Capacity Improvements

1. **Principles**

1.1. This Exhibit 18 sets forth the criteria, requirements and provisions in respect of Capacity Improvements as identified in Section 12.1.1.2.

2. **Traffic Flow Monitoring**

2.1. Before Service Commencement, Developer shall install and maintain continuous electronic vehicle counters at one location in each direction on Segment 5 and two locations in each direction on Segment 6 (the locations subject to the reasonable approval of TxDOT).

2.2. Developer shall use the flow data to derive Hourly Flows over the course of a calendar month in passenger car units per lane per hour (pcu/ln/h), in accordance with Good Industry Practice.

2.3. Developer shall report monthly to TxDOT the Hourly Flows. Developer shall submit each such report no later than the 15th day of the following month and shall have the report verified by a traffic and revenue consultant reasonably approved by TxDOT.

2.4. Developer shall install and commission the Speed Measurement System described in Section 3 below no later than 12 months after the first occasion on which more than five percent of Hourly Flows in three consecutive calendar months exceed 1,200 pcu/ln/h.

3. **Speed Measurement System**

3.1. The Speed Measurement System shall be a system designed, provided, installed, commissioned, operated and maintained by Developer to measure and record average hourly vehicle speeds for each traffic direction sufficient to identify average speed for each main lane Auditable Section over the course of a calendar month (the "Hourly Speeds"). The reporting accuracy of Hourly Speeds shall be +1%.

3.2. Developer may utilize spot speeds, trip journey speed or other methods (subject to the reasonable approval of TxDOT) as the basis for the Speed Measurement System to ensure accurate assessment of Hourly Speeds of all main lane Auditable Sections.
3.3 Before commencing installation of the Speed Measurement System, Developer shall submit, for TxDOT's reasonable approval, the final design details, technical standards and Developer's proposals for confirmation of reporting accuracy of the Speed Measurement System.

3.4 Following installation and commissioning of the Speed Measurement System, Developer shall report monthly to TxDOT the Hourly Speeds. Developer shall submit each such report no later than 15th day of the following month and shall have the report verified by a traffic and revenue consultant reasonably approved by TxDOT.

3.5 Notwithstanding the installation and commissioning of a Speed Measurement System, Developer shall continue to report Hourly Flows as described in Section 2.2 above.

3.6 The Speed Measurement System shall not be amended except for justified improvements subject to the reasonable approval of TxDOT

4. **Capacity Improvement First Trigger**

4.1 Whenever over the course of three consecutive months more than 5% of Hourly Speeds for each included calendar month are less than 65 mph, this shall be the first trigger event for a Capacity Improvement.

4.2 For avoidance of doubt, for the purpose of determining the first trigger event for a Capacity Improvement, Hourly Speeds affected by traffic management, the occurrence of Incidents, weather conditions or events that temporarily increase flows shall be excluded.

4.3 Within 90 days following the occurrence of a first trigger event for a Capacity Improvement, Developer shall submit to TxDOT for review and comment its proposals for Capacity Improvement. Such proposals shall include the nature of the Capacity Improvement subject to the requirements of Section 12.1.1.2, and the schedule for its design, implementation and placement into normal operation. The schedule for any work to be performed after the date the second trigger occurs shall be tied to such date. The schedule shall be subject to review and approval pursuant to Section 12.1.1.4.

5. **Capacity Improvement Second Trigger**

5.1 Whenever over the course of three consecutive months more than 10% of Hourly Speeds for each included calendar month are less than 60 mph, this shall be the second trigger event for a Capacity Improvement.

5.2 For the avoidance of doubt, for the purpose of determining the second trigger event for a Capacity Improvement, Hourly Speeds affected by traffic management, the occurrence of Incidents, weather conditions or events that temporarily increase flows shall be excluded.
5.3 Except as provided otherwise in Section 6 below, following the second trigger event, Developer shall design, implement and place into normal operation the Capacity Improvement (subject to TxDOT’s review and comment) within the deadline therefor established pursuant to Section 4.3 above and Section 12.1.1.4.

5.4 Notwithstanding the implementation and normal operation of any Capacity Improvement, Developer shall continue to report Hourly Flows and Hourly Speeds.

6. Exceptions

6.1 Developer shall have no obligation to undertake a road widening Capacity Improvement if the same is subject to obtaining a separate record of decision or other separate action thereon under NEPA and a no action alternative is selected.

6.2 Developer shall have no obligation to undertake any road widening Capacity Improvements during the last five years of the Term unless (a) the second trigger for required Capacity Improvements occurs prior thereto and (b) no other form of Capacity Improvement is likely to restore levels of service for a duration equivalent to that which could be achieved with the road widening.

7. Reporting

In addition to monthly reporting of Hourly Flows and Hourly Speeds described above, Developer shall present, in its annual report, a summary of traffic flows and average speeds and shall include trend-lines predicting when the first and second trigger points are likely to be met. Developer shall cause all calculations and assumptions to be certified as correct by a traffic and revenue consultant reasonably approved by TxDOT.

8. Costs and Financing

Developer acknowledges and represents that the cost of mandatory Upgrades and future financing therefor are incorporated into the Base Case Financial Model. Accordingly, Capacity Improvements required under this Exhibit 18 shall be at Developer’s sole cost and expense and shall not be treated as a Compensation Event or otherwise entitle Developer to any Claim against TxDOT. If the Capacity Improvement requires TxDOT to undertake any environmental study, investigation, analysis, assessment or documentation under NEPA, Developer shall reimburse TxDOT on a current basis for all its reasonable costs and expenses of such work, including TxDOT’s Recoverable Costs. Reimbursement shall be due within 30 days after each date that TxDOT delivers to Developer a written request together with reasonable written evidence of the costs and expenses incurred.
Facility Extensions

No Facility Extensions are required.