQAF and TxDOT. The LSI design team is progressing toward geometric control plans for 9 bridges in Segment 2 as well as designs for retaining walls in Segments 1 and 2. The aesthetics committee is in the process of selecting images to feature on retaining wall panels and selecting landscape designs.



Survey

Many of the right of way map sheets and the associated parcel surveys are completed for the priority "blocks" in Sections 6 and 7 and have been forwarded for appraisals. The production of right of way maps and parcel surveys in the area of



Surveyor taking measurements in the SH 130 corridor.

Section 1 near IH 35 has been added to the priority "block" and completed parcel surveys for tracts in this area are being processed through quality assurance (QA) review. As part of the land acquisition process, iron pins with TxDOT aluminum caps are being placed at property corners along the SH 130 ROW line. At this time, 74 parcels have been pinned. Survey QA has reviewed 52 of these parcels and provided compliance certificates.