

## ADDENDUM #1

To: Interested Parties

From: PFM Financial Advisors LLC on behalf of North Carolina Turnpike Authority

Re: Request for Qualifications for Investment Banking Services

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**DATED: JUNE 13, 2018**

This addendum is being issued to provide an updated Exhibit B, which replaces Exhibit B to the original RFQ distributed on May 29, 2018. The updated Exhibit B, preliminary plan of finance, is provided as Appendix A.

This addendum also addresses various questions received regarding the Request for Qualifications for Investment Banking Services ("RFQ") for the North Carolina Turnpike Authority ("NCTA"). The provided answers are intended to assist in review of the NCTA and the preparation of a response to the RFQ.

**1) Do the provided projected toll revenues factor in the assumed completion of project R-2829?**

No.

**2) Are you able to provide cash flows for FY 18-22 for Schedules E and F, which otherwise start in FY 2022?**

Yes, please refer to **Appendix A**.

**3) Are you able to provide assumed spreads to MMD for the provided CIBs/CCABs/CABs in the plan of finance?**

- CIBs: BBB MMD Revenue Bond Scale per TM3 as of 5/21/2018 plus 75 bps cushion
- CCABs: CIB scale plus 60 bps
- CABs: CIB scale plus 80 bps

The detailed scales are provided as **Appendix B**.

**4) Which agency will be providing a rating for TIFIA?**

This has yet to be determined.

**5) With regards to the Common TIFIA DSRF, can you clarify the "Balance Requirement" language on the first page of the model, since the model shows an initial deposit of \$5.85 million to a presumed \$4.15 million existing balance to reach \$10.0 million, which does not change until released in 2055? How was the existing TIFIA DSRF funded to the current \$4.15 million?**

The existing balance of \$4.15 million on NCTA's outstanding TIFIA Loan associated with the Triangle Expressway was funded up according the requirements of the TIFIA Loan Agreement. The "TIFIA Reserve Fund Requirement" is equal to (i) no later than 90 days after the Effective Date, \$1.0 million, (ii) from 90 days after the Effective Date until the date the amount on deposit equals 10% of the Outstanding TIFIA Loan Balance as of the last Business Day of the previous fiscal year of the Borrower; an amount equal to \$1.0 million, plus at least 10% of the Receipts received in excess of the Base Case Projections on an annual basis and (iii) thereafter, 10% of

the Outstanding TIFIA Loan Balance as of December 31 of the previous year. The amounts to be deposited pursuant to clauses (ii) and (iii) above shall be funded from Receipts received in excess of the Base Case Projections.

The intent is to use a similar mechanism but recalibrate the baseline "Base Case Projections" to incorporate Complete 540 Phase I (R-2721A, R-2721B and R-2828) and increase the required minimum balance at closing to \$10 million.

**6) On PDF page 12 of the proposal, the Authority included a table with the debt service on the refinanced original Triangle Expressway TIFIA Loan.**

- a. Is the Authority assuming that the rate resets on the refinancing rate from the original 4.25% to the new TIFIA rate?**

Yes.

- b. There appears to be some accretion on the TIFIA schedule, as the interest payments increase and decrease in the first few years while the loan ending balance remains the same through 2025. Could you please provide additional detail on the refinanced TIFIA loan?**

There was an error in the way interest due was allocated between the two components of the TIFIA Loan. Corrected schedules are provided in **Appendix A**.

- c. Has the Authority received any feedback from the TIFIA JPO indicating their willingness to refinance and restructure the existing TIFIA loan?**

Discussions on the proposed structure are ongoing and NCTA is optimistic that a satisfactory resolution is attainable. NCTA has not received definitive feedback on the structure or terms.

**7) Can the Authority please provide copies of the original Triangle Expressway (i) TIFIA Loan Agreement and (ii) Master Trust Indenture?**

Please refer to **Appendix C** for the TIFIA Loan Agreement and **Appendix D** for the Master Trust Indenture.

**8) Can the Authority provide a copy of the draft T&R report as prepared by CDM Smith?**

The planning level T&R is available on the Complete 540 website.

[https://xfer.services.ncdot.gov/PDEA/Web/Complete540/final-eis/technical-reports/C540\\_Revenue\\_0517.pdf](https://xfer.services.ncdot.gov/PDEA/Web/Complete540/final-eis/technical-reports/C540_Revenue_0517.pdf)

## **Appendix A**

*(Replaces Exhibit B to the Original RFQ distributed on May 29, 2018)*

**North Carolina Turnpike Authority**  
**Complete 540**  
As of 06/13/2018

**A. Assumptions**

*Triangle Expressway*

T&R  
O&M  
R&R

**Draft T&R Report prepared by CDM Smith - Scenario 3; Revenues end after 2049**  
Provided by HNTB in June 2018  
Provided by HNTB in June 2018

*Complete 540 - Phase 1*

Construction Start  
Open to Traffic  
Construction Cost

7/1/2018  
R-2721A/B: Mar. 7, 2022; R-2828: Nov 6, 2022  
\$1,248,926,293  
Provided by HNTB in October 2017  
Draft T&R Report prepared by CDM Smith which assumes 2025 open date; 2.5% annual adjustment back to 2023 open  
Provided by HNTB in August 2017  
Provided by HNTB in August 2017

**Interest Rate**

Toll Revenue Bonds  
TIFIA Loan

BBB Revenue MMD as of 5/21/2018 plus 75 bps of cushion  
3.96% (TIFIA Rate as of 5/22/2018 plus 75 bps of cushion)

**Series 2018 Toll Revenue Bonds**

Dated/Delivery Date  
Final Maturity  
Revenue Pledge

4/1/2019  
7/1/2055  
Gross pledge on parity lien with Series 2009 and Series 2017 Toll Revenue Bonds

**Common Toll Revenue Bonds DSRF**

Initial Deposit at Series 2017 Closing  
Triangle TR Bonds DSRF Transfer  
Balance Requirement

\$15,878,633  
\$27,008,311  
5-year Aggregate MADS

**TIFIA Loan**

Existing TIFIA Loan  
TIFIA Rate  
Triangle TIFIA DSRF Transfer  
Aggregate TIFIA Loan Average Life  
    New Complete 540 Loan Average Life  
    Refinanced Triangle Xway Loan Average Life

Refinanced on 4/1/2019  
3.96% (TIFIA Rate as of 5/22/2018 plus 75 bps of cushion)  
\$4,144,706  
22.3 years  
26.1 years  
17.8 years

**Common TIFIA Loan DSRF**

Initial Deposit on first draw date  
Balance Requirement

\$5,855,294 (Additional funds for \$10 million aggregate reserve)  
Until the balance is greater than the 10% of aggregate outstanding loan, deposit 10% of total excess revenues over new base case

**General Reserve**

TriEx General Reserve Fund Balance in FY 2022  
Minimum Reserve Balance

\$102,080,858  
\$110,190,110

TIFIA Loan - Original Triangle Xway  
B. Sources and Uses

Sources						
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
TIFIA Loan - New Complete 540	-	-	62,452,699	313,435,364	70,419,892	446,307,956
TIFIA Loan - Original Triangle Xway	430,405,953					430,405,953
Series 2018 TR Bonds						
TE CIBS Par Amount	143,083,249	279,486,751	-	-	-	422,570,000
TE CCABS Par Amount	25,302,354	49,423,484	-	-	-	74,725,837
TE CABS Par Amount	21,702,895	42,392,605	-	-	-	64,095,500
+Premium/-Discount	10,054,137	19,638,903	-	-	-	29,693,040
Bond Proceeds	200,142,635	390,941,743	-	-	-	591,084,378
NHP Program						-
NCDOT GARVEEs	-	11,753,684	231,246,316	-	-	243,000,000
NCDOT GARVEE State Match	-	3,917,895	77,082,105	-	-	81,000,000
Other Sources Needed						-
Total Sources	630,548,588	406,613,322	370,781,120	313,435,364	70,419,892	1,791,798,286
Uses						
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Construction Cost						
Funded by TIFIA Loan	-	-	56,597,405	313,435,364	70,419,892	440,452,661
Funded by TR Bonds	93,532,926	390,941,743	-	-	-	484,474,669
Funded by Appropriation Bonds	-					-
Funded by NHP Program Funds	-	-	-	-	-	-
Funded by NCDOT GARVEEs Bonds	-	11,753,684.41	231,246,316	-	-	243,000,000
Funded by NCDOT GARVEE State Match	-	3,917,895	77,082,105	-	-	81,000,000
Funded by Other Sources						
Total	93,532,926	406,612,285	364,925,826	313,435,364	70,419,892	1,248,926,293
Refunding of 2009 App. Bonds						
						-
Refinancing of TriEx TIFIA Loan	430,405,953					430,405,953
Issuance Costs						
Deposit to TR Bonds DSRF	15,878,633					15,878,633
Deposit to TIFIA DSRF			5,855,294			5,855,294
Deposit to Capitalized Interest Fund	86,239,946					86,239,946
Underwriters' Discount	3,087,652					3,087,652
Cost of Issuance	1,403,478					1,403,478
						-
Contingency	-	1,037	-	-	-	1,037
Total Uses	630,548,588	406,613,322	370,781,120	313,435,364	70,419,892	1,791,798,286

Complete 540 TIFIA Loan Size Calculation	
Construction Cost	1,248,926,293
Financing Cost	
Project Toll Revenue Bonds DSRF	15,878,633
Project Toll Revenue Bonds CAPI	86,239,946
Project Toll Revenue Bonds COI	1,403,478
Sub-Total	103,522,057
Eligible Cost	1,352,448,350
Constraint - 33% Eligible Cost	446,307,956
Estimated TIFIA Loan	446,307,956
% of Eligible Costs	33.0%
New Complete 540 TIFIA Loan	446,307,956
Outstanding Balance on TriEx Loan	430,405,953
Total New TIFIA	876,713,908

C. Debt Service - Toll Revenue Bonds

Fiscal Year	Series 2018 - Complete 540												TriEx Existing Toll Revenue Bonds (Series 2009 & Series 2017)	Common DSRF Interest Earnings	Toll Revenue Bonds Aggregate Net Debt Service
	Current Interest Bonds			Convertible Capital Appreciation Bonds				Capital Appreciation Bonds			Total Gross Debt Service	Capitalized Interest			
	Principal	Interest	DS	Original Principal	Accretion	Interest	DS	Original Principal	Accretion	DS					
2018													13,001,094		13,001,094
2019		5,810,338	5,810,338								5,810,338	(5,810,338)	13,585,594	(158,786)	13,426,807
2020		23,241,350	23,241,350								23,241,350	(23,241,350)	15,116,844	(337,275)	14,779,569
2021		23,241,350	23,241,350								23,241,350	(23,241,350)	16,709,219	(356,978)	16,352,241
2022		23,241,350	23,241,350								23,241,350	(23,241,350)	17,893,344	(356,978)	17,536,366
2023		23,241,350	23,241,350								23,241,350	(11,620,675)	19,645,594	(356,978)	30,909,291
2024		23,241,350	23,241,350								23,241,350		21,615,844	(356,978)	44,500,216
2025		23,241,350	23,241,350								23,241,350		20,847,469	(381,120)	43,707,699
2026		23,241,350	23,241,350								23,241,350		20,847,719	(437,097)	43,651,971
2027		23,241,350	23,241,350								23,241,350		20,846,094	(468,937)	43,618,507
2028		23,241,350	23,241,350								23,241,350		20,850,594	(468,956)	43,622,988
2029		23,241,350	23,241,350			3,182,784	3,182,784				26,424,134		20,847,297	(590,841)	46,680,590
2030		23,241,350	23,241,350			6,365,568	6,365,568				29,606,918		20,848,000	(728,462)	49,726,455
2031		23,241,350	23,241,350			6,365,568	6,365,568				29,606,918		20,848,500	(760,612)	49,694,805
2032		23,241,350	23,241,350			6,365,568	6,365,568				29,606,918		20,849,875	(792,812)	49,663,980
2033		23,241,350	23,241,350			6,365,568	6,365,568				29,606,918		33,037,000	(823,762)	61,820,155
2034		23,241,350	23,241,350			6,365,568	6,365,568				29,606,918		34,612,000	(838,912)	63,380,005
2035		23,241,350	23,241,350			6,365,568	6,365,568				29,606,918		36,252,000	(838,912)	65,020,005
2036		23,241,350	23,241,350			6,365,568	6,365,568				29,606,918		37,832,000	(949,744)	66,489,174
2037		23,241,350	23,241,350			6,365,568	6,365,568				29,606,918		39,347,000	(1,077,531)	67,876,386
2038		23,241,350	23,241,350			6,365,568	6,365,568				29,606,918		23,067,000	(1,109,159)	51,564,759
2039		23,241,350	23,241,350	1,649,089	1,060,911	6,365,568	9,075,568				32,316,918		20,848,500	(1,138,098)	52,027,320
2040		23,241,350	23,241,350	15,559,856	10,010,144	6,225,732	31,795,732	8,124,250	16,875,750	25,000,000	80,037,082			(1,166,613)	78,870,469
2041		23,241,350	23,241,350	17,377,965	11,207,035	4,906,320	33,491,320	7,689,000	17,311,000	25,000,000	81,732,670			(1,195,415)	80,537,254
2042		23,241,350	23,241,350	19,150,061	12,379,939	3,428,475	34,958,475	7,275,750	17,724,250	25,000,000	83,199,825			(1,224,630)	81,975,195
2043		23,241,350	23,241,350	20,988,866	13,601,134	1,795,221	36,385,221	6,883,250	18,116,750	25,000,000	84,626,571			(1,253,944)	83,372,627
2044	37,810,000	23,241,350	61,051,350					6,510,750	18,489,250	25,000,000	86,051,350			(1,283,480)	84,767,870
2045	41,345,000	21,161,800	62,506,800					6,157,000	18,843,000	25,000,000	87,506,800			(1,322,446)	86,184,354
2046	45,085,000	18,887,825	63,972,825					5,821,500	19,178,500	25,000,000	88,972,825			(1,346,527)	87,626,298
2047	49,030,000	16,408,150	65,438,150					5,503,250	19,496,750	25,000,000	90,438,150			(1,346,527)	89,091,623
2048	53,215,000	13,711,500	66,926,500					5,201,250	19,798,750	25,000,000	91,926,500			(1,346,527)	90,579,973
2049	58,550,000	10,784,675	69,334,675					4,929,500	20,070,500	25,000,000	94,334,675			(1,346,527)	92,988,148
2050	18,615,000	7,564,425	26,179,425								26,179,425			(693,728)	25,485,697
2051	20,210,000	6,540,600	26,750,600								26,750,600			(40,928)	26,709,672
2052	21,910,000	5,429,050	27,339,050								27,339,050			(40,928)	27,298,122
2053	23,700,000	4,224,000	27,924,000								27,924,000			(40,928)	27,883,072
2054	25,560,000	2,920,500	28,480,500								28,480,500			(40,928)	28,439,572
2055	27,540,000	1,514,700	29,054,700								29,054,700			(40,928)	29,013,772
Total	422,570,000	695,991,313	1,118,561,313	74,725,837	48,259,163	83,194,206	206,179,206	64,095,500	185,904,500	250,000,000	1,574,740,518	(87,155,063)	509,348,578	(27,059,931)	1,969,874,103

C. Debt Service - TriEx SE TIFIA Loan (Toll Revenue Backed)

New Aggregate TIFIA Loan									Refinanced Original Triangle Expressway TIFIA Loan							New Complete 540 TIFIA Loan					
Fiscal Year	Loan Draw Amount	Loan Beginning Balance	Interest Due	Annual Payment	Interest Paid	Principal Paid	Unpaid Interest	Loan Ending Balance	Fiscal Year	Annual Payment	Interest Paid	Principal Paid	Unpaid Interest	Loan Ending Balance	Original Loan Principal Repayment	Fiscal Year	Annual Payment	Interest Paid	Principal Paid	Unpaid Interest	Loan Ending Balance
2018									2018							2018					
2019	430,405,953		4,249,345	4,249,345	4,249,345				2019	4,249,345	4,249,345			430,405,953		2019					
2020	62,452,699	430,405,953	17,067,551	17,067,551	17,067,551			492,858,652	2020	17,067,551	17,067,551			430,405,953	0	2020	0	0		0	62,452,699
2021	313,435,364	492,858,652	19,490,321	19,490,321	19,490,321			806,294,016	2021	17,044,076	17,044,076			430,405,953	0	2021	2,446,245	2,446,245		0	375,888,064
2022	70,419,892	806,294,016	31,929,243	31,929,243	31,929,243			876,713,908	2022	17,044,076	17,044,076			430,405,953	0	2022	14,885,167	14,885,167		0	446,307,956
2023		876,713,908	34,880,668	18,358,246	18,358,246		16,522,422	893,236,330	2023	17,044,076	17,044,076			430,405,953	0	2023	1,314,171	1,314,171		16,522,422	462,830,377
2024		893,236,330	35,596,445	17,798,223	17,798,223		17,798,223	911,034,553	2024	17,044,076	17,044,076			430,405,953	0	2024	754,147	754,147		17,798,223	480,628,600
2025		911,034,553	36,133,342	25,377,925	24,088,895	1,289,030	12,044,447	921,789,970	2025	18,333,106	17,044,076	1,289,030		429,116,923	1,289,030	2025	7,044,819	7,044,819		12,044,447	492,673,047
2026		921,789,970	36,506,617	37,153,250	34,187,834	2,965,416	2,318,783	921,143,338	2026	19,960,184	16,994,768	2,965,416		426,151,507	2,965,416	2026	17,193,065	17,193,065		2,318,783	494,991,831
2027		921,143,338	36,414,034	42,855,112	36,414,034	6,441,078		914,702,260	2027	21,287,420	16,846,342	4,441,078		421,710,429	4,441,078	2027	21,567,692	19,567,692	2,000,000	0	492,991,831
2028		914,702,260	36,192,809	44,245,983	36,192,809	8,053,174		906,649,086	2028	22,739,352	16,686,178	6,053,174		415,657,255	6,053,174	2028	21,506,631	19,506,631	2,000,000	0	490,991,831
2029		906,649,086	35,758,528	45,467,033	35,758,528	9,708,505		896,940,581	2029	24,102,159	16,393,654	7,708,505		407,948,750	7,708,505	2029	21,364,874	19,364,874	2,000,000	0	488,991,831
2030		896,940,581	35,405,037	46,996,274	35,405,037	11,591,237		885,349,344	2030	25,694,244	16,103,007	9,591,237		398,357,513	9,591,237	2030	21,302,030	19,302,030	2,000,000	0	486,991,831
2031		885,349,344	34,928,137	48,341,098	34,928,137	13,412,961		871,936,383	2031	27,128,662	15,715,701	11,412,961		386,944,552	11,412,961	2031	21,212,436	19,212,436	2,000,000	0	484,991,831
2032		871,936,383	34,427,029	49,581,538	34,427,029	15,154,509		856,781,874	2032	28,432,403	15,277,894	13,154,509		373,790,043	13,154,509	2032	21,149,135	19,149,135	2,000,000	0	482,991,831
2033		856,781,874	33,714,609	50,745,702	33,714,609	17,031,093		839,750,781	2033	29,739,837	14,708,744	15,031,093		358,758,950	15,031,093	2033	21,005,865	19,005,865	2,000,000	0	480,991,831
2034		839,750,781	33,061,357	52,694,845	33,061,357	19,633,488		820,117,293	2034	31,757,985	14,124,497	17,633,488		341,125,462	17,633,488	2034	20,936,860	18,936,860	2,000,000	0	478,991,831
2035		820,117,293	32,263,007	54,021,434	32,263,007	21,758,427		798,358,866	2035	33,178,133	13,419,706	19,758,427		321,367,035	19,758,427	2035	20,843,301	18,843,301	2,000,000	0	476,991,831
2036		798,358,866	31,423,004	55,346,829	31,423,004	23,923,825		774,435,041	2036	34,572,670	12,648,845	21,923,825		299,443,210	21,923,825	2036	20,774,159	18,774,159	2,000,000	0	474,991,831
2037		774,435,041	30,368,867	56,494,721	30,368,867	26,125,854		748,309,187	2037	35,868,286	11,742,432	24,125,854		275,317,356	24,125,854	2037	20,626,435	18,626,435	2,000,000	0	472,991,831
2038		748,309,187	29,274,720	65,769,041	29,274,720	36,494,321		711,814,866	2038	45,265,054	10,770,733	34,494,321		240,823,035	34,494,321	2038	20,503,987	18,503,987	2,000,000	0	470,991,831
2039		711,814,866	27,806,925	66,604,925	27,806,925	38,798,000		673,016,866	2039	46,205,710	9,407,710	36,798,000		204,025,035	36,798,000	2039	20,399,215	18,399,215	2,000,000	0	468,991,831
2040		673,016,866	26,038,737	91,999,050	26,038,737	65,960,313		607,056,553	2040	71,853,955	7,893,642	63,960,313		140,064,722	63,960,313	2040	20,145,095	18,145,095	2,000,000	0	466,991,831
2041		607,056,553	23,315,014	93,723,523	23,315,014	70,408,509		536,648,044	2041	73,787,927	5,379,418	68,408,509		71,656,213	68,408,509	2041	19,935,596	17,935,596	2,000,000	0	464,991,831
2042		536,648,044	20,518,421	95,156,232	20,518,421	74,637,811		462,010,233	2042	74,395,946	2,739,733	71,656,213			72,637,811	2042	20,760,286	17,778,688	2,981,598	0	462,010,233
2043		462,010,233	17,842,880	64,554,803	17,842,880	46,711,923		415,298,309	2043		0				0	2043	64,554,803	17,842,880	46,711,923	0	415,298,309
2044		415,298,309	15,980,972	66,093,227	15,980,972	50,112,255		365,186,054	2044		0				0	2044	66,093,227	15,980,972	50,112,255	0	365,186,054
2045		365,186,054	13,919,682	67,680,930	13,919,682	53,761,248		311,424,806	2045		0				0	2045	67,680,930	13,919,682	53,761,248	0	311,424,806
2046		311,424,806	11,774,476	69,259,036	11,774,476	57,484,560		253,940,246	2046		0				0	2046	69,259,036	11,774,476	57,484,560	0	253,940,246
2047		253,940,246	9,460,278	70,814,747	9,460,278	61,354,469		192,585,776	2047		0				0	2047	70,814,747	9,460,278	61,354,469	0	192,585,776
2048		192,585,776	6,999,833	72,392,985	6,999,833	65,393,152		127,192,624	2048		0				0	2048	72,392,985	6,999,833	65,393,152	0	127,192,624
2049		127,192,624	4,343,696	74,951,291	4,343,696	70,607,594		56,585,030	2049		0					2049	74,951,291	4,343,696	70,607,594	0	56,585,030
2050		56,585,030	1,983,268	28,484,721	1,983,268	26,501,453		30,083,577	2050		0					2050	28,484,721	1,983,268	26,501,453	0	30,083,577
2051		30,083,577	1,152,389	5,165,069	1,152,389	4,012,680		26,070,897	2051		0					2051	5,165,069	1,152,389	4,012,680	0	26,070,897
2052		26,070,897	986,005	5,898,230	986,005	4,912,225		21,158,672	2052		0					2052	5,898,230	986,005	4,912,225	0	21,158,672
2053		21,158,672	780,150	6,604,875	780,150	5,824,725		15,333,947	2053		0					2053	6,604,875	780,150	5,824,725	0	15,333,947
2054		15,333,947	542,725	7,181,290	542,725	6,638,565		8,695,382	2054		0					2054	7,181,290	542,725	6,638,565	0	8,695,382
2055		8,695,382	251,486	8,946,868	251,486	8,695,382			2055		0					2055	8,946,868	251,486	8,695,382	0	
Total	876,713,908		802,781,609	1,679,495,517	754,097,733	925,397,784	48,683,875		Total	753,796,234	323,390,281	430,405,953				Total	925,699,283	430,707,452	494,991,831	48,683,875	



**D. Common Debt Service Reserve Fund**

**TR Bonds Common Debt Service Reserve**

TriEx 2009 Bonds DSRF Transfer (Surety)	27,008,311
Complete 540 2018 Bonds DSRF Deposit	15,878,633
Total	42,886,944

Common Reserve Requirment: 5-year Aggregate MADS

Common Debt Service Reserve Fund - Toll Revenue Bonds										
Date	TriEx TR Bonds <sup>1</sup>	Complete 540 2018 TR Bonds	Semi-Annual Total	Annual Total	5-Year MADS	Semi-Annual Deposit	Annual Deposit	Semi-Annual Earnings	Annual Earnings	Ending Balance
7/1/2018	4,881,047		4,881,047							
1/1/2019	8,801,047		8,801,047		42,886,944					42,886,944
7/1/2019	4,784,547	5,810,338	10,594,884	19,395,931	42,886,944			158,786	158,786	42,886,944
1/1/2020	10,474,547	11,620,675	22,095,222		44,857,194	1,970,250		158,786		44,857,194
7/1/2020	4,642,297	11,620,675	16,262,972	38,358,194	44,857,194		1,970,250	178,489	337,275	44,857,194
1/1/2021	12,257,297	11,620,675	23,877,972		44,857,194			178,489		44,857,194
7/1/2021	4,451,922	11,620,675	16,072,597	39,950,569	44,857,194			178,489	356,978	44,857,194
1/1/2022	13,671,922	11,620,675	25,292,597		44,857,194			178,489		44,857,194
7/1/2022	4,221,422	11,620,675	15,842,097	41,134,694	44,857,194			178,489	356,978	44,857,194
1/1/2023	15,711,422	11,620,675	27,332,097		44,857,194			178,489		44,857,194
7/1/2023	3,934,172	11,620,675	15,554,847	42,886,944	44,857,194			178,489	356,978	44,857,194
1/1/2024	18,034,172	11,620,675	29,654,847		44,857,194			178,489		44,857,194
7/1/2024	3,581,672	11,620,675	15,202,347	44,857,194	44,857,194			178,489	356,978	44,857,194
1/1/2025	17,616,672	11,620,675	29,237,347		47,271,431	2,414,237		178,489		47,271,431
7/1/2025	3,230,797	11,620,675	14,851,472	44,088,819	47,271,431		2,414,237	202,631	381,120	47,271,431
1/1/2026	17,985,797	11,620,675	29,606,472		50,454,918	3,183,487		202,631		50,454,918
7/1/2026	2,861,922	11,620,675	14,482,597	44,089,069	50,454,918		3,183,487	234,466	437,097	50,454,918
1/1/2027	18,371,922	11,620,675	29,992,597		50,455,418	500		234,466		50,455,418
7/1/2027	2,474,172	11,620,675	14,094,847	44,087,444	50,455,418		500	234,471	468,937	50,455,418
1/1/2028	18,784,172	11,620,675	30,404,847		50,456,793	1,375		234,471		50,456,793
7/1/2028	2,066,422	11,620,675	13,687,097	44,091,944	50,456,793		1,375	234,485	468,956	50,456,793
1/1/2029	19,141,422	11,620,675	30,762,097		62,643,918	12,187,125		234,485		62,643,918
7/1/2029	1,705,875	14,803,459	16,509,334	47,271,431	62,643,918		12,187,125	356,356	590,841	62,643,918
1/1/2030	19,475,875	14,803,459	34,279,334		64,218,918	1,575,000		356,356		64,218,918
7/1/2030	1,372,125	14,803,459	16,175,584	50,454,918	64,218,918		1,575,000	372,106	728,462	64,218,918
1/1/2031	19,897,125	14,803,459	34,700,584		65,858,918	1,640,000		372,106		65,858,918
7/1/2031	951,375	14,803,459	15,754,834	50,455,418	65,858,918		1,640,000	388,506	760,612	65,858,918
1/1/2032	20,341,375	14,803,459	35,144,834		67,438,918	1,580,000		388,506		67,438,918
7/1/2032	508,500	14,803,459	15,311,959	50,456,793	67,438,918		1,580,000	404,306	792,812	67,438,918
1/1/2033	32,528,500	14,803,459	47,331,959		68,953,918	1,515,000		404,306		68,953,918
7/1/2033	508,500	14,803,459	15,311,959	62,643,918	68,953,918		1,515,000	419,456	823,762	68,953,918
1/1/2034	34,103,500	14,803,459	48,906,959		68,953,918			419,456		68,953,918
7/1/2034	508,500	14,803,459	15,311,959	64,218,918	68,953,918			419,456	838,912	68,953,918
1/1/2035	35,743,500	14,803,459	50,546,959		68,953,918			419,456		68,953,918
7/1/2035	508,500	14,803,459	15,311,959	65,858,918	68,953,918			419,456	838,912	68,953,918
1/1/2036	37,323,500	14,803,459	52,126,959		80,037,082	11,083,164		419,456		80,037,082
7/1/2036	508,500	14,803,459	15,311,959	67,438,918	80,037,082		11,083,164	530,288	949,744	80,037,082
1/1/2037	38,838,500	14,803,459	53,641,959		81,732,670	1,695,588		530,288		81,732,670
7/1/2037	508,500	14,803,459	15,311,959	68,953,918	81,732,670		1,695,588	547,244	1,077,531	81,732,670
1/1/2038	22,558,500	14,803,459	37,361,959		83,199,825	1,467,156		547,244		83,199,825
7/1/2038	508,500	14,803,459	15,311,959	52,673,918	83,199,825		1,467,156	561,915	1,109,159	83,199,825
1/1/2039	20,848,500	14,803,459	35,651,959		84,626,571	1,426,746		561,915		84,626,571
7/1/2039		17,513,459	17,513,459	53,165,418	84,626,571		1,426,746	576,183	1,138,098	84,626,571
1/1/2040		14,733,541	14,733,541		86,051,350	1,424,779		576,183		86,051,350
7/1/2040		65,303,541	65,303,541	80,037,082	86,051,350		1,424,779	590,430	1,166,613	86,051,350
1/1/2041		14,073,835	14,073,835		87,506,800	1,455,450		590,430		87,506,800
7/1/2041		67,658,835	67,658,835	81,732,670	87,506,800		1,455,450	604,985	1,195,415	87,506,800
1/1/2042		13,334,913	13,334,913		88,972,825	1,466,025		604,985		88,972,825
7/1/2042		69,864,913	69,864,913	83,199,825	88,972,825		1,466,025	619,645	1,224,630	88,972,825
1/1/2043		12,518,286	12,518,286		90,438,150	1,465,325		619,645		90,438,150
7/1/2043		72,108,286	72,108,286	84,626,571	90,438,150		1,465,325	634,298	1,253,944	90,438,150
1/1/2044		11,620,675	11,620,675		91,926,500	1,488,350		634,298		91,926,500
7/1/2044		74,430,675	74,430,675	86,051,350	91,926,500		1,488,350	649,182	1,283,480	91,926,500
1/1/2045		10,580,900	10,580,900		94,334,675	2,408,175		649,182		94,334,675
7/1/2045		76,925,900	76,925,900	87,506,800	94,334,675		2,408,175	673,264	1,322,446	94,334,675
1/1/2046		9,443,913	9,443,913		94,334,675			673,264		94,334,675
7/1/2046		79,528,913	79,528,913	88,972,825	94,334,675			673,264	1,346,527	94,334,675
1/1/2047		8,204,075	8,204,075		94,334,675			673,264		94,334,675
7/1/2047		82,234,075	82,234,075	90,438,150	94,334,675			673,264	1,346,527	94,334,675
1/1/2048		6,855,750	6,855,750		94,334,675			673,264		94,334,675
7/1/2048		85,070,750	85,070,750	91,926,500	94,334,675			673,264	1,346,527	94,334,675
1/1/2049		5,392,338	5,392,338		94,334,675			673,264		94,334,675
7/1/2049		88,942,338	88,942,338	94,334,675	94,334,675			673,264	1,346,527	94,334,675
1/1/2050		3,782,213	3,782,213		29,054,700	(65,279,975)		673,264		29,054,700
7/1/2050		22,397,213	22,397,213	26,179,425	29,054,700		(65,279,975)	20,464	693,728	29,054,700
1/1/2051		3,270,300	3,270,300		29,054,700			20,464		29,054,700
7/1/2051		23,480,300	23,480,300	26,750,600	29,054,700			20,464	40,928	29,054,700
1/1/2052		2,714,525	2,714,525		29,054,700			20,464		29,054,700
7/1/2052		24,624,525	24,624,525	27,339,050	29,054,700			20,464	40,928	29,054,700
1/1/2053		2,112,000	2,112,000		29,054,700			20,464		29,054,700
7/1/2053		25,812,000	25,812,000	27,924,000	29,054,700			20,464	40,928	29,054,700
1/1/2054		1,460,250	1,460,250		29,054,700			20,464		29,054,700
7/1/2054		27,020,250	27,020,250	28,480,500	29,054,700			20,464	40,928	29,054,700
1/1/2055		757,350	757,350		29,054,700			20,464		29,054,700
7/1/2055		28,297,350	28,297,350	29,054,700	29,054,700	(2,046,389)	(2,046,389)	20,464	40,928	27,008,311
Total	496,347,484	1,574,740,518	2,071,088,003			(15,878,633)	(15,878,633)	27,059,931	27,059,931	

1. Series 2009A, 2009B and 2017 Bond debt service



**E. Toll Revenue Debt - Debt Service Coverage**

Fiscal Year	Pledged Revenues				Toll Revenue Bonds Aggregate Net Debt Service (2)	TIFIA Loan Repayment (3)				Project Toll Revenue Bonds Coverage (4)=(1)/(2)	TIFIA Coverage (5)=(1)/[(2)+(3)]	All-in Coverage
	Complete 540	Triangle Expressway		Pledged Revenues (1)		TIFIA						
	Toll Revenues	Toll Revenues	Resiudal Approp Funds			New Aggregate TIFIA Loan	Original TIFIA Loan	Common Reserve Earnings	Aggregate Repayment (3)			
2018		49,389,000	3,182,662	52,571,662	13,001,094		18,292,253	(82,894)	18,209,359	4.04x	1.68x	0.94x
2019		54,334,000	2,874,801	57,208,801	13,426,807	4,249,345	13,719,190	(200,000)	17,768,535	4.26x	1.83x	0.99x
2020		59,316,000	3,413,692	62,729,692	14,779,569	17,067,551		(200,000)	16,867,551	4.24x	1.98x	1.05x
2021		63,637,000	3,411,233	67,048,233	16,352,241	19,490,321		(200,000)	19,290,321	4.10x	1.88x	1.08x
2022	3,193,764	67,790,000	2,178,373	73,162,137	17,536,366	31,929,243		(200,000)	14,685,167	4.17x	2.27x	1.12x
2023	19,950,531	71,856,000	2,193,052	93,999,583	30,909,291	18,358,246		(200,000)	18,158,246	3.04x	1.92x	1.05x
2024	30,899,812	76,269,000	2,206,671	109,375,483	44,500,216	17,798,223		(200,000)	17,598,223	2.46x	1.76x	1.04x
2025	39,270,762	80,964,000	2,219,542	122,454,303	43,707,699	25,377,925		(200,000)	25,177,925	2.80x	1.78x	1.06x
2026	45,691,039	85,838,000	2,204,368	133,733,407	43,651,971	37,153,250		(200,000)	36,953,250	3.06x	1.66x	1.03x
2027	50,664,316	91,107,000	2,217,460	143,988,776	43,618,507	42,855,112		(200,000)	42,655,112	3.30x	1.67x	1.03x
2028	55,134,014	96,565,000	2,232,705	153,931,718	43,622,988	44,245,983		(200,000)	44,045,983	3.53x	1.76x	1.06x
2029	58,963,910	102,328,000	2,248,385	163,540,295	46,680,590	45,467,033		(200,000)	45,267,033	3.50x	1.78x	1.00x
2030	62,449,915	108,601,000	2,263,824	173,314,739	49,726,455	46,996,274		(200,000)	46,796,274	3.49x	1.80x	1.09x
2031	66,194,679	114,720,000	2,281,333	183,196,012	49,694,805	48,341,098		(200,000)	48,141,098	3.69x	1.87x	1.14x
2032	70,058,326	120,558,000	2,297,250	192,913,576	49,663,980	49,581,538		(200,000)	49,381,538	3.88x	1.95x	1.18x
2033	74,043,632	126,587,000	580,260	201,210,892	61,820,155	50,745,702		(200,000)	50,545,702	3.25x	1.79x	1.14x
2034	78,206,188	132,900,000	584,460	211,690,648	63,380,005	52,694,845		(200,000)	52,494,845	3.34x	1.83x	1.17x
2035	82,454,894	139,596,000	585,160	222,636,054	65,020,005	54,021,434		(200,000)	53,821,434	3.42x	1.87x	1.21x
2036	86,972,681	146,426,000	583,760	233,982,442	66,489,174	55,346,829		(200,000)	55,146,829	3.52x	1.92x	1.17x
2037	91,851,321	152,780,000	581,660	245,212,981	67,876,386	56,494,721		(200,000)	56,294,721	3.61x	1.97x	1.26x
2038	96,225,378	158,755,000	585,160	255,565,539	51,564,759	65,769,041		(200,000)	65,569,041	4.96x	2.18x	1.34x
2039	99,489,597	165,028,000	491,730	265,009,327	52,027,320	66,604,925		(200,000)	66,404,925	5.09x	2.24x	1.38x
2040	102,124,345	171,693,000	25,000,000	298,817,345	78,870,469	91,999,050		(200,000)	91,799,050	3.79x	1.75x	1.21x
2041	104,694,914	177,562,000	25,000,000	307,256,914	80,537,254	93,723,523		(200,000)	93,523,523	3.82x	1.77x	1.23x
2042	107,414,609	182,132,000	25,000,000	314,546,609	81,975,195	95,156,232		(200,000)	94,956,232	3.84x	1.78x	1.24x
2043	110,254,992	186,401,000	25,000,000	321,655,992	83,372,627	64,554,803		(200,000)	64,354,803	3.86x	2.18x	1.42x
2044	112,988,695	190,747,000	25,000,000	328,735,695	84,767,870	66,093,227		(200,000)	65,893,227	3.88x	2.18x	1.43x
2045	115,800,585	195,185,000	25,000,000	335,985,585	86,184,354	67,680,930		(200,000)	67,480,930	3.90x	2.19x	1.42x
2046	118,682,751	199,591,000	25,000,000	343,273,751	87,626,298	69,259,036		(200,000)	69,059,036	3.92x	2.19x	1.44x
2047	121,585,301	203,979,000	25,000,000	350,564,301	89,091,623	70,814,747		(200,000)	70,614,747	3.93x	2.20x	1.45x
2048	124,510,778	208,454,000	25,000,000	357,964,778	90,579,973	72,392,985		(200,000)	72,192,985	3.95x	2.20x	1.45x
2049	127,369,193	217,581,000	25,000,000	369,950,193	92,988,148	74,951,291		(200,000)	74,751,291	3.98x	2.21x	1.45x
2050	130,244,714			130,244,714	25,485,697	28,484,721		(200,000)	28,284,721	5.11x	2.42x	1.71x
2051	133,104,948			133,104,948	26,709,672	5,165,069		(200,000)	4,965,069	4.98x	4.20x	1.10x
2052	136,016,410			136,016,410	27,298,122	5,898,230		(200,000)	5,698,230	4.98x	4.12x	1.10x
2053	138,932,490			138,932,490	27,883,072	6,604,875		(200,000)	6,404,875	4.98x	4.05x	1.10x
2054	141,711,140			141,711,140	28,439,572	7,181,290		(200,000)	6,981,290	4.98x	4.00x	1.10x
2055	144,545,363			144,545,363	29,013,772	8,946,868		(200,000)	8,746,868	4.98x	3.83x	1.11x

Minimum	2.46x	1.66x	0.94x
Avg. thru 2049	3.74x	1.94x	1.20x
Avg. thru 2055	3.91x	2.27x	1.22x

**F. Toll Revenue Flow of Funds**

Fiscal Year	Pledged Revenues				Debt Service and DSRF Deposits				Available Revenues after Debt Service
	Complete 540	Triangle Expressway		Pledged Revenue	Aggregate	TR Bonds	Aggregate	TIFIA Loan	
	Toll Revenues	Toll Revenues	Residual Approp Funds		Net TR Bonds Debt Service	Common DSRF Deposit/Release	TIFIA Repayment	Common Deposit/Release	
2018		49,389,000	3,182,662	52,571,662	(13,001,094)		(18,209,359)		21,361,209
2019		54,334,000	2,874,801	57,208,801	(13,426,807)		(17,768,535)		26,013,459
2020		59,316,000	3,413,692	62,729,692	(14,779,569)	(1,970,250)	(16,867,551)		29,112,322
2021		63,637,000	3,411,233	67,048,233	(16,352,241)		(19,290,321)		31,405,672
2022	3,193,764	67,790,000	2,178,373	73,162,137	(17,536,366)		(14,685,167)		40,940,603
2023	19,950,531	71,856,000	2,193,052	93,999,583	(30,909,291)		(18,158,246)		44,932,045
2024	30,899,812	76,269,000	2,206,671	109,375,483	(44,500,216)		(17,598,223)		47,277,045
2025	39,270,762	80,964,000	2,219,542	122,454,303	(43,707,699)	(2,414,237)	(25,177,925)		51,154,443
2026	45,691,039	85,838,000	2,204,368	133,733,407	(43,651,971)	(3,183,487)	(36,953,250)		49,944,699
2027	50,664,316	91,107,000	2,217,460	143,988,776	(43,618,507)	(500)	(42,655,112)		57,714,658
2028	55,134,014	96,565,000	2,232,705	153,931,718	(43,622,988)	(1,375)	(44,045,983)		66,261,372
2029	58,963,910	102,328,000	2,248,385	163,540,295	(46,680,590)	(12,187,125)	(45,267,033)		59,405,547
2030	62,449,915	108,601,000	2,263,824	173,314,739	(49,726,455)	(1,575,000)	(46,796,274)		75,217,010
2031	66,194,679	114,720,000	2,281,333	183,196,012	(49,694,805)	(1,640,000)	(48,141,098)		83,720,108
2032	70,058,326	120,558,000	2,297,250	192,913,576	(49,663,980)	(1,580,000)	(49,381,538)		92,288,058
2033	74,043,632	126,587,000	580,260	201,210,892	(61,820,155)	(1,515,000)	(50,545,702)		87,330,035
2034	78,206,188	132,900,000	584,460	211,690,648	(63,380,005)		(52,494,845)		95,815,798
2035	82,454,894	139,596,000	585,160	222,636,054	(65,020,005)		(53,821,434)		103,794,615
2036	86,972,681	146,426,000	583,760	233,982,442	(66,489,174)	(11,083,164)	(55,146,829)		101,263,275
2037	91,851,321	152,780,000	581,660	245,212,981	(67,876,386)	(1,695,588)	(56,294,721)		119,346,286
2038	96,225,378	158,755,000	585,160	255,565,539	(51,564,759)	(1,467,156)	(65,569,041)		136,964,584
2039	99,489,597	165,028,000	491,730	265,009,327	(52,027,320)	(1,426,746)	(66,404,925)		145,150,336
2040	102,124,345	171,693,000	25,000,000	298,817,345	(78,870,469)	(1,424,779)	(91,799,050)		126,723,047
2041	104,694,914	177,562,000	25,000,000	307,256,914	(80,537,254)	(1,455,450)	(93,523,523)		131,740,687
2042	107,414,609	182,132,000	25,000,000	314,546,609	(81,975,195)	(1,466,025)	(94,956,232)		136,149,157
2043	110,254,992	186,401,000	25,000,000	321,655,992	(83,372,627)	(1,465,325)	(64,354,803)		172,463,236
2044	112,988,695	190,747,000	25,000,000	328,735,695	(84,767,870)	(1,488,350)	(65,893,227)		176,586,248
2045	115,800,585	195,185,000	25,000,000	335,985,585	(86,184,354)	(2,408,175)	(67,480,930)		179,912,125
2046	118,682,751	199,591,000	25,000,000	343,273,751	(87,626,298)		(69,059,036)		186,588,418
2047	121,585,301	203,979,000	25,000,000	350,564,301	(89,091,623)		(70,614,747)		190,857,931
2048	124,510,778	208,454,000	25,000,000	357,964,778	(90,579,973)		(72,192,985)		195,191,820
2049	127,369,193	217,581,000	25,000,000	369,950,193	(92,988,148)		(74,751,291)		202,210,754
2050	130,244,714			130,244,714	(25,485,697)	65,279,975	(28,284,721)		141,754,270
2051	133,104,948			133,104,948	(26,709,672)		(4,965,069)		101,430,207
2052	136,016,410			136,016,410	(27,298,122)		(5,698,230)		103,020,057
2053	138,932,490			138,932,490	(27,883,072)		(6,404,875)		104,644,543
2054	141,711,140			141,711,140	(28,439,572)		(6,981,290)		106,290,278
2055	144,545,363			144,545,363	(29,013,772)	2,046,389	(8,746,868)	10,000,000	118,831,112
<b>Total</b>	3,081,695,986	4,198,669,000	291,417,542	7,571,782,528	(1,969,874,103)		(1,686,979,990)	10,000,000	3,940,807,068

**F. Flow of Funds**

Fiscal Year	Available Revenues after Debt Service	O&M Expenses		O&M Reserve	R&R		Residual Revenues	General Reserve Fund	
		Complete 540	TriEx	Deposit	Complete 540	TriEx		Beginning Balance	Ending Balance
2018	21,361,209		(18,229,305)			(6,353,281)	(3,221,377)	97,836,314	94,614,937
2019	26,013,459		(20,241,040)			(6,330,314)	(557,896)	94,614,937	94,057,041
2020	29,112,322		(19,802,536)		(145,571)	(6,313,448)	2,850,767	94,057,041	96,907,809
2021	31,405,672		(19,769,135)		(145,571)	(6,317,916)	5,173,049	96,907,809	102,080,858
2022	40,940,603	(4,600,000)	(19,975,914)	(1,821,820)	(145,571)	(6,288,045)	8,109,252	102,080,858	110,190,110
2023	44,932,045	(11,539,000)	(20,428,524)	(1,804,681)	(145,571)	(6,288,723)	4,725,546	110,190,110	114,915,656
2024	47,277,045	(14,425,000)	(20,967,407)	(794,349)	(145,571)	(6,265,547)	4,679,170	114,915,656	119,594,826
2025	51,154,443	(16,508,000)	(21,618,638)	(603,020)	(145,571)	(5,834,617)	6,444,597	119,594,826	126,039,424
2026	49,944,699	(17,768,000)	(22,327,453)	(402,917)	(145,571)	(5,807,558)	3,493,199	126,039,424	129,532,622
2027	57,714,658	(18,682,000)	(23,062,191)	(315,975)	(6,144,167)	(5,780,935)	3,729,390	129,532,622	133,262,012
2028	66,261,372	(19,370,000)	(23,829,372)	(262,595)	(6,144,167)	(8,504,550)	8,150,689	133,262,012	141,412,701
2029	59,405,547	(19,815,000)	(24,620,992)	(203,783)	(6,144,167)	(8,504,600)	117,005	141,412,701	141,529,707
2030	75,217,010	(20,269,000)	(25,453,697)	(212,624)	(6,144,167)	(8,464,544)	14,672,978	141,529,707	156,202,684
2031	83,720,108	(20,737,000)	(26,238,341)	(200,981)	(6,144,167)	(8,423,291)	21,976,329	156,202,684	178,179,013
2032	92,288,058	(21,217,000)	(26,977,689)	(189,408)	(6,144,167)	(8,382,183)	29,377,611	178,179,013	207,556,624
2033	87,330,035	(21,709,000)	(27,746,562)	(196,626)	(4,983,083)	(8,399,130)	24,295,634	207,556,624	231,852,258
2034	95,815,798	(22,214,000)	(28,537,488)	(202,309)	(4,983,083)	(8,385,162)	31,493,756	231,852,258	263,346,014
2035	103,794,615	(22,732,000)	(29,357,581)	(209,668)	(4,983,083)	(8,344,159)	38,168,124	263,346,014	301,514,138
2036	101,263,275	(23,263,000)	(30,171,601)	(208,128)	(4,983,083)	(8,303,196)	34,334,267	301,514,138	335,848,404
2037	119,346,286	(23,809,000)	(31,003,076)	(212,863)	(4,983,083)	(8,504,600)	50,833,663	335,848,404	386,682,068
2038	136,964,584	(24,211,000)	(31,860,336)	(179,914)	(4,983,083)	(10,485,586)	65,244,665	386,682,068	451,926,732
2039	145,150,336	(24,468,000)	(32,737,642)	(145,197)	(4,983,083)	(10,438,188)	72,378,225	451,926,732	524,304,957
2040	126,723,047	(24,726,000)	(33,644,624)	(149,683)	(4,983,083)	(10,387,480)	52,832,176	524,304,957	577,137,133
2041	131,740,687	(24,988,000)	(34,522,972)	(140,657)	(4,983,083)	(10,337,497)	56,768,477	577,137,133	633,905,611
2042	136,149,157	(25,253,000)	(35,356,506)	(127,263)	(4,983,083)	(10,286,879)	60,142,426	633,905,611	694,048,036
2043	172,463,236	(25,512,000)	(36,209,149)	(127,659)	(4,983,083)	(10,448,480)	95,182,864	694,048,036	789,230,900
2044	176,586,248	(25,761,000)	(37,085,225)	(128,243)	(4,983,083)	(10,430,632)	98,198,065	789,230,900	887,428,966
2045	179,912,125	(26,014,000)	(37,985,588)	(132,508)	(5,544,000)	(10,442,199)	99,793,830	887,428,966	987,222,796
2046	186,588,418	(26,268,000)	(38,910,290)	(136,002)	(5,544,000)	(10,391,611)	105,338,515	987,222,796	1,092,561,311
2047	190,857,931	(26,528,000)	(39,861,820)	(141,297)	(5,544,000)	(10,341,068)	108,441,746	1,092,561,311	1,201,003,057
2048	195,191,820	(26,777,000)	(40,839,372)	(142,076)	(5,544,000)	(10,322,235)	111,567,137	1,201,003,057	1,312,570,194
2049	202,210,754	(27,019,000)	(41,843,665)	(143,953)	(5,544,000)	(12,000,000)	115,660,136	1,312,570,194	1,428,230,330
2050	141,754,270	(27,262,000)	(42,875,503)	(147,992)	(5,544,000)	(12,000,000)	53,924,775	1,428,230,330	1,482,155,105
2051	101,430,207	(27,509,000)	(43,926,197)	(150,560)	(5,544,000)	(12,000,000)	12,300,450	1,482,155,105	1,494,455,555
2052	103,020,057	(27,759,000)	(44,998,449)	(153,480)	(5,544,000)	(12,000,000)	12,565,128	1,494,455,555	1,507,020,683
2053	104,644,543	(28,012,000)	(46,100,030)	(158,287)	(5,544,000)	(12,000,000)	12,830,226	1,507,020,683	1,519,850,909
2054	106,290,278	(28,268,000)	(47,232,121)	(163,326)	(5,544,000)	(12,000,000)	13,082,831	1,519,850,909	1,532,933,740
2055	118,831,112	(28,526,000)	(48,395,469)	(168,220)	(5,544,000)	(12,000,000)	24,197,423	1,532,933,740	1,557,131,163
<b>Total</b>	3,940,807,068	(773,518,000)	(1,194,743,502)	(10,478,062)	(158,665,000)	(344,107,654)	1,459,294,850		

## Appendix B

North Carolina Turnpike Authority  
Complete 540 - Sample Scale

Current Interest Bond ("CIB") Scale:						Capital Appreciation Bond ("CAB")Scale:				Covertible Capital Appreciation Bond ("CCAB") Scale:			
	Year	CIB Coupon	BBB Revenue MMD as of 5/21/2018	Additional Cushion	CIB Yield	BBB Revenue MMD as of 5/21/2018	CAB Premium	Additional Cushion	CAB Yield	BBB Revenue MMD as of 5/21/2018	CCAB Premium	Additional Cushion	CCAB Yield
1	2019	5.50%	2.20%	75 bps	2.950%	2.20%	80 bps	75 bps	3.75%	2.20%	60 bps	75 bps	3.55%
2	2020	5.50%	2.41%	75 bps	3.160%	2.41%	80 bps	75 bps	3.96%	2.41%	60 bps	75 bps	3.76%
3	2021	5.50%	2.57%	75 bps	3.32%	2.57%	80 bps	75 bps	4.12%	2.57%	60 bps	75 bps	3.92%
4	2022	5.50%	2.69%	75 bps	3.44%	2.69%	80 bps	75 bps	4.24%	2.69%	60 bps	75 bps	4.04%
5	2023	5.50%	2.80%	75 bps	3.55%	2.80%	80 bps	75 bps	4.35%	2.80%	60 bps	75 bps	4.15%
6	2024	5.50%	2.98%	75 bps	3.73%	2.98%	80 bps	75 bps	4.53%	2.98%	60 bps	75 bps	4.33%
7	2025	5.50%	3.11%	75 bps	3.86%	3.11%	80 bps	75 bps	4.66%	3.11%	60 bps	75 bps	4.46%
8	2026	5.50%	3.23%	75 bps	3.98%	3.23%	80 bps	75 bps	4.78%	3.23%	60 bps	75 bps	4.58%
9	2027	5.50%	3.31%	75 bps	4.06%	3.31%	80 bps	75 bps	4.86%	3.31%	60 bps	75 bps	4.66%
10	2028	5.50%	3.39%	75 bps	4.14%	3.39%	80 bps	75 bps	4.94%	3.39%	60 bps	75 bps	4.74%
11	2029	5.50%	3.45%	75 bps	4.20%	3.45%	80 bps	75 bps	5.00%	3.45%	60 bps	75 bps	4.80%
12	2030	5.50%	3.51%	75 bps	4.26%	3.51%	80 bps	75 bps	5.06%	3.51%	60 bps	75 bps	4.86%
13	2031	5.50%	3.55%	75 bps	4.30%	3.55%	80 bps	75 bps	5.10%	3.55%	60 bps	75 bps	4.90%
14	2032	5.50%	3.60%	75 bps	4.35%	3.60%	80 bps	75 bps	5.15%	3.60%	60 bps	75 bps	4.95%
15	2033	5.50%	3.65%	75 bps	4.40%	3.65%	80 bps	75 bps	5.20%	3.65%	60 bps	75 bps	5.00%
16	2034	5.50%	3.70%	75 bps	4.45%	3.70%	80 bps	75 bps	5.25%	3.70%	60 bps	75 bps	5.05%
17	2035	5.50%	3.73%	75 bps	4.48%	3.73%	80 bps	75 bps	5.28%	3.73%	60 bps	75 bps	5.08%
18	2036	5.50%	3.75%	75 bps	4.50%	3.75%	80 bps	75 bps	5.30%	3.75%	60 bps	75 bps	5.10%
19	2037	5.50%	3.78%	75 bps	4.53%	3.78%	80 bps	75 bps	5.33%	3.78%	60 bps	75 bps	5.13%
20	2038	5.50%	3.80%	75 bps	4.55%	3.80%	80 bps	75 bps	5.35%	3.80%	60 bps	75 bps	5.15%
21	2039	5.50%	3.81%	75 bps	4.56%	3.81%	80 bps	75 bps	5.36%	3.81%	60 bps	75 bps	5.16%
22	2040	5.50%	3.81%	75 bps	4.56%	3.81%	80 bps	75 bps	5.36%	3.81%	60 bps	75 bps	5.16%
23	2041	5.50%	3.82%	75 bps	4.57%	3.82%	80 bps	75 bps	5.37%	3.82%	60 bps	75 bps	5.17%
24	2042	5.50%	3.83%	75 bps	4.58%	3.83%	80 bps	75 bps	5.38%	3.83%	60 bps	75 bps	5.18%
25	2043	5.50%	3.84%	75 bps	4.59%	3.84%	80 bps	75 bps	5.39%	3.84%	60 bps	75 bps	5.19%
26	2044	5.50%	3.85%	75 bps	4.60%	3.85%	80 bps	75 bps	5.40%	3.85%	60 bps	75 bps	5.20%
27	2045	5.50%	3.86%	75 bps	4.61%	3.86%	80 bps	75 bps	5.41%	3.86%	60 bps	75 bps	5.21%
28	2046	5.50%	3.87%	75 bps	4.62%	3.87%	80 bps	75 bps	5.42%	3.87%	60 bps	75 bps	5.22%
29	2047	5.50%	3.88%	75 bps	4.63%	3.88%	80 bps	75 bps	5.43%	3.88%	60 bps	75 bps	5.23%
30	2048	5.50%	3.89%	75 bps	4.64%	3.89%	80 bps	75 bps	5.44%	3.89%	60 bps	75 bps	5.24%
31	2049	5.50%	3.89%	75 bps	4.64%	3.89%	80 bps	75 bps	5.44%	3.89%	60 bps	75 bps	5.24%
32	2050	5.50%	3.89%	75 bps	4.64%	3.89%	80 bps	75 bps	5.44%	3.89%	60 bps	75 bps	5.24%
33	2051	5.50%	3.89%	75 bps	4.64%	3.89%	80 bps	75 bps	5.44%	3.89%	60 bps	75 bps	5.24%
34	2052	5.50%	3.89%	75 bps	4.64%	3.89%	80 bps	75 bps	5.44%	3.89%	60 bps	75 bps	5.24%
35	2053	5.50%	3.89%	75 bps	4.64%	3.89%	80 bps	75 bps	5.44%	3.89%	60 bps	75 bps	5.24%
36	2054	5.50%	3.89%	75 bps	4.64%	3.89%	80 bps	75 bps	5.44%	3.89%	60 bps	75 bps	5.24%
37	2055	5.50%	3.89%	75 bps	4.64%	3.89%	80 bps	75 bps	5.44%	3.89%	60 bps	75 bps	5.24%
38	2056	5.50%	3.89%	75 bps	4.64%	3.89%	80 bps	75 bps	5.44%	3.89%	60 bps	75 bps	5.24%
39	2057	5.50%	3.89%	75 bps	4.64%	3.89%	80 bps	75 bps	5.44%	3.89%	60 bps	75 bps	5.24%
40	2058	5.50%	3.89%	75 bps	4.64%	3.89%	80 bps	75 bps	5.44%	3.89%	60 bps	75 bps	5.24%

## Appendix C



**UNITED STATES  
DEPARTMENT OF TRANSPORTATION**

**TIFIA LOAN AGREEMENT**

**For Up to \$386,662,363**

**With**

**NORTH CAROLINA TURNPIKE AUTHORITY**

**For the**

**TRIANGLE EXPRESSWAY PROJECT  
(TIFIA – 20081004A)**

**Dated as of July 1, 2009**

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**SCHEDULE I – Project Budget**

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## TIFIA LOAN AGREEMENT

**THIS TIFIA LOAN AGREEMENT** (this "Agreement"), dated as of July 1, 2009, by and between the **NORTH CAROLINA TURNPIKE AUTHORITY**, a body corporate and politic and public instrumentality of the State of North Carolina, with an address of 5400 Glenwood Avenue, Suite 400, Raleigh, North Carolina 27612 (the "Borrower"), and the **UNITED STATES DEPARTMENT OF TRANSPORTATION**, acting by and through the Federal Highway Administration, an agency of the United States of America, with an address of 1200 New Jersey Avenue, S.E., Washington, DC 20590 (the "TIFIA Lender"),

### PREAMBLE:

WHEREAS, the Congress of the United States of America has found that a well-developed system of transportation infrastructure is critical to the economic well-being, health and welfare of the people of the United States and, in furtherance thereof, has enacted the Transportation Infrastructure Finance and Innovation Act of 1998 ("TIFIA"), § 1501 *et seq.* of Public Law 105-178 (as amended by the Public Law 105-206 and Public Law 109-59) (the "TIFIA Act"), as codified as 23 U.S.C. § 601, *et seq.*; and

WHEREAS, 23 U.S.C. §603 of the TIFIA Act authorizes the TIFIA Lender to enter into agreements with one or more obligors to make secured loans; and

WHEREAS, the Borrower has requested that the TIFIA Lender make the TIFIA Loan (as defined herein) in a principal amount not to exceed \$386,662,363 (the "TIFIA Loan") to be used to pay a portion of the Eligible Project Costs (as defined herein) related to the Project (as defined herein) pursuant to an application for TIFIA credit assistance dated June 11, 2008 (the "Application"); and

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the TIFIA Bond (as defined herein) in accordance with the terms and provisions hereof and thereof; and

WHEREAS, the TIFIA Lender has entered into this Agreement in reliance upon, among other things, the Traffic and Revenue Study (as defined herein) and the Base Case Projections (as defined herein) delivered by the Borrower.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the TIFIA Lender as follows:

SECTION 1.     Definitions. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 or as otherwise defined in this Agreement. Any term used in this Agreement which is defined by reference to any other agreement shall continue to have the meaning specified in such agreement on the date hereof whether or not such agreement remains in effect.

**“Accreted Value”** means “Compounded Amount” as such term is defined in the Trust Agreement.

**“Additional Project Contracts”** means any contract, agreement, letter of intent, understanding or instrument entered into by the Borrower after the execution and delivery of this Agreement, providing for the design, construction, testing, start-up, safety, financial services, operation or maintenance of the Project, or otherwise relating to the Project; provided, however, that a contract or agreement shall not constitute an Additional Project Contract if it (i) is entered into (A) in the ordinary course of business in connection with the furnishing of goods or the performance of services or (B) for necessary Project-related expenditures, (ii) commits the Borrower to spend, or is reasonably expected to involve expenditures by the Borrower in one contract or a series of related contracts of, no more than \$1,000,000 in the aggregate for any such contract or series of related contracts and (iii) is for a term not exceeding two years.

**“Additional Senior Lien Indebtedness”** means any borrowings or indebtedness permitted, or not prohibited, under Section 16(b) of this Agreement or under the Trust Agreement, other than the Initial Senior Bonds.

**“Administrator”** means the Administrator of the FHWA.

**“Agreement”** has the meaning provided in the preamble hereto.

**“Annual Operating Budget”** means the “Annual Operating Budget” submitted to the TIFIA Lender in accordance with Section 16(cc).

**“Anticipated Loan Disbursement Schedule”** means the schedule set forth as Exhibit B to this Agreement, as such schedule may be amended from time to time pursuant to Section 4.

**“Appreciated Value”** means with respect to any Deferred Income Bond as of any Valuation Date or for any period, the amount set forth for such date or period as determined in accordance with the Supplemental Trust Agreement authorizing such Deferred Income Bond.

**“Authority Act”** means the Act as such term is defined in the Trust Agreement.

**“Bank Lending Margin”** means in respect of any Additional Senior Lien Indebtedness bearing interest at a variable rate, a comparable interest rate margin payable on such Additional Senior Lien Indebtedness.

**“Bankruptcy Related Event”** means (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its debts, or of a substantial part of the assets of the Borrower, under any Insolvency Law, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower for a substantial part of the assets of the Borrower, and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition

shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) the Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of the assets of the Borrower, or (ii) generally not be paying its debts with respect to the Project as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, or (v) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, or (vi) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (vii) take any action for the purpose of effecting any of the foregoing; or (c) (i) all or a substantial part of the Trust Estate shall be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Senior Lien Indebtedness, or (ii) all or a substantial part of the Trust Estate shall be transferred pursuant to a sale or disposition in lieu of foreclosure.

**“Base Case Financial Model”** means a financial model prepared by the Borrower and approved by the Model Auditor forecasting the revenues and expenditures of the Project for time periods through the final maturity of the TIFIA Loan and based upon assumptions and methodology provided by the Borrower and acceptable to the TIFIA Lender which shall be provided to the TIFIA Lender as a fully functional Microsoft Excel – based financial model.

**“Base Case Financial Plan”** has the meaning set forth in Section 21(a).

**“Base Case Projections”** means the initial forecast for the Project prepared as of the Effective Date using the Base Case Financial Model and set forth as Exhibit I to this Agreement.

**“Bonds”** means the Initial Senior Lien Bonds and any other debt issued under the Trust Agreement, including any bonds issued in replacement of or in substitution for, in whole or in part, the Initial Senior Lien Bonds.

**“Borrower”** has the meaning provided in the preamble hereto.

**“Borrower Fiscal Year”** shall mean “Fiscal Year” as such term is defined in the Trust Agreement.

**“Borrower’s Authorized Representative”** means any Person who shall be designated as such pursuant to Section 25.

**“Business Day”** means any day other than a Saturday, a Sunday or a day on which offices of the Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be



closed in New York, New York, in Raleigh, North Carolina or in Charlotte, North Carolina.

**“Calculation Date”** means each Semi-Annual Payment Date occurring after the Effective Date.

**“Calculation Period”** means a 12-month period ending on the day prior to a Calculation Date.

**“Capital Appreciation Bonds”** means any Permitted Debt hereafter incurred as to which interest is payable only at the maturity or prior redemption of such Permitted Debt.

**“Capitalized Interest Period”** means the period beginning on the Effective Date and ending on January 1, 2015.

**“Construction Contractors”** means in the case of Western Wake Freeway component of the Project, Raleigh-Durham Builders and in the case of the Triangle Parkway component of the Project, S.T. Wooten Corporation.

**“Construction Period”** means the period commencing on the Effective Date and ending on the date of Substantial Completion.

**“Construction and Renewal and Replacement Agreement”** has the meaning set forth in the Trust Agreement.

**“Construction Schedule”** has the meaning set forth in the Design Build Contracts, as the same may be amended from time to time.

**“Covenant Default”** has the meaning set forth in Section 19(a)(ii).

**“CPI”** means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (not seasonally adjusted), or its successor, published by the Bureau of Labor Statistics, with, unless otherwise specified herein, January 2009 as the base period.

**“Credit Facility”** means any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Borrower and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Permitted Debt.

**“Debt Service Payment Commencement Date”** means (a) in the case of TIFIA Scheduled Debt Service, January 1, 2015 and (b) in the case of TIFIA Mandatory Debt Service, January 1, 2016.

**“Default Rate”** has the meaning set forth in Section 6.

**“Deferred Income Bond”** means any Permitted Debt (a) as to which interest accruing thereon prior to the applicable Interest Commencement Date of such Permitted Debt is (i) compounded on each Valuation Date for such Deferred Income Bond and (ii) payable only at the maturity or prior redemption of such Permitted Debt and (b) as to which interest accruing after the applicable Interest Commencement Date is payable on the first interest payment date immediately succeeding the Interest Commencement Date and thereafter on the dates specified in or determined pursuant to the Supplemental Trust Agreement authorizing the Permitted Debt. For the purposes of receiving payment of the redemption price if a Deferred Income Bond is redeemed prior to maturity, the principal amount of a Deferred Income Bond shall be deemed to be its Appreciated Value.

**“Design Build Contracts”** means collectively, the Design-Build Contract relating to the Western Wake Freeway component of the Project, to be executed between the Borrower and Raleigh-Durham Roadbuilders, a joint venture consisting of Archer Western Contractors and Granite Construction Corp. and the Design-Build Contract relating to the Triangle Parkway component of the Project, to be executed between the Borrower and S.T. Wooten Corporation.

**“Development Default”** shall have the meaning set forth in Section 19(a)(iii).

**“Effective Date”** means the date of this Agreement.

**“Eligible Project Costs”** means amounts in the Project Budget, substantially all of which are paid by or for the account of the Borrower in connection with the Project, prior Project expenditures as set forth on Schedule II hereto, and the costs set forth below:

(a) development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;

(b) construction, reconstruction, rehabilitation, replacement, and acquisition of real property (including land related to the Project and improvements to land), environmental mitigation, construction contingencies, and acquisition of equipment; and

(c) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction.

**“Event of Default”** shall have the meaning set forth in Section 19.

**“Extendible Maturity Bonds”** means bonds the maturity of which may be extended in accordance with the applicable Supplemental Trust Agreement.

**“FHWA”** means the Federal Highway Administration, an agency of USDOT.

**"FHWA Division Office"** means the FHWA North Carolina Division located in Raleigh, North Carolina.

**"FHWA Division Oversight Agreement"** means initially, the Project Management Plan, dated as of June 2, 2008, between FHWA and NCDOT and upon execution, the oversight agreement between the FHWA Division Office and the Borrower attached as Exhibit F and incorporated herein.

**"Final Maturity Date"** means July 1, 2047 or the last Payment Date occurring no later than 35 years after the date of Substantial Completion, whichever date is earlier.

**"Financial Plan"** means (a) the updated financial plan to be delivered within 30 days after the Effective Date in accordance with Section 21(a) and (b) any updates thereto required pursuant to such Section.

**"Floater/Inverse Floater Debt"** means Permitted Debt which bears interest at a Variable Interest Rate (or a multiple of a Variable Interest Rate) and with respect to which each of the following conditions is met: (a) such Permitted Debt is issued concurrently in two halves of equal principal amount of floating interest rate Permitted Debt and inverse floating rate Permitted Debt, with each half bearing a Variable Interest Rate (or multiple of a Variable Interest Rate), (b) such Permitted Debt and such other Permitted Debt, unless linked to bear a fixed rate of interest, are required to remain outstanding in equal principal amounts at all times, and (c) the net effect of such equal principal amounts and Variable Interest Rates (or multiples of Variable Interest Rates) is at all times a fixed interest rate to the Issuer or the Borrower.

**"GAAP"** means generally accepted accounting principles as defined by the American Institute of Certified Public Accountants or such other nationally recognized professional body, in effect from time to time in the United States of America.

**"Government"** means the United States of America and its departments and agencies.

**"Governmental Approval"** means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority.

**"Governmental Authority"** means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including, without limitation, the State and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts "on behalf of" any of the foregoing, whether as an agency or authority of such body.

**"Hedge Documents"** has the meaning provided in Section 16(u)(ii).

**“Hedging Acquisition Account”** has the meaning set forth in the Trust Agreement.

**“Hedging Agreement”** means any agreement entered into, or to be entered into, by the Borrower and a Hedging Bank for a Hedging Transaction, in form and substance acceptable to the TIFIA Lender.

**“Hedging Banks”** means collectively, each Qualified Hedge Provider that becomes a party to a Hedging Agreement and their respective successors and assigns.

**“Hedging Obligations”** means, collectively, the payment of (a) all scheduled amounts payable to the Hedging Banks by the Borrower under the Hedging Agreements (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), net of all scheduled amounts payable to the Borrower by such Hedging Banks, and (b) all other indebtedness, fees, indemnities and other amounts payable by the Borrower to the Hedging Banks under such Hedging Agreements, net of all other indebtedness, fees, indemnities and other amounts payable by the Hedging Banks to the Borrower under such Hedging Agreements; provided, that Hedging Obligations shall not include Hedging Termination Obligations. For the avoidance of doubt, all calculations of such amounts payable under the Hedging Agreements shall be made in accordance with the terms of the applicable Hedging Agreements.

**“Hedging Termination Obligations”** means the aggregate amount payable to the Hedging Banks by the Borrower upon the early unwind of all or a portion of the Hedging Agreements, net of all amounts payable to the Borrower by such Hedging Banks upon the early unwind of all or a portion of such Hedging Agreements. For the avoidance of doubt, all calculations of such amounts payable under the Hedging Agreements shall be made in accordance with the terms of the applicable Hedging Agreements.

**“Hedging Transaction”** means any interest rate protection agreement, interest rate swap transaction, interest rate “cap”, “collar” or “floor” transaction, interest rate future, interest rate option or other hedging arrangement.

**“Independent Engineer”** means an engineering firm selected by the TIFIA Lender.

**“Initial Senior Bonds”** means the Borrower’s Triangle Expressway System Senior Lien Revenue Bonds, Series 2009A and Series 2009B.

**“Insolvency Laws”** means the United States Bankruptcy Code, 11 U.S.C. §101 et seq., as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership or similar law now or hereafter in effect.

**“Interest Commencement Date”** means, with respect to any particular Deferred Income Bond, the date determined by the Supplemental Trust Agreement after which interest accruing on such Bond shall be payable on the first interest payment date

succeeding such Interest Commencement Date and periodically thereafter on the dates determined pursuant to such Supplemental Trust Agreement.

**“Interest Period”** means, at any time that interest on any Senior Lien Indebtedness is scheduled to be paid on a date other than a Semi-Annual Payment Date of any year, the period commencing from the preceding Interest Payment Date and ending on the next following Interest Payment Date.

**“Interim Payment Date”** means any day occurring during the Payment Period that (i) is a date on which interest on or principal of Senior Lien Indebtedness is payable and (ii) is not a Semi-Annual Payment Date.

**“Investment Grade Rating”** means a rating assigned by a Nationally Recognized Rating Agency which is no lower than BBB minus or Baa3.

**“Lien”** means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement of any kind or nature whatsoever, including, without limitation, any sale-leaseback arrangement, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or comparable law.

**“Loan Amortization Schedule”** means the Loan Amortization Schedule attached as Appendix Two to the TIFIA Bond, a copy of which is attached hereto as Exhibit A, delivered pursuant to Section 9(h), as amended from time to time in accordance with Section 7 and Section 9(h).

**“Loan Life Coverage Ratio”** means a ratio where the numerator is equal to the net present value of projected total Receipts, as determined by the Traffic Consultant, after meeting the requirements of clauses (i) through (vi) of Section 8(e), for each Fiscal Year from and including the Fiscal Year in which such calculation is made to and including the Fiscal Year in which the final maturity of the TIFIA Loan occurs, plus the sum of the amounts on deposit in the TIFIA Reserve Fund and General Reserve Fund as of the last Business Day of the previous Fiscal Year, and the denominator is equal to the principal amount of the TIFIA Loan Outstanding as of the date of such calculation. The discount rate for net the present value calculation shall be equal to the interest rate on the TIFIA Loan.

**“Loan Underwriting Rate”** means for any period, the sum of the long-term fixed swap rate plus the swap margin plus the Bank Lending Margin.

**“Long-Term Debt Service Requirement”** has the meaning provided in the Trust Agreement.

**“Material Adverse Effect”** means a material adverse change in (a) the Project or the business, property or financial condition of the Borrower, (b) the ability of the Borrower to perform or comply with any of its material obligations under the Trust Agreement or the TIFIA Loan Documents or the Principal Project Contracts to which it is

a party, (c) the validity, perfection or priority of the Liens on the Trust Estate in favor of the Trustee or (d) the TIFIA Lender's rights or benefits available under this Agreement.

**"Misrepresentation Default"** has the meaning provided in Section 19(a)(iv).

**"Model Auditor"** means Public Financial Management or any other Person, acceptable to the TIFIA Lender and the Borrower, acting as model auditor from time to time.

**"Nationally Recognized Rating Agency"** means Standard & Poor's Rating Group, Moody's Investors Services, Inc., Fitch Ratings or another nationally recognized statistical rating organization, identified by the Securities and Exchange Commission.

**"NCDOT"** means the North Carolina Department of Transportation.

**"NCDOT Advances"** means collectively Operating Advances and Renewal and Replacement Advances.

**"Non-System Project"** has the meaning provided in the Trust Agreement.

**"Operating Advances"** has the meaning provided in the Trust Agreement.

**"Operating and Maintenance Guaranty Agreement"** has the meaning provided in the Trust Agreement.

**"Operating Expenses"** has the meaning provided in the Trust Agreement.

**"Operating Reserve Fund"** has the meaning provided in the Trust Agreement.

**"Operations and Maintenance Expense Fund"** has the meaning provided in the Trust Agreement.

**"Other Loan Documents"** has the meaning set forth in Section 19(a)(vi).

**"Other Material Indebtedness"** has the meaning set forth in Section 19(a)(v).

**"Outstanding TIFIA Loan Balance"** means the aggregate principal amount drawn by the Borrower and then outstanding with respect to the TIFIA Loan, as determined in accordance with Section 7.

**"Partially Subordinated Hedge"** means a Qualified Hedge, all of the Hedging Termination Obligations of which are subordinate to the payment of principal of and interest on Senior Lien Indebtedness.

**"Payment Date"** means each Semi-Annual Payment Date or Interim Payment Date.

**"Payment Default"** has the meaning set forth in Section 19(a)(i).



**“Payment Period”** means any period of six months that ends on a Payment Date, commencing with the six-month period ending on the Debt Service Payment Commencement Date.

**“Permitted Debt”** means:

- (a) the Senior Lien Indebtedness;
- (b) the TIFIA Loan;
- (c) reimbursement obligations in respect of letters of credit, and other financial obligations, arising under the Principal Project Contracts or any other agreement executed by the Borrower in connection with the Project that are payable as Project Costs, Eligible Project Costs, or Operating Expenses and that do not in the aggregate have face amounts exceeding \$5,000,000 (inflated annually by CPI);
- (d) purchase money obligations or capitalized leases incurred to finance discrete items of equipment not comprising an integral part of the Project that are payable as Operating Expenses and that do not in the aggregate have annual debt service or lease payment obligations exceeding \$500,000 (inflated annually by CPI);
- (e) trade accounts payable (other than for borrowed money) so long as such trade accounts payable are payable not later than 90 days after the respective goods are delivered or the respective services are rendered;
- (f) fully subordinated debt for Project Costs payable from monies released from the General Reserve Fund on terms and conditions acceptable to the TIFIA Lender;
- (g) working capital loans that are payable as Operating Expenses, provided that the principal amount of such loans shall not exceed \$6 million (inflated annually by CPI) in the aggregate at any time and shall be repaid within three years;
- (h) indebtedness incurred in respect of Qualified Hedges;
- (i) State Appropriation Revenue Bonds; and
- (j) indebtedness of the Borrower not secured by Receipts.

**“Permitted Hedging Termination”** means the early termination, in whole or in part, of any Hedging Transaction (a) at the request of the Borrower as a result of a determination by the Borrower that such (or any part of such) Hedging Transaction is no longer necessary or required under the terms of this Agreement or (b) pursuant to the terms of any Hedging Agreement evidencing such Hedging Transaction with provides for

the notional amount of such Hedging Transaction to amortize or otherwise be reduced from time to time.

**"Permitted Investments"** has the meaning provided in the Trust Agreement.

**"Permitted Liens"** means:

- (a) Liens imposed pursuant to the TIFIA Loan Documents;
- (b) Liens imposed pursuant to the Senior Loan Documents;
- (c) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 16(w);
- (d) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 16(w);
- (e) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance, and other social security laws or regulations;
- (f) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;
- (g) judgment liens in respect of judgments that do not constitute an Event of Default under Section 19(a)(vii);
- (h) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary of the Borrower;
- (i) any Lien on any property or asset of the Borrower existing on the date hereof and set forth in **Schedule III**; provided that (i) such Lien shall not apply to any other property or asset of the Borrower and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;
- (j) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition, (ii) such Lien shall not apply to any other property or assets of the Borrower and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof; and

(k) purchase money security interests in real property, improvements thereto or equipment hereafter acquired (or, in the case of improvements, constructed) by the Borrower, provided that (i) such security interests secure indebtedness for borrowed money permitted by Section 16(a), (ii) such security interests are incurred, and the indebtedness secured thereby is created, within 90 days after such acquisition (or construction), (iii) the indebtedness secured thereby does not exceed the fair market value of such real property, improvements or equipment at the time of such acquisition (or construction) and (iv) such security interests do not apply to any other property or assets (other than accessions to such real property, improvements or equipment) of the Borrower and (v) the pledge of the State Appropriated Revenues under the State Appropriation Revenue Bond Trust Agreement to secure the State Appropriation Revenue Bonds.

**“Person”** means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

**“Principal Project Contracts”** means (a) the Design Build Contracts, (b) any contract for the operation and maintenance of the Project requiring payments by the Borrower in excess of \$5,000,000 (inflated annually by CPI) per annum; (c) any contract for capital improvements or to complete construction of the Project requiring payments by the Borrower in excess of \$5,000,000 (inflated annually by CPI) per annum; (d) any other contract entered into by the Borrower relating to the Project designated as a Principal Project Contract by both the TIFIA Lender and the Borrower; and (e) any document that replaces or supplements any of the agreements listed above.

**“Project”** consists of three components: (i) Western Wake Freeway – a 12.6 mile facility extended from NC 55 Bypass north to NC 55 where it joins the Northern Wake Expressway, (ii) Portion of NC 540 – a 2.8 mile section of NC 540 extending from NC 55 to NC 54 and (iii) Triangle Parkway – a 3.4 mile facility extending from the NC 55 interchange at NC 540 to I-40 at NC 147, to be developed, designed and constructed pursuant to the Design-Build Contracts.

**“Project Fund”** has the meaning provided in the Trust Agreement.

**“Project Budget”** means the budget for the Project in the aggregate amount of \$1,171,704,131 attached to this Agreement as **Schedule I** showing a summary of all Eligible Project Costs and the estimated sources and uses of funds for the Project, as amended from time to time with the approval of the TIFIA Lender.

**“Project Costs”** means (a) the costs paid or incurred (to the extent paid, such costs shall be reimbursed to the Person who paid such costs) or to be paid or incurred by the Borrower in connection with or incidental to the acquisition, design, construction and equipping of the Project, including legal, administrative, engineering, planning, design, insurance and financing costs as set forth on Schedule II hereto; (b) amounts, if any, required by the Trust Agreement to be paid into any fund or account upon the incurrence of Senior Lien Indebtedness; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon optional or mandatory prepayment) on any

indebtedness of the Borrower (other than the TIFIA Loan) incurred for the Project, including capitalized interest on the Senior Lien Indebtedness; (d) costs of equipment and supplies and initial working capital and reserves required by the Borrower for the commencement of operation of the Project, including general administrative expenses and overhead of the Borrower other than to the extent such amounts constitute direct or indirect costs unallowable to the Borrower and its contractors under 18 C.F.R. Part 31; and (e) the repayment of obligations incurred by the Borrower, the proceeds of which obligations were used to pay items (a) through (d) of this definition.

**“Put Bonds”** means Permitted Debt which by its terms may be tendered by and at the option of the holder thereof for payment prior to the stated maturity or redemption date thereof either (a) by the Borrower and by the Person and/or from the source specified in a Supplemental Trust Agreement or (b) without recourse to the Borrower, by the Person and/or from the source specified in a Supplemental Trust Agreement; provided, however, that such payment by the Borrower shall in any events be required to be supported by a Credit Facility.

**“Qualified Hedge”** means, to the extent from time-to-time permitted by law, with respect to Permitted Debt any Hedging Transaction entered into with a Qualified Hedge Provider and meeting the requirements of Section 16(u).

**“Qualified Hedge Provider”** means whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated at the time of the execution of the Hedging Agreement at least as high as the second highest Rating Category of any Nationally Recognized Rating Agency then maintaining a rating for the Qualified Hedge Provider.

**“Rate Covenant** shall have the meaning set forth in Section 16(o).

**“Rating Category”** or **“Categories”** means one of the generic rating categories of a Nationally Recognized Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

**“Receipts”** shall include all receipts, revenues, income, proceeds and money received in any period by or for the Borrower in respect of the Triangle Expressway System, including, but without limiting the generality of the foregoing:

(a) all toll revenues, payments, proceeds, fees, charges, rents and all other income derived by or for the Borrower from the ownership and operation of the Triangle Expressway System, and all other income derived by the Borrower from the operation or ownership of the Triangle Expressway System, and all rights to receive the same, whether in the form of accounts receivable, contract rights or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence;

(b) proceeds of use and occupancy or business interruption insurance and amounts received by the Borrower from any contractor as liquidated damages for failures of such contractor to complete its contractual commitment in accordance with the terms of the contract;

(c) proceeds of any appropriation made by the federal government or any agency or instrumentality thereof or the State or any agency, instrumentality or political subdivision thereof for use in connection with the Triangle Expressway System, to the extent such proceeds are deposited in the Revenue Fund and are available for use in the same manner as other Receipts under the provisions of the Trust Agreement, including, without limitation, the State Appropriated Revenues; provided, however, the State Appropriated Revenues shall not constitute Receipts under the TIFIA Loan Agreement or under the Trust Agreement until such time as such amounts are withdrawn from the State Appropriated Revenue Bond Trust Agreement and deposited to the Revenue Fund; provided, further, that for purposes of calculating the Rate Covenant and the Loan Life Coverage Ratio, "Receipts" shall not include NCDOT Advances;

(d) any Derivative Agreement Regularly Scheduled Payments or Derivative Agreement Additional Payments received by the Borrower under any Derivative Agreement; and (e) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the Borrower in the Revenue Fund;

but there shall not be included in "Receipts":

(i) the proceeds of any gifts, grants, bequests, contributions or donations (except as provided in clause (c) above in this definition);

(ii) the proceeds from the sale or disposition of all or any part of the Triangle Expressway System;

(iii) reimbursements received by the Borrower of advances made by it in respect of the Initial Project, any Additional Project, any refinancing of Indebtedness and any capital improvements;

(iv) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the Borrower in any funds, accounts and subaccounts established pursuant to this Trust Agreement (other than the Revenue Fund), except to the extent that such investment income is transferred by the Borrower to the Revenue Fund;

(iv) any payments received or revenues derived from the ownership or operation of any Non-System Project, except to the extent expressly included as a Receipt by resolution adopted by the Borrower Board;

(v) Net Insurance Proceeds or Net Eminent Domain Proceeds other than the net proceeds of any use and occupancy or business interruption insurance;

(vi) proceeds of any appropriation made by the federal government or any agency or instrumentality thereof or the State or any agency, instrumentality or political subdivision thereof to the extent the use of such funds is limited to a use that is inconsistent with their use as Receipts under the provisions of this Trust Agreement;

(vii) the income from the investment of Qualified Escrow Funds to the extent such income is applied to the payment of the principal of or the interest on Long-Term Indebtedness which is excluded from the determination of the Long-Term Debt Service Requirement; and

(viii) the proceeds of any indebtedness of the Borrower.

**“Related Documents”** means the TIFIA Loan Documents, the Hedging Agreements and the Principal Project Contracts.

**“Remedial Plan”** has the meaning set forth in Section 19(a)(iii).

**“Renewal and Replacement Fund”** has the meaning provided in the Trust Agreement.

**“Renewal and Replacement Advances”** means the amounts advanced by NCDOT under the Construction and Renewal and Replacement Agreement.

**“Requisition”** has the meaning provided in Section 4.

**“Revenues”** means revenues of the Triangle Expressway System, as determined in accordance with generally accepted accounting principles; provided, however, that revenues shall include, without limiting the generality of the foregoing:

(a) proceeds of use and occupancy or business interruption insurance; and

(b) proceeds of any appropriation made by the federal government or any agency or instrumentality thereof or the State or any agency, instrumentality or political subdivision thereof State for use in connection with the Triangle Expressway System, to the extent such proceeds are deposited in the Revenue Fund and are available for use in the same manner as other Receipts under the provisions of the Trust Agreement, including, without limitation, the Appropriated Revenues; provided, however, that the State Appropriated Revenues shall not constitute Revenues hereunder or under the Trust Agreement until such time as such amounts are withdrawn from the State Appropriated Revenue Bond Trust Agreement and deposited to the Revenue Fund; provided, further, that for purposes of calculating the Rate Covenant and the Loan Life Coverage Ratio, “Revenues” shall not include NCDOT Advances; and

(c) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the Authority in the Revenue Fund;



but there shall not be included in "Revenues":

(i) the proceeds of any gifts, grants, bequests, contributions or donations (except as provided in clause (b) above in this definition);

(ii) the proceeds from the sale or disposition of all or any part of the Triangle Expressway System;

(iii) reimbursements received by the Authority of advances made by it in respect of (i) the Initial Project, (ii) any Additional Project, (iii) any refinancing of Indebtedness and (iv) any capital improvements;

(iv) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the Authority in any funds, accounts and subaccounts established pursuant to this Trust Agreement (other than the Revenue Fund), except to the extent that such investment income is transferred by the Authority to the Revenue Fund.

(v) any payments received or revenues derived from the ownership or operation of any Non-System Project, except to the extent expressly included as a Receipt by resolution adopted by the Authority Board;

(vi) Net Insurance Proceeds or Net Eminent Domain Proceeds other than the net proceeds of any use and occupancy or business interruption insurance;

(vii) proceeds of any appropriation made by the federal government or any agency or instrumentality thereof or the State or any agency, instrumentality or political subdivision thereof to the extent the use of such funds is limited to a use that is inconsistent with their use as Receipts under the provisions of the Trust Agreement; provided, however, that the State Appropriated Revenues shall not constitute Receipts hereunder or under the Trust Agreement until such time as such amounts are withdrawn from the State Appropriated Revenue Bond Trust Agreement and deposited to the Revenue Fund;

(viii) the income from the investment of Qualified Escrow Funds to the extent such income is applied to the payment of the principal of or the interest on Long-Term Indebtedness which is excluded from the determination of the Long-Term Debt Service Requirement;

(ix) any payments received by the Authority under any Derivative Agreement;

(x) the proceeds of any security deposits or moneys received to make refunds to users of the Triangle Expressway System; and

(xi) the proceeds of any indebtedness of the Authority.

**"Secretary"** means the United States Secretary of Transportation.

**"Secured Obligations"** means the Senior Lien Indebtedness, the TIFIA Obligations, the Hedging Obligations and the Hedging Termination Obligations.

**"Secured Parties"** means the Trustee, the TIFIA Lender and the Hedging Banks.

**“Security Documents”** means the Trust Agreement, the State Appropriation Revenue Bond Trust Agreement, the Operating and Maintenance Guaranty Agreement, the Construction and Renewal and Replacement Agreement and each other document or instrument from time to time pursuant to which a lien or security interest is granted or perfected.

**“Semi-Annual Payment Date”** means each January 1 and July 1 or if such day is not a Business Day, then the Business Day preceding such January 1 or July 1.

**“Senior Debt Service”** means “Long-Term Debt Service Requirement as such term is defined in the Trust Agreement.

**“Senior Debt Service Coverage Ratio”** means, for any Calculation Period, the ratio of Net Cash Flow for such Calculation Period to Senior Debt Service for such Calculation Period.

**“Senior Lien Indebtedness”** means the Initial Senior Bonds and any Additional Senior Lien Indebtedness of the Borrower.

**“Servicer”** means such entity or entities as the TIFIA Lender shall designate from time-to-time to perform, or assist the TIFIA Lender in performing, certain duties hereunder.

**“State”** means North Carolina.

**“State Appropriated Revenues”** has the meaning set forth in the Trust Agreement.

**“State Appropriation Revenue Bonds”** has the meaning set forth in the Trust Agreement.

**“State Appropriation Revenue Bond Trust Agreement”** has the meaning set forth in the Trust Agreement.

**“Subordinate Lien Indebtedness”** has the meaning set forth in the Trust Agreement.

**“Subsequent Qualified Hedge”** has the meaning provided in Section 16(u)(iii).

**“Substantial Completion”** means the opening of the Project to vehicular or passenger traffic or a comparable event.

**“Substantial Completion Date”** has the meaning provided in Section 21(a).

**“Supplemental Trust Agreement”** means any resolution, indenture, agreement or similar document which supplements or amends the Trust Agreement.

**“TIFIA Act”** means the TIFIA Act as defined in the preamble hereto.

**“TIFIA Bond”** means the TIFIA Bond delivered by the Borrower in substantially the form of Exhibit A.

**“TIFIA Debt Service”** means for any period the sum of the TIFIA Mandatory Debt Service and TIFIA Scheduled Debt Service for such period (in each case whether or not any of such amounts were actually paid for such period and whether or not, in the case of TIFIA Scheduled Debt Service, such amount was actually required to be paid for such period under the provisions of Section 9 hereof).

**“TIFIA Interest Rate”** has the meaning provided in Section 6.

**“TIFIA Lender”** has the meaning provided in the preamble hereto.

**“TIFIA Lender’s Authorized Representative”** means any Person who shall be designated as such pursuant to Section 26 and the Administrator.

**“TIFIA Loan”** means the secured loan made by the TIFIA Lender to the Borrower hereunder, pursuant to the TIFIA Act, in a principal amount not to exceed \$386,662,363 (excluding capitalized interest), to be used to pay Eligible Project Costs.

**“TIFIA Loan Documents”** means this Agreement, the TIFIA Bond and the Security Documents.

**“TIFIA Mandatory Debt Service”** means shall be an amount equal to (i) for the period January 1, 2016 through December 31, 2026, 50% of the interest payable on the TIFIA Outstanding Balance on the next Interest Payment Date (assuming Interest Payment Dates are the last Business Day of June and December) and (ii) from January 1, 2027 until maturity of the TIFIA Loan, 100% of the interest payable on the TIFIA Outstanding Balance on the next Interest Payment Date and 50% of the scheduled principal amortization set forth in Exhibit G (which exhibit shall be revised annually to reflect changes to the TIFIA Outstanding Balance).

**“TIFIA Reserve Fund”** means the TIFIA Reserve Fund established and maintained pursuant to the Trust Agreement for purposes of complying with Section 16(n) hereof.

**“TIFIA Reserve Fund Requirement”** in any year means an amount equal to (i) no later than 90 days after the Effective Date, \$1.0 million, (ii) from 90 days after the Effective Date until the date the amount on deposit equals 10% of the Outstanding TIFIA Loan Balance as of the last Business Day of the previous fiscal year of the Borrower; an amount equal to \$1.0 million, plus at least 10% of the Receipts received in excess of the Base Case Projections (as set forth on Exhibit I to this Agreement) on an annual basis and (iii) thereafter, 10% of the Outstanding TIFIA Loan Balance as of December 31 of the previous year.

**“TIFIA Revenue Share Amount”** means, with respect to any prepayment to be made pursuant to Section 16(s), an amount equal to 25% of the amount to be released from the General Reserve Fund for a Non-System Project.

**"TIFIA Scheduled Debt Service"** (a) for the period commencing January 1, 2015 through, July 1, 2019, the amounts set forth in Schedule A hereto minus TIFIA Mandatory Debt Service and (b) commencing January 1, 2020, the greater of (i) the amount of interest payable on the TIFIA Outstanding Balance on the next Payment Date and (ii) 45% of the Receipts remaining after making the deposits required by clauses (i) through (vi) of Section 8(e); minus TIFIA Mandatory Debt Service.

**"Total Debt Service Coverage Ratio"** means, for any Calculation Period, the ratio of forecasted Revenues for such Calculation Period to the sum of (x) the Long-Term Debt Service Requirement for Senior Lien Indebtedness, Subordinate Lien Indebtedness and the TIFIA Loan for such Calculation Period and (y) the deposits to the Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account and the TIFIA Reserve Fund for such Calculation Period.

**"Traffic and Revenue Study"** means the Final Traffic and Revenue Study for the Project, dated April 2009, prepared for the Borrower by the Traffic Consultant, and any amendments, supplements or updates thereto.

**"Traffic Consultant"** means initially Wilbur Smith Associates and shall include any replacement traffic consultant firm which shall be selected by the Borrower and approved by the TIFIA Lender.

**"Trust Agreement"** means the Trust Agreement, dated as of June 1, 2009, between the Authority and the Trustee.

**"Trustee"** has the meaning provided in the Trust Agreement.

**"Trust Estate"** means (a) all Receipts of the Triangle Expressway System (subject to the release provisions of Section 503 of the Trust Agreement) and (b) all money and securities held by or on behalf of the Trustee in the Project Fund, the Revenue Fund, the Senior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund, the TIFIA Debt Service Fund, the TIFIA Reserve Fund, the General Reserve Fund, the Insurance and Condemnation Award Fund established pursuant to this Trust Agreement, except for any accounts and subaccounts therein that are expressly pledged in a Supplemental Agreement as security only for a specified Series of Bonds and such other liens and security interests in other assets as specified in the Trust Agreement.

**"Uncontrollable Force"** means any cause beyond the control of the Borrower, including but not limited to: (a) a tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, or sabotage; or act of God provided that the Borrower shall not be required to settle any strike or labor disturbance in which it may be involved or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Borrower and the Borrower does not control the administrative agency or governmental officer or body; provided that the diligent contest in good faith of any such order or judgment shall not

constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the Borrower.

**“Uniform Commercial Code”** means the Uniform Commercial Code, as in effect from time to time in the State.

**“USDOT”** means the United States Department of Transportation.

**“Valuation Date”** means (a) with respect to any Capital Appreciation Bonds, the date or dates set forth in the Supplemental Trust Agreement authorizing such Bonds on which specific Accreted Values are assigned to the Capital Appreciation Bonds and (b) with respect to any Deferred Income Bonds, the date or dates on or prior to the Interest Commencement Date set forth in the Supplemental Trust Agreement authorizing such Bonds on which specific Appreciated Values are assigned to the Deferred Income Bonds.

**“Variable Interest Rate”** means a variable interest rate to be borne by any Permitted Debt. The method of computing such variable interest rate shall be specified in the Supplemental Trust Agreement pursuant to which such Permitted Debt is incurred. Such Supplemental Trust Agreement shall also specify either (i) the particular period or periods of time for which each value of such variable interest rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

**“Variable Interest Rate Bonds”** means Permitted Debt which bears a Variable Interest Rate but does not include any Permitted Debt for which the interest rate has been fixed during the remainder of the term thereof to maturity; provided, however, that Permitted Debt bearing a Variable Interest Rate shall not be deemed Variable Interest Rate Bonds if (a) the Borrower has entered into a Qualified Hedge with respect to such Permitted Debt during the period for which such Qualified Hedge is in effect, or (b) such Permitted Debt constitutes Floater/Inverse Floater Debt; provided further that Permitted Debt bearing a fixed rate of interest shall be deemed Variable Interest Rate Bonds to the extent that the Borrower has entered into a Qualified Hedge pursuant to which the Borrower is obligated to pay a floating rate of interest and receives a fixed rate of interest and shall be deemed to bear interest at the lesser of the rate determined pursuant to paragraph (a) of the definition of the term Senior Debt Service or the maximum interest rate, if any, payable pursuant to such Qualified Hedge.

**“Variable Interest Rate Senior Loans”** means any Senior Lien Indebtedness under the Trust Agreement that accrue interest at a Variable Interest Rate.

SECTION 2. Interpretation. Unless the context shall otherwise require, the words “hereto”, “herein”, “hereof” and other words of similar import refer to this Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. Unless the context shall otherwise require, references to any Person shall

be deemed to include such Person's successors and permitted assigns. Unless the context shall otherwise require, references to sections, subsections, and provisions are to the applicable sections, subsections and provisions of this Agreement. The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions. Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time-to-time in accordance with the terms thereof and hereof. Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 35 and signed by a duly authorized representative of such party.

SECTION 3. TIFIA Loan Amount. The principal amount of the TIFIA Loan shall not exceed \$386,662,363; provided, however, in no event shall the maximum principal amount of the TIFIA Loan disbursed by the TIFIA Lender, together with the amount of any other credit assistance provided under the TIFIA Act, exceed the lesser of 33% of Eligible Project Costs or, if the TIFIA Loan does not receive an Investment Grade Rating, the amount of the Initial Senior Bonds. TIFIA Loan proceeds shall be disbursed from time-to-time in accordance with Section 4.

SECTION 4. Disbursement Conditions. TIFIA Loan proceeds shall be disbursed solely to pay directly for, or to reimburse the Borrower for its prior payment of, Eligible Project Costs incurred in connection with the Project. Each disbursement of the TIFIA Loan shall be made pursuant to a requisition and certification (a "Requisition") in the form set forth in **Appendix One** to **Exhibit D** submitted by the Borrower to, and approved by, the TIFIA Lender, all in accordance with the procedures of Exhibit D and subject to the conditions set forth therein and the additional conditions set forth below in this Section 4. No disbursements of TIFIA Loan proceeds shall be made on or after the date that is one year after the Substantial Completion Date.

Subject to the last paragraph of this Section 4, copies of each Requisition shall be delivered to the TIFIA Lender, the FHWA TIFIA Joint Program Office (HCFT-1), the Servicer and the FHWA North Carolina Division on or before the first day of each month for which a disbursement is requested, or the next succeeding Business Day if such first day is not a Business Day. If the TIFIA Lender shall expressly approve a Requisition or shall not expressly deny a Requisition, disbursements of funds shall be made on the 15<sup>th</sup> day of the month for which a disbursement has been requested, or on the next succeeding Business Day if such 15<sup>th</sup> day is not a Business Day. Express TIFIA Lender approval or denial shall be substantially in the form annexed hereto as **Appendix Three** to **Exhibit D**. In no event shall disbursements be made more than once each month. At the time of any disbursement, the sum of all prior disbursements of TIFIA Loan proceeds and the disbursement then to be made shall not exceed the cumulative disbursements through the end of the then-current year set forth in the Anticipated Loan Disbursement Schedule, as the same may be amended from time to time.

The Borrower may amend the Anticipated Loan Disbursement Schedule by submitting revisions to the TIFIA Lender no later than thirty days prior to the proposed effective date thereof, a revised Schedule, together with a detailed explanation of the reasons for such

revisions. Such revised Schedule shall become effective upon the TIFIA Lender's approval thereof, which approval shall not be unreasonably withheld.

SECTION 5. Term. The term of the TIFIA Loan shall extend from the Effective Date to the Final Maturity Date or to such earlier or later date as all amounts due or to become due to the TIFIA Lender hereunder have been paid.

SECTION 6. Interest Rate. The interest rate with respect to the TIFIA Loan (the "TIFIA Interest Rate") shall be 4.25% per annum. Interest will be computed on the Outstanding TIFIA Loan Balance (as well as on any past due interest) from time-to-time on the basis of a 365-day or 366-day year, as appropriate, for the actual number of days elapsed and will be compounded semi-annually; provided, however, in the event of a Payment Default, the Borrower shall pay interest on any overdue amount from its due date to the date of actual payment at an interest rate of 200 basis points above the TIFIA Interest Rate (the "Default Rate").

SECTION 7. Outstanding TIFIA Loan Balance and Revisions to Exhibit G and the Loan Amortization Schedule. (a) The Outstanding TIFIA Loan Balance will be (i) increased on each occasion on which the TIFIA Lender shall disburse loan proceeds hereunder, by the amount of such disbursement of loan proceeds, (ii) increased on each occasion on which interest on the TIFIA Loan is capitalized pursuant to the provisions of Section 9 hereof, by the amount of interest so capitalized and (iii) decreased upon each payment or prepayment of the principal amount of the TIFIA Loan, by the amount of principal so paid. The TIFIA Lender may in its discretion at any time and from time-to-time, or when so requested by the Borrower, advise the Borrower by written notice of the amount of the Outstanding TIFIA Loan Balance as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error. Upon any determination of the Outstanding TIFIA Loan Balance, the TIFIA Lender may, but shall not be obligated to, make applicable revisions to Exhibit G and the Loan Amortization Schedule pursuant to Section 9 and in such event shall provide the Borrower with a copy of such Exhibit G and Loan Amortization Schedule as revised, but no failure to provide or delay in providing the Borrower with such copy shall affect any of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents. The Loan Amortization Schedule, as of the date hereof, has been determined based on the Anticipated Loan Disbursement Schedule in effect on the Effective Date.

(b) The TIFIA Lender shall make applicable revisions to Exhibit G and the Loan Amortization Schedule pursuant to Section 9 (i) as of the Debt Service Payment Commencement Date and on each Payment Date thereafter and (ii) any prepayment of the TIFIA Loan. Upon any such revisions the TIFIA Lender shall provide the Borrower with copies of such Exhibit G and Loan Amortization Schedule as revised, but no failure to provide or delay in providing the Borrower with such copies shall affect any of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents. Each of Exhibit G and the Loan Amortization Schedule, as of the Effective Date, has been determined based on the Anticipated Loan Disbursement Schedule in effect on the Effective Date.

SECTION 8.      Security and Priority; Flow of Funds.

(a) As security for the TIFIA Loan, the Borrower shall pledge, assign and grant, or shall cause to be pledged, assigned and granted, to the Trustee, Liens on the Trust Estate in accordance with the provisions of the Trust Agreement. The TIFIA Loan shall be secured by the Liens on the Trust Estate subordinate, during any period when an Event of Default described in Section 19(a)(xii) has not occurred, only (except as otherwise required by law) to the Lien on the Trust Estate of the Senior Lien Indebtedness, Hedging Obligations and Subordinate Lien Indebtedness. Upon the occurrence and continuance of an Event of Default described in Section 19(a)(xi), the TIFIA Loan shall be secured by a first priority security interest in the Trust Estate on a parity with the Senior Lien Indebtedness and the Hedging Obligations and Hedging Termination Obligations under the Hedging Agreements other than Subordinated Hedging Termination Obligations.

(b) Except to the extent otherwise provided in paragraph (a) of this Section, clauses (i) and (j) of the definition of Permitted Liens or as may be entitled to priority as a matter of law, the items pledged in said paragraph are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created hereby, and all corporate action on the part of the Borrower to that end has been duly and validly taken.

(c) The Borrower shall not use Receipts to make any payments or satisfy any obligations other than in accordance with the provisions of this Section 8 and the Trust Agreement and shall not apply any portion of the Receipts in contravention of this Agreement or the Trust Agreement.

(d) Amounts on deposit in the funds, accounts and subaccounts created by the Trust Agreement will be held uninvested or invested in Permitted Investments in accordance with Section 602 of the Trust Agreement.

(e) The Trust Agreement provides that all Receipts shall, subject to Section 721 thereof in the case of State Appropriated Revenues, be applied substantially in the following order of priority, as more fully described, and in accordance with the requirements specified, in Section 502 of the Trust Agreement:

(i) Interest due on Senior Lien Bonds and Senior Lien Parity Debt and Senior Lien Derivative Agreement Regularly Scheduled Payments;

(ii) Principal due on Senior Lien Bonds and Senior Lien Parity Debt;

(iii) Senior Lien Parity Reserve Account;

(iv) Interest due on Subordinate Lien Bonds and Subordinate Lien Parity Debt and Subordinate Lien Derivative Agreement Regularly Scheduled Payments;

(v) Principal due on Subordinate Lien Bonds and Subordinate Lien Parity Debt;



- (vi) Subordinate Lien Parity Reserve Account;
- (vii) Beginning on the Debt Service Payment Commencement Date, TIFIA Debt Service;
- (viii) Hedging Acquisition Account;
- (ix) Operating and Maintenance Expense Fund;
- (x) Operating Reserve Fund;
- (xi) Renewal and Replacement Fund;
- (xii) Reimbursement to NCDOT for any NCDOT Advance;
- (xiii) TIFIA Reserve Fund; and
- (xiv) General Reserve Fund.

SECTION 9. Payment of Principal and Interest.

- (a) General. The Borrower agrees to pay the principal of and interest on the TIFIA Loan by making payments in accordance with the provisions of this Agreement and the Trust Agreement on each Payment Date and on each other date (including, without limitation, the Final Maturity Date and any date on which payment thereof is due by reason of the acceleration of the maturity of the TIFIA Loan) on which payment thereof is required to be made hereunder.
- (b) Capitalized Interest Period. No payment of the principal of or interest on the TIFIA Loan is required to be made during the Capitalized Interest Period. On each June 30 and December 31 occurring during the Capitalized Interest Period, interest accrued in the six month period ending immediately prior to such date on the TIFIA Loan shall be capitalized and added to the Outstanding TIFIA Loan Balance. Within 30 days after the end of the Capitalized Interest Period, the TIFIA Lender shall give written notice to the Borrower stating the Outstanding TIFIA Loan Balance as of the close of business on the last day of the Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or under any of the other TIFIA Loan Documents.
- (c) Payment of TIFIA Mandatory Debt Service. On each Payment Date occurring on or after the Debt Service Payment Commencement Date, the Borrower shall pay TIFIA Mandatory Debt Service on the TIFIA Loan for each Payment Period in the amount set forth on Exhibit G hereto, which payments shall be made in accordance with Section 9(e); provided that if such Payment Date is an Interim Payment Date, the amount payable shall be calculated in Section 9(e)(iii).

(d) Payment of TIFIA Scheduled Debt Service. On each Payment Date after the Debt Service Payment Commencement Date, the Borrower shall pay TIFIA Scheduled Debt Service on the TIFIA Loan for each Payment Period in the amount set forth on Exhibit G hereto, which payments shall be made in accordance with Section 9(e); provided that if such Payment Date is an Interim Payment Date, the amount payable shall be calculated in Section 9(e)(iii); and provided further, however, that the Borrower's obligation to pay TIFIA Scheduled Debt Service on any Payment Date shall be applicable only if and to the extent that funds shall be available therefor on such date. To the extent that the aggregate amount of TIFIA Scheduled Debt Service actually paid during any Payment Period for the TIFIA Loan in accordance with the provisions hereof shall be less than the aggregate amount of the TIFIA Scheduled Debt Service for such period determined as provided above, then the unpaid portion of such TIFIA Scheduled Debt Service shall be recalculated and shall be part of the Outstanding TIFIA Loan Balance that is due and payable over the remaining life of the TIFIA Loan. Exhibit G shall be revised on each such Payment Date.

(e) Dates and Amounts of Payment. The Borrower shall make payments on each Payment Date commencing with the Debt Service Payment Commencement Date, as follows:

(i) If Senior Lien Indebtedness has any payment of principal or interest due on any Interim Payment Date after the Debt Service Payment Commencement Date, the Borrower shall promptly notify the Servicer and the TIFIA Lender thereof in writing, identifying the period covered by such Interest Period and the interest payment date on which interest on or principal of the Senior Lien Indebtedness for such Interest Period is due and payable.

(ii) The amount of TIFIA Mandatory Debt Service due and payable on any Payment Date occurring during any Payment Period shall be equal to the aggregate amount of TIFIA Mandatory Debt Service for such Payment Period as shown on Exhibit G, as the same may be revised as provided in Section 7(b), multiplied by a fraction, the numerator of which is equal to the number of months contained in the Interest Period ending on such Payment Date and the denominator of which is equal to six.

(iii) Subject to the proviso to the first sentence of Section 9(d), the amount of TIFIA Scheduled Debt Service due and payable on any Payment Date occurring during any Payment Period shall be equal to the aggregate amount of TIFIA Scheduled Debt Service for such Payment Period as shown on Exhibit G, as the same may be revised as provided in Section 7(b) (determined in accordance with the provisions of Section 9(d)), multiplied by a fraction, the numerator of which is equal to the number of months contained in the Interest Period ending on such Payment Date and the denominator of which is equal to six.

(iv) Notwithstanding the foregoing provisions of this Section 9(e) or any other provision of this Agreement, at any time when no Senior Lien Indebtedness shall be outstanding, or when no Senior Lien Indebtedness shall be outstanding other than Senior Lien Indebtedness with respect to which principal and interest are payable on

Semi-Annual Payment Dates, then TIFIA Mandatory Debt Service and TIFIA Scheduled Debt Service hereunder shall be payable only on each Semi-Annual Payment Date occurring during the Payment Period. In the event that an Interim Payment Date is other than a monthly date, the method for determining the method for calculating interim payments shall be determined at such time by the parties hereto.

(f) [Reserved].

(g) Manner of Payment. Payments under this Agreement and the TIFIA Bond shall be made by wire transfer on or before each Payment Date in immediately available funds in accordance with payment instructions provided by a TIFIA Lender's Authorized Representative pursuant to Section 35, as modified in writing from time-to-time by a TIFIA Lender's Authorized Representative.

(h) TIFIA Bond; Adjustments to Loan Amortization Schedule. As evidence of the Borrower's obligation to repay the TIFIA Loan, the Borrower shall issue and deliver to the TIFIA Lender, on or prior to the Effective Date, the TIFIA Bond substantially in the form of **Exhibit A**, attached hereto and incorporated herein by reference, having a maximum principal amount of \$386,662,363 (subject to increase or decrease as herein provided) and bearing interest at the rate set forth in Section 6. The TIFIA Lender is hereby authorized to enter on the grid attached to such TIFIA Bond as **Appendix One**, attached hereto and incorporated herein by reference, the amount of each disbursement made under this Agreement and to amend the Loan Amortization Schedule from time-to-time in accordance with Section 7 hereof. Absent manifest error, the TIFIA Lender's determination of such matters as set forth on **Appendix One** to the TIFIA Bond and the Loan Amortization Schedule shall be conclusive evidence thereof.

#### SECTION 10. Prepayment.

(a) Mandatory. The Borrower shall prepay the TIFIA Loan in whole or in part, without penalty or premium, in the amounts and at the times required pursuant to the provisions of Section 16(s). Each such prepayment shall be accompanied by a certificate signed by the Borrower's Authorized Representative identifying the provision of this Agreement pursuant to which such prepayment is being made and containing a calculation in reasonable detail of the amount of such prepayment.

(b) Optional. The Borrower may prepay the TIFIA Loan in whole or in part (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided, however, that such prepayments shall be in principal amounts of \$1,000,000 or any integral multiple thereof), at any time or from time-to-time, without penalty or premium, by paying to the TIFIA Lender such principal amount of the TIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment. Each prepayment of the TIFIA Loan shall be made on such date and in such principal amount as shall be specified by the Borrower in a written notice delivered to the TIFIA Lender. In the case of any partial prepayment, such written notice shall be delivered to the TIFIA Lender not less than 10 days or more than 30 days prior to the date set for prepayment.

(c) General. Notice having been given as provided in Section 10(b), the principal amount of the TIFIA Loan stated in such notice or the whole thereof, as the case may be, shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on the principal amount then being prepaid. The amount of principal and interest due and payable as a result of a mandatory or optional prepayment shall be paid (i) in case the entire unpaid balance of the principal of the TIFIA Bond is to be prepaid, upon presentation and surrender of such TIFIA Bond evidencing the obligation to repay such TIFIA Loan to the Borrower or its representative at the principal office of the TIFIA Lender, and (ii) in case only part of the unpaid balance of principal of such TIFIA Bond is to be prepaid, the TIFIA Lender may make a notation on the TIFIA Bond indicating the amount of principal of and interest on such TIFIA Bond then being prepaid. All such partial prepayments of principal shall be applied to the remaining Outstanding TIFIA Loan Balance and TIFIA Scheduled Debt Service will be recalculated to be the amounts sufficient to amortize the remaining TIFIA Loan Balance at the TIFIA Interest Rate over the period ending on the Final Maturity Date. TIFIA Mandatory Debt Service will be recalculated based on the revised TIFIA Scheduled Debt Service and the resulting TIFIA Scheduled Debt Service and TIFIA Mandatory Debt Service will be reflected in a revised Exhibit G, and the TIFIA Lender shall, and is hereby authorized by the Borrower to, make the appropriate notations thereof on **Appendix One** to the TIFIA Bond and to revise the Loan Amortization Schedule in accordance herewith. Absent manifest error such TIFIA Lender notations and revisions shall be conclusive. If said moneys shall not have been so paid on the prepayment date, such principal amount of such TIFIA Bond shall continue to bear interest until payment thereof at the rate provided for in Section 6.

SECTION 11. [Reserved].

SECTION 12. Compliance with Laws. The Borrower covenants to require its contractors and subcontractors to abide by all applicable federal and State laws. The list of federal laws attached as **Exhibit E** is illustrative of the type of requirements generally applicable to transportation projects and is not intended to be exhaustive. The FHWA Division Office has oversight responsibility for ensuring compliance with all applicable provisions of federal law. Pursuant to 23 U.S.C. § 106(e) and the FHWA Division Oversight Agreement, NCDOT will be responsible for certain Project oversight activities. The Borrower agrees to cooperate with NCDOT and the FHWA Division Office in carrying out their duties under the Agreements. The Borrower agrees that there will be no irreversible or irretrievable commitment of resources, including but not limited to physical construction, before all state and/or federal environmental permits required for commencement of construction of the relevant portion of the Project are finalized and approved by the appropriate resource agencies. In the event that an environmental permit that has not been obtained is required after construction has begun, the Borrower shall take immediate steps to acquire that permit. If the Borrower begins construction before all required permits have been obtained, the Borrower shall assume the risk of any loss associated therewith.

SECTION 13. Conditions Precedent. (a) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective and the TIFIA Lender shall have no obligation to disburse any loan proceeds to the Borrower until each of the following conditions precedent shall have been satisfied:

(i) The Borrower shall have duly executed and delivered to the Trustee each of the Security Documents to be executed by the Borrower and the TIFIA Bond, each in form and substance satisfactory to the TIFIA Lender and the Trustee.

(ii) Counsel to the Borrower and the State Attorney General on behalf of NCDOT shall have rendered to the TIFIA Lender legal opinions in substantially the form attached hereto as Exhibit H.

(iii) The Borrower shall have provided a certificate as to the absence of debarment, suspension or voluntary exclusion from participation in Government contracts, procurement and non-procurement matters substantially in the form attached hereto as Exhibit C.

(iv) The Borrower shall have provided to the TIFIA Lender's satisfactory evidence that the Project has satisfied the applicable planning and programmatic requirements of 23 U.S.C. §§134 and 135.

(v) The Borrower shall have provided evidence to the TIFIA Lender's satisfaction, not later than 14 days prior to Effective Date, of the assignment by a Nationally Recognized Rating Agency of an Investment Grade Rating to the Initial Senior Bonds and the rating on the TIFIA Loan.

(vi) The Borrower shall have delivered to the TIFIA Lender a certificate designating the Borrower's Authorized Representative and such person's position and incumbency and a certificate of the Borrower to the effect that the insurance requirements of Section 16(h) have been satisfied as of the Effective Date.

(vii) The Security Documents shall have been executed by each of the parties thereto and delivered to the TIFIA Lender, each in form and substance satisfactory to the TIFIA Lender, and all conditions contained in such documents to the closing of the transactions contemplated thereby shall have been fulfilled or effectively waived.

(viii) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that the funds forecasted to be available under the Base Case Projections will be sufficient to complete the Project.

(ix) The Borrower shall have delivered an original fully executed counterpart (or a certified copy) of the Traffic and Revenue Study in form and substance acceptable to the TIFIA Lender. Such traffic audit shall have been completed to the satisfaction of the TIFIA Lender, and shall have been performed at the expense of the Borrower.

(x) The Borrower shall have provided to the TIFIA Lender certified copies of the Principal Project Contracts and such agreements shall be in full force and effect and in form and substance satisfactory to the TIFIA Lender.

(xi) The Borrower shall have provided certified copies of all available agreements related to the acquisition or control of any Project right-of-way to be acquired with the proceeds of the TIFIA Loan.

(xii) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that it has all necessary, permits and governmental approvals necessary to commence construction.

(xiii) The Borrower shall have delivered to the TIFIA Lender a certified schedule acceptable to the TIFIA Lender demonstrating that the projected Receipts shall be sufficient to meet the Loan Amortization Schedule and meet the requirements of the Rate Covenant contained in Section 16(o) and the Loan Life Coverage Ratio contained in Section 16(p).

(xiv) The Borrower shall have delivered to the Trustee evidence of the perfected security interest of the Trustee and the TIFIA Lender in the Trust Estate, satisfactory to the TIFIA Lender and the Trustee.

(xv) The Borrower shall have made arrangements satisfactory to the TIFIA Lender to pay to the TIFIA Lender, within 30 Business Days after the Effective Date, the reasonable fees and expenses of the TIFIA Lender's counsel and financial advisor and any auditors or other consultants employed by the TIFIA Lender for the purposes hereof.

(xvi) The Borrower shall have provided evidence of compliance with the National Environmental Policy Act of 1969 (42 U.S.C. §4321 et seq.).

(xvii) The TIFIA Lender shall have delivered its initial TIFIA Lender's Authorized Representative certificate.

(xviii) The Borrower shall also have delivered such other agreements, documents, instruments, opinions and other items required by the TIFIA Lender, all in form and substance satisfactory to the TIFIA Lender, including, but not limited to, evidence that all other Project funding requirements have been met (including evidence of other funding sources or funding commitments and evidence of the closing of the Senior Lien Indebtedness).

(xix) The Borrower shall have obtained a Data Universal Number System number with the federal Central Contractor Registry.

(xx) The Borrower shall have paid to the TIFIA Lender, no later than 3 Business Days prior to the Effective Date of the TIFIA Loan Agreement, an amount equal to \$10,500,000.

(b) The TIFIA Lender shall have no obligation to disburse any loan funds to or on behalf of the Borrower unless on or prior to 21 days after the Effective Date, the following conditions have been satisfied:

(i) The Initial Senior Lien Bonds shall have been issued in an amount at least equal to \$270,000,000, the initial series of State Appropriation Bonds shall have been issued in an amount at least equal to \$340,000,000 and the rating provided pursuant to Section 13(a)(v) hereof shall be in effect.

(ii) Bond Counsel, the State Attorney General on behalf of NCDOT and counsel to the Borrower shall have rendered to the TIFIA Lender certificates and legal opinions in form and substance satisfactory to the TIFIA Lender.

SECTION 14. Representations and Warranties of Borrower. The Borrower hereby represents and warrants that as of the date of the execution of this Agreement and, as to each of the representations and warranties below other than those contained in clauses (b) and (i) of this Section, as of each date on which any disbursement of the TIFIA Loan is made:

(a) The Borrower is a body corporate and politic and public instrumentality of the State of North Carolina, has full legal right, power and authority to enter into the Related Documents then in existence, to execute the TIFIA Bond, and to carry out and consummate all transactions contemplated by hereby and thereby and has duly authorized the execution, delivery and performance of the Related Documents.

(b) As of the Effective Date, the officers of the Borrower executing the Related Documents to which the Borrower is a party, are duly and properly in office and fully authorized to execute the same.

(c) Each of the TIFIA Loan Documents has been duly authorized, executed and delivered by the Borrower and constitutes the legal, valid and binding agreement of the Borrower enforceable in accordance with its terms, except as such enforceability (A) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (B) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(d) The execution and delivery of the Related Documents to which the Borrower is a party, the consummation of the transactions contemplated in the Related Documents and the fulfillment of or compliance with the terms and conditions of the Related Documents will not, in any material respect, conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) by the Borrower of any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower.

(e) No consent or approval of any trustee, holder of any indebtedness of the Borrower or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority required as of the date hereof is necessary in connection with the execution and delivery by the Borrower of the Related Documents, the consummation of any transaction contemplated by the Related Documents, or the fulfillment of or compliance with the Borrower of the terms and conditions of the Related Documents, except as have been obtained or made and as are in full force and effect.

(f) There is no action, suit, proceeding, inquiry or investigation before or by any court or other Governmental Authority, pending, or to the knowledge of the Borrower after reasonable inquiry and investigation, threatened against or affecting the Borrower or the assets, properties or operations of the Borrower which are likely to have a Material Adverse Effect. The Borrower is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any other Governmental Authority, which default would be reasonably likely to have a Material Adverse Effect.

(g) The Security Documents establish, in favor of the Trustee for the benefit of the TIFIA Lender, the valid and perfected Liens on the Trust Estate which they purport to create; such Liens are in full force and effect and are not subordinate or junior to any other Liens in respect of the Trust Estate except as provided in the Trust Agreement or to the extent such other Liens are entitled to priority as a matter of law and the Borrower is not in breach of any covenants set forth in Section 16(c) of this Agreement and the Security Documents with respect thereto.

(h) The Borrower is not debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters or delinquent on a Government debt as more fully set forth in the certificate delivered in substantially the form of **Exhibit C**.

(i) As of the Effective Date, the representations, warranties and certifications of the Borrower set forth in this Agreement, the Trust Agreement, the State Appropriation Revenue Bond Trust Agreement and the Principal Project Contracts and all information provided by the Borrower to the TIFIA Lender when taken as a whole and after giving effect to any updates, remain true and accurate.

(j) The Borrower has complied, with respect to the Project, with all applicable requirements of the National Environmental Policy Act of 1969 (42 U.S.C. §4321 et seq.).

(k) The Project has been included in the metropolitan transportation improvement program for the Capital Area Metropolitan Planning Organization, in the State transportation plan and the approved State transportation improvement program to the extent required by 23 U.S.C. §602(a)(1).

(l) The Initial Senior Bonds have received an Investment Grade Rating from at least one Nationally Recognized Rating Agency, and written evidence of such rating has been provided to the TIFIA Lender prior to the Effective Date, and to the knowledge of the Borrower, no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(m) Upon execution and delivery of this Agreement and the TIFIA Bond, the Borrower is not in default in any material respect under the terms hereof or thereof and no event has occurred or condition exists which, with due notice or lapse of time or both, would constitute an Event of Default.



(n) All authorizations, consents, approvals, licenses, permits and reviews required as of the Effective Date for the undertaking and completion by the Borrower of the Project have been obtained or effected and are in full force and effect and there is no basis for the revocation of any such authorization, consent, commitments or approval.

(o) The Principal Project Contracts which have been executed and delivered are all in full force and effect, the Borrower is not in default under any of such agreements or contracts, and to the knowledge of the Borrower no party to any of such agreements or contracts is in default thereunder, except as, in either case, could not reasonably be expected to have a Material Adverse Effect.

SECTION 15. Representations and Warranties of TIFIA Lender. The TIFIA Lender represents and warrants that:

(a) The TIFIA Lender has all requisite power and authority to make the TIFIA Loan and to perform all transactions contemplated by the Related Documents to which it is a party.

(b) The Related Documents to which it is a party have been duly authorized, executed and delivered by TIFIA Lender, and are legally valid and binding agreements of the TIFIA Lender, enforceable in accordance with their terms.

(c) The officers of the TIFIA Lender executing each of the Related Documents to which the TIFIA Lender is a party is duly and properly in office and fully authorized to execute the same on behalf of the TIFIA Lender.

SECTION 16. Borrower Covenants. The Borrower hereby covenants and agrees that:

(a) Permitted Indebtedness. Except for Permitted Debt, the Borrower shall not issue or incur indebtedness of any kind secured by Receipts or Revenues. Prior to the incurrence of Permitted Debt described in clauses (a) and (d) of the definition thereof, the Borrower shall provide a certificate to the TIFIA Lender certifying that such proposed Additional Senior Lien Indebtedness, purchase money obligations or capitalized leases, as applicable, are authorized pursuant to this Section 16(a) and, in the case of Additional Senior Lien Indebtedness, specifying the subparagraph(s) of Section 16(b) under which such indebtedness is authorized.

(b) Additional Senior Lien Indebtedness. The Borrower shall not incur Additional Senior Lien Indebtedness except as otherwise provided herein. Additional Senior Lien Indebtedness may be incurred, provided that no Event of Default under the Trust Agreement or this Agreement has occurred and is continuing and, if such Additional Senior Lien Indebtedness is not secured by the Trust Estate under the Trust Agreement, the lender of any such Additional Senior Lien Indebtedness (or an agent or trustee acting on its behalf) at the time of execution of any documentation with respect thereto, shall become a party to and be bound by an intercreditor agreement in form and substance acceptable to the TIFIA Lender and such Additional Senior Lien Indebtedness is incurred in compliance with the following requirements:

(i) **Long-Term Indebtedness** constituting Senior Lien Indebtedness may be incurred if prior to incurrence there is delivered to the Trustee: (v) an Officer's Certificate certifying that the Authority was in compliance with the Rate Covenant for the most recent Fiscal Year for which audited financial statements are available; (w) a report of a Traffic Consultant showing that for each Fiscal Year next succeeding the date on which such Long-Term Indebtedness is incurred through the final maturity date of any Long-Term Indebtedness, the forecasted Revenues in each such Fiscal Year is at least 140% of the Long-Term Debt Service Requirement with respect to all Outstanding Long-Term Indebtedness constituting Senior Lien Indebtedness (excluding any Long-Term Indebtedness constituting Senior Lien Indebtedness to be refunded by the Long-Term Indebtedness to be incurred) and the Long-Term Indebtedness proposed to be incurred; (x) a report of a Traffic Consultant showing that for each Fiscal Year next succeeding the date on which such Long-Term Indebtedness is incurred through the final maturity date of any Long-Term Indebtedness, (1) the Total Debt Service Coverage Ratio is at least 130% (calculated excluding any Long-Term Indebtedness to be refunded by the Long-Term Indebtedness to be incurred) and (2) the Loan Life Coverage Ratio is at least 130%; (y) a report of a Traffic Consultant showing that (1) for each Fiscal Year next succeeding the date on which such Long-Term Indebtedness is incurred through the final maturity date of any Long-Term Indebtedness, the forecasted Receipts in each Fiscal Year will be sufficient to make all of the deposits in each such Fiscal Year required by clauses (a) through (h) of Section 503 of the Trust Agreement and (2) that the Outstanding TIFIA Loan will be fully retired by its final maturity date and (z) evidence that such Senior Lien Indebtedness has an Investment Grade Rating.

(ii) **Completion Indebtedness** constituting Senior Lien Indebtedness may be incurred in an amount not exceeding 5% of the aggregate principal amount of the Long-Term Indebtedness constituting Senior Lien Indebtedness originally incurred by the Authority to finance the costs of the Initial Project or any Additional Project; provided, however, that prior to the incurrence of such Completion Indebtedness, the Authority shall furnish to the Trustee (x) a certificate of a licensed architect or engineer estimating the costs of completing the facilities for which such Completion Indebtedness is to be incurred, (y) an Officer's Certificate certifying that the amount of such Completion Indebtedness to be incurred will be sufficient, together with other funds, if applicable, to complete construction of the facilities as estimated by the architect or engineer in respect of which such Completion Indebtedness is to be incurred and (z) evidence that such Completion Indebtedness has an Investment Grade Rating.

(iii) Long-Term Indebtedness constituting Senior Lien Indebtedness may be incurred for the purpose of **refunding** all or any part of any Outstanding Long-Term Indebtedness constituting Senior Lien Indebtedness so as to render it no longer Outstanding so long as (x) such new Senior Lien Indebtedness has an Investment Grade Rating and (y) there shall have been delivered to the Trustee an Officer's Certificate stating that (1) debt service, after the incurrence of such Long-Term Indebtedness, in each year of the remaining term of the TIFIA Loan, is not greater than the debt service on the Senior Lien Indebtedness being refunded or refinanced or (2) the incurrence of such Long-Term Indebtedness to accomplish the refunding will satisfy the requirements of subsection (b)(i) of this Section.

(iv) **Short-Term Indebtedness** constituting Senior Lien Indebtedness may be incurred in an amount not to exceed \$5 million; provided that (x) such Short-Term Indebtedness (1) has an Investment Grade Rating and (2) the proceeds are used for operating expenses and (y) the Borrower is current on TIFIA Debt Service.

(v) **Put Indebtedness** constituting Senior Lien Indebtedness may be incurred if prior to the incurrence of such Put Indebtedness (x) the conditions described in subsections (i), (ii) or (iii) of this subsection (b) are met and (y) a Credit Facility exists to provide financing sufficient to pay the purchase price or principal of such Put Indebtedness on any date on which the Owner or Holder of such Put Indebtedness may demand payment thereof pursuant to the terms of such Put Indebtedness.

(c) **Securing Liens.** The Borrower shall at any and all times, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, securing and confirming the Liens in and to the Trust Estate (whether now existing or hereafter arising) granted to the Trustee for the benefit of the TIFIA Lender, pursuant to the Security Documents, or intended so to be granted pursuant to the Security Documents, or which the Borrower may become bound to grant and the Trust Estate is and will be free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with the Liens created by the Security Documents, other than as permitted by such documents or by this Agreement, and all corporate action on the part of the Borrower to that end shall be duly and validly taken at such times. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Trust Estate granted pursuant to the Security Documents and all the rights of the Trustee for the benefit of the TIFIA Lender under the Security Documents against all claims and demands of all Persons whomsoever, subject to Permitted Liens.

(d) **Copies of Documents.** The Borrower shall furnish to the TIFIA Lender a copy of any offering document and cash flow projections prepared in connection with the incurrence of any Permitted Debt, prior to the incurrence of any such Permitted Debt, as well as copies of any continuing disclosure documents, in each case prepared or filed in connection with the applicable rules of the Securities and Exchange Commission, in each case promptly following the preparation or filing thereof.

(e) **Use of Proceeds.** The Borrower shall use the proceeds of the TIFIA Loan only to pay, or to reimburse the Borrower for, Eligible Project Costs.

(f) **Prosecution of Work.** The Borrower shall diligently prosecute and complete the work relating to the Project in accordance with the Construction Schedule contained in the Design-Build Contracts and the highest standards of Borrower's industry, using its best efforts at all times.

(g) **Operations and Maintenance.** The Borrower shall operate and maintain the Project in a reasonable and prudent manner and shall maintain the Project in good repair, working order and condition and in accordance with the requirements of the Design Build Contracts. The Borrower shall at all times do or cause to be done all things necessary to obtain,

preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises and authorizations material to the conduct of its business, and comply in all material respects with all applicable laws, rules, regulations, orders, decrees, judgments or administrative decisions, whether now in effect or hereafter enacted, of any Governmental Authority having jurisdiction over the Borrower or its assets or operations (including, without limitation, the National Environmental Policy Act of 1969 (42 U.S.C. §4321 et seq.) and all other federal, state and local laws, rules, regulations, orders, decrees, judgments and administrative decisions relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters).

(h) Insurance. The Borrower shall at all times maintain insurance on the Project, with responsible insurers, as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties in accordance with the requirements of the Section 707 of the Trust Agreement.

(i) Notice. The Borrower shall, within five (5) Business Days after the Borrower learns of the occurrence, give the TIFIA Lender notice of any of the following events, setting forth details of such event:

(i) *Events of Default*: any Event of Default or any event which, given notice or the passage of time or both, would constitute an Event of Default;

(ii) *Litigation*: the filing of any actual litigation, suit or action, or the delivery to the Borrower of any written claim, which could reasonably be expected to have a Material Adverse Effect; and

(iii) *Other Adverse Events*: the occurrence of any other event or condition, which could reasonably be expected to result in a Material Adverse Effect.

(j) Remedied TIFIA Action. Within 30 calendar days after the Borrower learns of the occurrence of an event specified in Section 16(i), the Borrower's Authorized Representative shall provide a statement setting forth the actions the Borrower proposes to take with respect thereto.

(k) No Lien Extinguishment or Adverse Amendments. Borrower shall not, without the prior written consent of the TIFIA Lender, either (i) extinguish the Liens on the Trust Estate, except as provided under the Trust Agreement and other Security Documents, (ii) amend, modify or supplement any Related Document or the Authority Act in a manner that could adversely affect the TIFIA Lender in connection with the TIFIA Loan or (iii) terminate, assign, amend or modify, or waive timely performance by the Borrower or NCDOT or any other party of material covenants under any Principal Project Contract except for termination, assignment, amendment, modification or waiver that could not reasonably be expected to have a Material Adverse Effect. Except as otherwise agreed by the TIFIA Lender in writing, the Borrower will provide to the TIFIA Lender copies of any proposed amendments to any Related Document at least 30 days prior to the effective date thereof.

(l) Maintain Legal Structure. The Borrower shall maintain its existence as a body corporate and politic and public instrumentality duly organized and existing under the laws of the State.

(m) Annual Rating. The Borrower shall, commencing in 2010, no later than the last Business Day of December of each year over the term of the TIFIA Loan, at no cost to the TIFIA Lender, provide to the TIFIA Lender a private rating on the Senior Lien Indebtedness and the TIFIA Loan by a Nationally Recognized Rating Agency.

(n) Reserve Accounts. The Borrower shall maintain (i) the Senior Lien Special Reserve Account in an amount equal to the Senior Lien Parity Reserve Account Requirement, (ii) the Subordinate Lien Parity Reserve Account in an amount equal to the Subordinate Lien Parity Reserve Account Requirement and (iii) the TIFIA Reserve Fund in an amount equal to the TIFIA Reserve Fund Requirement, in each case, in accordance with the provisions of the Trust Agreement. Amounts in the Senior Lien Parity Reserve Account shall be made available to ensure the timely payment of principal and interest on Senior Lien Indebtedness. Amounts in the Subordinate Lien Special Parity Account shall be made available to ensure the timely payment of principal and interest on Subordinate Lien Indebtedness. Amounts in the TIFIA Reserve Fund shall be made available to ensure the timely payment of principal and interest on the TIFIA Loan. The TIFIA Reserve Requirement shall be funded with \$1.0 million from Authority Contributions within 90 days of the Effective Date and the balance shall be funded from Receipts received in excess of the Base Case Financial Plan until the TIFIA Reserve Fund Requirement is satisfied. The Borrower shall transfer at least 10% of the Receipts received in excess of the Base Case Projections annually to the TIFIA Reserve Fund until the amount therein is equal to the TIFIA Reserve Fund Requirement..

The Borrower may replace all or a portion of the required balance of the Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account or the TIFIA Reserve Fund, in accordance with the terms of the Trust Agreement.

(o) Rate Covenant. The Borrower shall fix, charge and collect tolls, fees, rentals and other charges for the use of and for services furnished or to be furnished by the Triangle Expressway System in order that for each Fiscal Year, beginning with the first full Fiscal Year in which the Project is in operation, (i) the Receipts in such Fiscal Year will be not less than 130% of the Long-Term Debt Service Requirement for Senior Lien Indebtedness only for such Fiscal Year and (ii) the Total Debt Service Coverage Ratio is at least 110%. The Borrower also shall fix, charge and collect tolls, fees, rentals and other charges for the use of and for services furnished or to be furnished by the Triangle Expressway System, in order that the Receipts will be sufficient in each Fiscal Year to make all of the deposits required by clauses (i) through (vii) of Section 8(e) above.

(p) Loan Life Coverage Ratio. The Borrower shall fix, charge and collect tolls, fees, rentals and other charges for the use of and for services furnished or to be furnished by the Triangle Expressway System as may be necessary or appropriate, in order that for each Fiscal Year, beginning with the first full Fiscal Year in which the Project is in operation, the Loan Life Coverage Ratio will be not less than 130%.

(q) No Prohibited Liens. The Borrower will not create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except Permitted Liens, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof.

(r) Distributions from General Reserve Fund. (i) There shall be no money released from the General Reserve Fund for a Non-System Project until TIFIA Scheduled Debt Service is current and the Substantial Completion Date has occurred. During the period of deferred principal and interest, currently accruing interest must be paid prior to releasing any moneys for Non-System Projects. Additionally, no moneys shall be released from the General Reserve Fund for a Non-System Project unless the Borrower certifies as of the relevant Distribution Date that:

(A) no Event of Default or an Event of Default which may exist with due notice or the passage of time or both, has occurred and is continuing, and no event of default under the Trust Agreement or the State Appropriation Revenue Bond Trust Agreement, or an event of default which may exist with due notice or the passage of time or both under the Trust Agreement, has occurred and is continuing;

(B) no breach of the covenants and agreements contained in Sections 16(g) then exists;

(C) no Payment Default or default in respect of the payment of Senior Debt Service shall have occurred and be continuing, and all TIFIA Scheduled Debt Service and Senior Debt Service for all Payment Dates occurring during the six-month period ending on such Calculation Date shall have been paid (whether or not then required to have been paid under the provisions of Section 9);

(D) the TIFIA Reserve Fund is fully funded at the TIFIA Reserve Fund Requirement;

(E) all amounts owed to NCDOT under the Operating and Maintenance Guaranty Agreement and the Construction and Renewal and Replacement Agreement have been paid;

(F) the Borrower delivers a certificate to TIFIA demonstrating that after such release, (x) the Total Debt Service Coverage Ratio is at least 130% and (y) the Loan Life Coverage Ratio is at least 130%;

(G) the Senior Lien Parity Reserve Account is fully funded; and

(H) the Borrower is not insolvent and would not be rendered insolvent by the making of such proposed release.

(ii) The Borrower shall only apply money in the General Reserve Fund for a System Project in accordance with the provisions of the Trust Agreement.

(s) Revenue Sharing Prepayment. Of the amount to be released for a Non-System Project from the General Reserve Fund, an amount equal to the TIFIA Revenue Share Amount shall be paid to the TIFIA Lender as a prepayment on the TIFIA Loan.

(t) Copies of Additional Project Contracts. The Borrower shall provide a copy of each Additional Project Contract to the TIFIA Lender promptly after execution thereof.

(u) Hedging. (i) To protect against fluctuations in interest rates, the Borrower shall make arrangements for a Qualified Hedge to be in place and maintained at all times with respect to the Senior Lien Indebtedness during any period in which the Senior Lien Indebtedness bear interest at a Variable Interest Rate. The initial Qualified Hedge must have an aggregate stated notional amount of not less than 98% of the aggregate principal amount of the Variable Interest Rate Senior Lien Indebtedness projected to be outstanding during the term of the Qualified Hedges and have a stated maturity or termination date not earlier than the final maturity date of the Initial Senior Lien Indebtedness. The Borrower, at all times when the TIFIA Loan is outstanding, shall have in full force and effect Qualified Hedges with an aggregate notional amount of not less than 98% of the aggregate principal amount of the Variable Interest Rate Senior Lien Indebtedness projected by the Borrower from time to time to be outstanding during the term of the TIFIA Loan and (x) at least 75% of the notional amount of such Qualified Hedges shall be subject to a Qualified Hedge with a stated maturity or termination date not earlier than the final maturity date of the TIFIA Loan and (y) the notional amount of the balance of such Qualified Hedges shall be subject to a Qualified Hedge with a stated maturity or termination date of at least one year.

(ii) Each Qualified Hedge shall provide for a fixed interest rate or interest rate cap resulting in fixed payment amounts payable by the Borrower which, when taken together with the Bank Lending Margin, shall be a rate which is less than or equal to the Loan Underwriting Rate. The Borrower's obligations to pay (a) any payments required in connection with the acquisition of a Qualified Hedge to assure that the fixed interest rate to be paid by the Borrower or interest rate cap provided to the Borrower under the Qualified Hedge, together with the Bank Lending Margin, shall be at or below the Loan Underwriting Rate, (b) Hedging Obligations and (c) Hedging Termination Obligations shall be from the sources and in the priority specified in the Trust Agreement. Each Qualified Hedge shall be secured and documented on terms and conditions approved by the TIFIA Lender (the "Hedge Documents"). The Borrower shall ensure that, as of the day following the termination date of any Qualified Hedge, either (a) a Subsequent Qualified Hedge (as defined below) is in full force and effect to the extent the Senior Lien Indebtedness bear interest at a Variable Interest Rate or (b) the Variable Interest Rate Senior Lien Indebtedness have been converted to a fixed rate, in each case in accordance with this Agreement and the Senior Loan Agreement.

(iii) Any Qualified Hedge entered into subsequent to an initial Qualified Hedge (a "Subsequent Qualified Hedge") shall (1) commence no later than the termination date of the Qualified Hedge which is terminating and terminate no earlier than the date which is the first (1<sup>st</sup>) anniversary of the effective date of such Subsequent

Qualified Hedge or (2) commence no later than the termination date of the existing Qualified Hedge and terminate no later than the final maturity date of the Variable Interest Rate Senior Lien Indebtedness.

(iv) No later than thirty days prior to the Borrower seeking any bids from any Qualified Hedge Provider for a Subsequent Qualified Hedge, the Borrower shall obtain the written consent of the TIFIA Lender to the effect that the process for selecting a Subsequent Qualified Hedge is a competitive process designed to obtain a fair market price and to avoid conflicts of interest. At the time the Subsequent Qualified Hedge is priced, the Borrower shall provide to the TIFIA Lender a certificate from a qualified third party acceptable to the TIFIA Lender to the effect that either the underlying LIBOR based fixed rate or the price of acquiring a Subsequent Qualified Hedge is a fair price based on the interest rate market at the time such Qualified Hedge is priced.

(v) The Trustee shall be granted a security interest in each Qualified Hedge and payments due under each Qualified Hedge in order to secure the Borrower's obligations to the TIFIA Lender under this Agreement. The Hedge Documents shall provide that all payments due thereunder to the Borrower shall be made directly to the Trustee for deposit and disbursement in accordance with the Trust Agreement.

(vi) The Borrower shall neither terminate (other than Permitted Hedging Terminations), transfer nor consent to any transfer (other than to a Qualified Hedge Provider) of any existing Qualified Hedge without the TIFIA Lender's prior written consent as long as the Borrower is required to maintain a Qualified Hedge pursuant to this Agreement.

(vii) Hedge Deposits.

(A) The Borrower is required to make payments to the Trustee (each a "Hedge Deposit") for deposit into the Hedging Acquisition Account established under the Trust Agreement (1) on the Calculation Date occurring twelve months prior to entering into each Subsequent Qualified Hedge with a remaining term of one year or less (a "Short Term Qualified Hedge") and (2) on each of the Calculation Dates occurring twelve and six months prior to entering into Subsequent Qualified Hedge with a remaining term of greater than one year (a "Long Dated Qualified Hedge").

(B) The Hedge Deposit for a Short Term Qualified Hedge shall be the mid-market amount estimated by the Borrower at that time to be necessary to purchase, at the scheduled termination of the then existing Qualified Hedge, a Subsequent Qualified Hedge obligating the Borrower to make payments based on a fixed rate of interest or interest rate cap equal to or less than the Loan Underwriting Rate minus the Bank Lending Margin for a period of one year or less having a notional amount equal to the principal amount of the Variable Interest Rate Senior Lien Indebtedness projected to be outstanding during the term of such Qualified Hedge.



(C) The first Hedge Deposit for a Long Dated Qualified Hedge shall be the mid-market amount estimated by the Borrower at that time to be necessary to provide one-half of the funds needed to purchase, at the scheduled termination of the then existing Qualified Hedge, a Subsequent Qualified Hedge obligating the Borrower to make payments based on a fixed rate of interest or interest rate cap equal to or less than the Loan Underwriting Rate minus the Bank Lending Margin for a period of greater than one (1) year having a notional amount equal to the principal amount of the Variable Interest Rate Senior Lien Indebtedness projected to be outstanding during the term of such Qualified Hedge. The second Hedge Deposit for a Long Dated Qualified Hedge shall be the mid-market amount, if any, estimated by the Borrower at that time to be necessary, when added to the amount deposited for the first Hedge Deposit for a Long Dated Qualified Hedge, to purchase, at the scheduled termination date of the then existing Qualified Hedge, a Subsequent Qualified Hedge obligating the Borrower to make payments based on a fixed rate of interest or interest rate cap equal to or less than the Loan Underwriting Rate minus the Bank Lending Margin for a period of greater than one (1) year, having a notional amount equal to the principal amount of the Variable Interest Rate Senior Lien Indebtedness projected to be outstanding during the term of such Qualified Hedge.

(D) For the purpose of determining the required Hedge Deposits, the Borrower shall provide the anticipated notional amounts of the Subsequent Qualified Hedge to a qualified third party who shall in turn calculate the amount of the Hedge Deposit in accordance with (vii) (B) and (C) above. The Borrower shall select, subject to the TIFIA Lender's approval, the qualified third party at least 15 days prior to the applicable Calculation Date.

1. The Borrower's obligation to make any Hedge Deposit payments shall be from the sources and in the priority specified in Section 503 of the Trust Agreement.
2. Provided that no Event of Default has occurred and is continuing, funds on deposit in the Hedging Acquisition Account shall be applied towards the purchase of a Subsequent Qualified Hedges. Any remaining balance in the Hedging Acquisition Account after such purchase which exceeds the amount required to satisfy the Hedge Deposit requirements in this clause (vii) shall be transferred to the Project Fund, as provided in the Trust Agreement.

(v) No Prohibited Sale or Assignment. The Borrower shall not sell or assign its rights in and to the Project or its rights and obligations under this Agreement unless such sale or assignment is not expected to result in a Material Adverse Effect and is upon terms and conditions which are acceptable to the TIFIA Lender in its sole discretion.

(w) Material Obligations. The Borrower will pay its material obligations promptly and in accordance with their terms and pay and discharge promptly all material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful and material claims for labor, materials and supplies or other claims which, if unpaid, might give rise to a Lien upon such properties or any part thereof; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings and so long as the Borrower shall, to the extent required by GAAP on a consistent basis, set aside on its books adequate reserves with respect thereto.

(x) Fiscal Year. The Borrower will not at any time adopt any fiscal year other than the Borrower Fiscal Year, except with the prior written consent of the TIFIA Lender.

(y) Operating Advances. The Borrower shall take all requisite action on its part to be taken to obtain Operating Advances.

(z) Percentage of Receipts Available for TIFIA Scheduled Debt Service. The Borrower shall not decrease the percentage of Receipts used in Section 503(h)(ii) of the Trust Agreement without the prior written consent of the TIFIA Lender. If the Borrower determines that 45% of the Receipts will not be sufficient to ensure payment in full of the Outstanding TIFIA Loan prior to the Final Maturity Date, the Borrower shall advise TIFIA of such determination and increase such percentage in a manner determined by the Borrower to be sufficient to ensure payment of the TIFIA Loan in full no later than the Final Maturity Date.

(aa) NCDOT Advances. The Borrower shall use its best efforts to cause the Construction Fund and the Renewal and Replacement Fund to be funded in such amounts and under such conditions as are required by the Trust Agreement and the Construction and Renewal and Replacement Agreement.

(bb) Operations and Expenses. The Borrower shall operate the Project substantially in accordance with the Annual Operating Budget, which shall be established pursuant to the following provisions:

(i) The Borrower shall, not less than thirty (30) days before the commencement of each fiscal year of the Borrower (commencing with the fiscal year in which the Substantial Completion Date is projected to occur), submit to the TIFIA Lender and, at the option of the TIFIA Lender, to the Independent Engineer, for their review an operating plan and a budget and a pro forma income and cash flow statements of the Borrower (collectively, an "Annual Operating Budget"), in each case in the form of the initial Annual Operating Budget delivered on the Effective Date or any other form reasonably acceptable to the TIFIA Lender.

(ii) Each Annual Operating Budget shall specify in reasonable detail all projected Receipts and Operating Expenses, on a monthly basis together with such projections and other information as the TIFIA Lender may reasonably request.

(iii) The Borrower shall not increase in any fiscal year the amount of Operating Expenses by more than 10% over the amount shown for such expenditures in such fiscal year in the Base Case Financial Model, without the TIFIA Lender's prior written consent.

(cc) Subordinate Lien Indebtedness. The Borrower shall not incur any Subordinate Lien Indebtedness (other than BANs as permitted under the Trust Indenture) for so long as the TIFIA Loan remains outstanding (i) without the prior consent of the TIFIA Lender or (ii) unless it has satisfied the requirements of Section 16(b) of this Loan Agreement relating to the incurrence of Additional Senior Lien Indebtedness.

(dd) Build America Bonds. The Borrower shall not qualify the TIFIA Loan as a Build America Bond and the parties hereby agree that in no event shall the TIFIA Loan qualify as a Buy America Bond or any other program where interest payable on the TIFIA Loan is subsidized by the Federal government.

SECTION 17. Indemnification. To the extent permitted by law, the Borrower shall indemnify the TIFIA Lender and any official, employee, agent or representative of the TIFIA Lender (each such Person being herein referred to as an "Indemnatee") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including, without limitation, the fees, charges and disbursements of any counsel for any Indemnatee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (i) the execution, delivery and performance of this Agreement or any of the Related Documents, (ii) the TIFIA Loan or the use of the proceeds thereof, or (iii) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee. In case any action or proceeding is brought against an Indemnatee by reason of any claim with respect to which such Indemnatee is entitled to indemnification hereunder, the Borrower upon notice from such Indemnatee shall defend the same and such Indemnatee shall cooperate with the Borrower at the expense of the Borrower in connection therewith. Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnatee. To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnatee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the Related Documents, the TIFIA Loan and the other transactions contemplated hereby and thereby, or the use of the proceeds thereof. All amounts due to any Indemnatee under this Section shall be

payable promptly upon demand therefor. The obligations of the Borrower under this Section shall survive the payment or prepayment in full or transfer of the TIFIA Bond, the enforcement of any provision of this Agreement or the Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower hereunder or thereunder.

SECTION 18. Sale of TIFIA Loan. The TIFIA Lender shall not sell the TIFIA Loan at any time prior to the date of Substantial Completion. After such date, the TIFIA Lender may sell the TIFIA Loan to another entity or reoffer the TIFIA Loan into the capital markets only in accordance with the provisions of this Section. Such sale or reoffering shall be on such terms as the TIFIA Lender shall deem advisable. However, in making such sale or reoffering the TIFIA Lender shall not change the terms and conditions of the TIFIA Loan without the prior written consent of the Borrower, which consent shall not be unreasonably withheld. The TIFIA Lender shall provide (i) at least 60 days prior to any sale or reoffering of the TIFIA Loan, written notice to the Borrower to the effect that the TIFIA Lender is considering the sale or reoffering of the TIFIA Loan and (ii) at least 30 days prior to any sale or reoffering of the TIFIA Loan, written notice to the Borrower confirming TIFIA Lender's intention to consummate such a sale or reoffering; provided, however, that no such notice shall be required during the continuation of any Event of Default. The provision of any notice pursuant to this Section shall not (i) obligate the TIFIA Lender to sell nor (ii) provide the Borrower with any rights or remedies in the event the TIFIA Lender, for any reason, does not sell the TIFIA Loan. The TIFIA Lender and the Borrower agree that for so long as any Senior Lien Indebtedness or Hedging Agreements remain outstanding, the provisions contained in Section 8(a) hereof and in the Trust Agreement with respect to the TIFIA Lender's right to a first priority security interest in the Trust Estate upon the occurrence and continuance of a Bankruptcy Related Event shall be of no force or effect following the complete sale of the TIFIA Loan to a commercial entity. However should an assignment or sale be made to a federal government agency or instrumentality, the federal government shall retain the right to a first priority security interest in the Trust Estate upon the occurrence and continuance of any Bankruptcy Related Event.

SECTION 19. Events of Default and Remedies. (a) An Event of Default shall exist under this Agreement if:

(i) Payment Default. The Borrower shall fail to pay any of the principal amount of or interest on the TIFIA Loan (including, without limitation, TIFIA Mandatory Debt Service required to have been paid pursuant to the provisions of Section 9(c), TIFIA Scheduled Debt Service required to have been paid pursuant to the provisions of Section 9(d) and any mandatory prepayment required pursuant to the provisions of Section 10(a) but excluding any TIFIA Scheduled Debt Service deferred in accordance with Section 9(d), but only to the extent such deferral is due to insufficient funds), when and as the payment thereof shall be required under this Agreement or the TIFIA Bond or on the Final Maturity Date (each a "Payment Default"); or

(ii) Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, the TIFIA Bond or any other TIFIA Loan Document (other than in the case of any Payment Default

or any Development Default), and such failure shall not be cured within 30 days after receipt by the Borrower from the TIFIA Lender of written notice thereof; provided, however, that if such failure is capable of cure but cannot reasonably be cured within such 30-day period, then no Event of Default shall be deemed to have occurred or be continuing under this clause (ii) if and so long as within such 30-day period the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured; or

(iii) Development Default. If (1) the Borrower fails to reasonably prosecute the work relating to the Project or (2) the Borrower fails to complete the Project in accordance with the Construction Schedule (as the same may be amended from time to time with concurrence of the TIFIA Lender) provided to the TIFIA Lender, unless in all such cases the Borrower demonstrates to the TIFIA Lender's reasonable satisfaction that it is proceeding with the construction of the Project with due diligence toward Substantial Completion by the date specified in the construction schedule (as may be amended from time to time) (a "Development Default"), then the Lender may (i) suspend the disbursement of TIFIA Loan proceeds under this Agreement, and (ii) pursue such other remedies as provided in this Section 19. If so requested in connection with a Development Default, the Borrower shall immediately repay any unexpended TIFIA Loan proceeds previously disbursed to the Borrower. Notwithstanding the foregoing, if any such Development Default is solely the result of Uncontrollable Force and the Borrower both (i) presents to the TIFIA Lender an amended construction schedule within thirty (30) days after written notice of such default which construction schedule if followed would correct the Development Default as soon as reasonably possible and (ii) proceeds with due diligence to correct the condition resulting in such a default in accordance with the amended construction schedule, then such Development Default shall be deemed to have been cured within such thirty (30) days for all purposes of Section 16(f) and Section 19. For the purposes of this Section 19(c), the Borrower shall have the right to amend the construction schedule to extend the date for Substantial Completion for a period of up to 180 days (unless a longer extension is required due to the occurrence of an Uncontrollable Force) within thirty (30) days of receipt of notice of an alleged Development Default; provided that the Borrower provide the Lender with (1) a remedial plan with respect to the construction of the Project (a "Remedial Plan") reviewed by the Independent Engineer and (2) a certificate from the Independent Engineer concluding that Substantial Completion is likely to occur by the date specified in the Remedial Plan, and the TIFIA Lender approves the Remedial Plan (such approval not to be unreasonably withheld); or

(iv) Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the TIFIA Loan Documents shall prove to have been false or misleading in any material respect when made; or

(v) Acceleration of Other Material Indebtedness, Failure to Pay Senior Lien Indebtedness. Any acceleration shall occur of any indebtedness of the Borrower (other than the Senior Lien Indebtedness) in an aggregate principal amount equal to or greater than \$500,000 (inflated annually by CPI) that is senior to, or in parity with, the

TIFIA Loan in right of payment or in right of security ("Other Material Indebtedness"), or any such Senior Lien Indebtedness or Other Material Indebtedness shall not be paid in full upon the final maturity thereof; or

(vi) Cross Default. (A) Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the Trust Agreement, the State Appropriation Revenue Bond Trust Agreement, the Hedging Agreements, the Operating and Maintenance Guaranty Agreement, the Construction and Renewal and Replacement Agreement or the Principal Project Contracts, or made in or delivered pursuant to the documents (the "Other Loan Documents") under which any Other Material Indebtedness shall be created or incurred, shall prove to be false or misleading in any material respect (each a "Misrepresentation Default"), or any default shall occur in respect of the performance of any covenant, agreement or obligation of the Borrower under the Trust Agreement, the State Appropriation Revenue Bond Trust Agreement, the Hedging Agreements, the Operating and Maintenance Guaranty Agreement, the Construction and Renewal and Replacement Agreement or the Principal Project Contracts or the Other Loan Documents, and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Trust Agreement, the State Appropriation Revenue Bond Trust Agreement, the Hedging Agreements, the Operating and Maintenance Guaranty Agreement, the Construction and Renewal and Replacement Agreement or the Principal Project Contracts or the Other Loan Documents (as the case may be) with respect to such default (each a "Covenant Default"), if the effect of such Misrepresentation Default or Covenant Default shall be to permit the immediate acceleration of the maturity of the Other Material Indebtedness, and, in the case of any such Misrepresentation Default or Covenant Default, the Borrower shall have failed to cure such Misrepresentation Default or Covenant Default or to obtain an effective written waiver thereof within 30 days after receipt of written notice thereof from the TIFIA Lender; provided, however, that if such cure or waiver of such Misrepresentation Default or Covenant Default cannot reasonably be obtained within such 30-day period, then no Event of Default shall be deemed to have occurred or be continuing under this clause (vi) if and so long as within such 30-day period the Borrower shall commence actions reasonably designed to obtain a cure or waiver thereof and shall diligently pursue such actions until such cure or waiver is obtained; or

(B) The Borrower shall default in the timely performance of any covenant, agreement or obligation under any Related Document or any Related Document shall be terminated prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to have a Material Adverse Effect), and the Borrower shall have failed to cure such default or to obtain an effective written waiver thereof, or to obtain an effective revocation of such termination (as the case may be), within 30 days after receipt of written notice thereof from the TIFIA Lender; provided, however, that if such cure or waiver or revocation (as the case may be) cannot reasonably be obtained within such 30-day period, then no Event of Default shall be deemed to have occurred or be continuing under this clause if and so long as within such 30-day period the Borrower shall commence actions reasonably designed to obtain a cure or waiver of such default or a revocation of such termination (as the case may be)

and shall diligently pursue such actions until such cure or waiver or revocation is obtained; or

(vii) Judgments. One or more judgments for the payment of money in an aggregate amount in excess of \$1,000,000 (inflated annually by CPI) and not otherwise covered by insurance shall be rendered against the Borrower and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower to enforce any such judgment; or

(viii) Failure to Maintain Existence. The Borrower shall fail to maintain its existence as a body corporate and politic and public instrumentality under the laws of the State; or

(ix) Failure of State to appropriate for State Appropriation Revenue Bonds. Failure of the State to appropriate funds for the payment of debt service on the State Appropriation Revenue Bonds.

(x) Failure to Make an NCDOT Advance. Failure of NCDOT to perform its obligations under the Operating and Maintenance Expense Guaranty Agreement or the Construction and Renewal and Replacement Agreement; or

(xi) Occurrence of A Bankruptcy Related Event. A Bankruptcy Related Event shall occur; or

(xii) Project Abandonment. The Borrower shall abandon the Project; or

(xiii) Cessation of Operations. Operation of the Project shall cease for a continuous period of not less than 180 days unless such cessation of operations shall occur by reason of an Uncontrollable Force and the Borrower shall have in force an insurance policy or policies under which the Borrower is entitled to recover substantially all Senior Debt Service, TIFIA Debt Service and costs and expenses of the Borrower during such cessation of operations.

(b) Upon the occurrence of an Event of Default described in clause (iii) of Section 19(a), all obligations of the TIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan shall immediately be deemed terminated.

(c) [Reserved]

(d) (i) Upon the occurrence of any Event of Default described in clause (xi) of Section 19(a), all obligations of the TIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan shall automatically be deemed terminated and (ii) upon the occurrence of any other Event of Default, the TIFIA Lender, by written notice to the Borrower, may suspend or terminate all of its obligations hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan.

(e) Whenever any Event of Default hereunder shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid hereunder or under the TIFIA Bond or the other TIFIA Loan Documents, and may prosecute any such judgment or final decree against the Borrower including confession of judgment by the Borrower against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable, and the TIFIA Lender shall have all of the rights and remedies of a secured creditor under the Uniform Commercial Code and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by Borrower under this Agreement, the TIFIA Bond or the other TIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the TIFIA Bond or the other TIFIA Loan Documents.

(f) Whenever any Event of Default hereunder shall have occurred and be continuing, the TIFIA Lender may suspend or debar the Borrower from further participation in any Government program administered by the TIFIA Lender and to notify other departments and agencies of such default.

(g) No action taken pursuant to this Section shall relieve Borrower from its obligations pursuant to this Agreement, the TIFIA Bond or the other TIFIA Loan Documents, all of which shall survive any such action.

(h) Whenever any Event of Default hereunder shall have occurred and be continuing, the Borrower hereby confesses judgment in favor of the TIFIA Lender, absolutely and unconditionally, whereupon the TIFIA Lender may apply to any court of competent jurisdiction to render such judgment in favor of the TIFIA Lender, where permissible under applicable law.

**SECTION 20. Accounting and Audit Procedures; Inspections; Reports and Records.**

(a) The Borrower shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all Project-related transactions (including collection of Receipts, and any other revenues attributable to the Project, and TIFIA Loan requisitions received and disbursements made with regard to the Project), so that audits may be performed to ensure compliance with and enforcement of this Agreement. The Borrower shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the TIFIA Loan, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts outstanding.

(b) So long as the TIFIA Loan or any portion thereof shall remain outstanding and until five years after the TIFIA Loan shall have been paid in full, the TIFIA Lender shall have the right, upon reasonable prior notice, to visit and inspect any of the locations or properties of the Borrower, to examine its books of account and records, to make copies and extracts therefrom at the Borrower's expense, and to discuss the Borrower's affairs, finances and accounts with, and to be advised as to the same by,



its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes its independent public accountants to discuss with the TIFIA Lender the affairs, finances and accounts of the Borrower, whether or not any representative of the Borrower is present, it being understood that nothing contained in this 20(b) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the TIFIA Lender may desire. The Borrower agrees to pay all out-of-pocket expenses incurred by the TIFIA Lender in connection with the TIFIA Lender's exercise of its rights under this Section 20(b) at any time when an Event of Default shall have occurred and be continuing.

(c) The Borrower shall maintain and retain all files relating to the Project and the TIFIA Loan until five years after the later of the date on which (1) all rights and duties hereunder and under the TIFIA Bond (including payments) have been fulfilled and necessary audits have been performed and (2) any litigation relating to the Project, the TIFIA Loan or this Agreement is finally resolved. The Borrower shall provide the TIFIA Lender in a timely manner all records and documentation relating to the Project that the TIFIA Lender may reasonably request from time to time.

(d) The Borrower shall provide to the TIFIA Lender, promptly after the sending or receipt thereof, copies of (i) all reports or other written materials sent to any Nationally Recognized Rating Agency that has provided, or is being requested to provide, a rating on any indebtedness of the Borrower, (ii) all notices and other written communications received by it from the Trustee, (iii) all reports, notices and other written materials required to be sent to the Trustee under the Trust Agreement, including, without limitation, all such notices relating to any of the Design-Build Agreements.

#### SECTION 21. Financial Plan, Statements, and Reports.

(a) The Borrower shall provide to the TIFIA Lender, within 30 days after the Effective Date and annually thereafter not later than 60 days after the beginning of each Borrower Fiscal Year, a Financial Plan. The Financial Plan submitted within 30 days after the Effective Date (the "Base Case Financial Plan") should be consistent in all respects with the projections, assumptions and other information contained or reflected in the Base Case Financial Model. The Financial Plan shall be prepared in accordance with recognized financial reporting standards, such as those in the "Guide for Prospective Financial Information" of the American Institute of Certified Public Accountants, and shall be in form and substance satisfactory to the TIFIA Lender.

(i) The Financial Plan shall include: (1) a Certificate signed by the Borrower's Authorized Representative demonstrating that annual projected Receipts shall be sufficient to meet the Loan Amortization Schedule and to meet the Rate Covenant established pursuant to Section 16(o) and the Loan Life Coverage Ratio established pursuant to Section 16(p), and (2) an electronic copy of the updated "base case" financial model of the operation of the Project for the period from inception thereof through the Final Maturity Date, in substantially the form heretofore provided to the TIFIA Lender, based upon assumptions and projections with respect to the revenues, expenses and other

financial aspects of the Project which shall reflect the prior experience and current status of the Project, and the expectations of management with respect to the Project, as of the most recent practicable date prior to the delivery of such model.

(ii) For the period through Substantial Completion, the Financial Plan shall: (1) provide the current estimate of the total cost of the Project and the remaining cost to complete the Project, identify any significant cost changes since the previous Financial Plan, discuss reasons for and implications of the cost changes, and include a summary table showing the history of Project Costs by major activity or category since the Base Case Financial Plan and the preceding Financial Plan; (2) provide the current schedule and implementation plan for completing the Project, including a date on which Substantial Completion is expected to occur (the "Substantial Completion Date"), identify major milestones for each phase of the Project and compare current milestone dates with milestone dates in the Base Case Financial Plan and the preceding Financial Plan, and discuss reasons for changes in Project milestones; (3) provide current estimates of sources and uses of funds for the Project, identify any significant funding changes since the preceding Financial Plan, discuss reasons for and implications of the funding changes, and include a summary table showing the history of Project funding since the Base Case Financial Plan and the preceding Financial Plan; (4) provide an updated cash flow schedule showing annual cash needs versus available revenue and funding to meet those needs and identify any potential revenue and funding shortfalls, addressing contingency measures that will or may be taken to address any shortfalls; (5) based on the updated cash flow schedule, provide projected debt service coverage ratios for the Senior Lien Indebtedness and the Total Debt Service Coverage Ratio through the Final Maturity Date; (6) provide cost containment strategies and risk mitigation plans that have been or may be implemented to address factors that are affecting or could affect the scheduled completion or financial viability of the Project; (7) provide the total value of approved changes in project design or scope, and provide a listing of each individual change valued at \$5,000,000 or more, setting forth the rationale or need for the proposed change and describing the impact of such change on the Project; and (8) contain, in form and substance satisfactory to the TIFIA Lender, a written narrative report on the progress of design, permitting, acquisition and construction of the Project since the Base Case Financial Plan and the preceding Financial Plan, describing in reasonable detail all significant activities concerning Project status including any material matters that may affect the future performance of the Borrower's obligations under this Agreement and the causes thereof.

(iii) For the period following Substantial Completion until repayment of the TIFIA Loan in full, the Financial Plan shall: (1) provide an updated cash flow schedule showing annual cash inflows (Receipts and other income) and outflows (operating costs, capital costs, Senior Debt Service, TIFIA Loan repayments, replenishment of reserves and other uses) with a narrative identifying any potential revenue or funding shortfall and discussing contingency measures that will or may be taken to address any shortfalls; (2) provide current and estimated amounts of revenues received and the amounts deposited into each fund and account held under the Trust Agreement and the amount disbursed from such funds and accounts and the balance in each of the funds and accounts; (3) provide an updated schedule of actual and projected

Receipts, showing actual and projected coverage ratios for the Senior Lien Indebtedness and actual and projected Total Debt Service Coverage Ratios and Loan Life Coverage Ratios; (4) provide a schedule of current toll rates and planned increases; and (5) include a written narrative report explaining any variances in costs or revenues since the Base Case Financial Plan and the preceding Financial Plan and describing in reasonable detail any material matters that may affect the future performance of the Borrower's obligations under this Agreement and the causes thereof to include, but not limited, traffic and revenue reports, operational contracts, and third-party transactions.

(b) Not later than ninety (90) days following the date of Substantial Completion, the Borrower shall provide the TIFIA Lender with a final written narrative report, summarizing all significant activities and events, since the initial Financial Plan, affecting the operation, maintenance, financing, or management of the project in a form reasonably satisfactory to the TIFIA Lender. Such report shall include an updated cash flow schedule and currently projected Total Debt Service Coverage Ratios and Loan Life Coverage Ratio.

(c) For the period through Substantial Completion, the Borrower shall provide the TIFIA Lender with written notification, before instituting any increase or decrease of the overall Project Costs in an amount equal to or greater than \$2,500,000, setting forth the nature of the proposed increase or decrease and estimating the impact of such increase or decrease on the capital costs, operating costs, and the Financial Plan. The Borrower's notice shall demonstrate that the proposed increase or decrease is consistent with the provisions of this Agreement, is necessary or beneficial to the Project and does not materially impair the TIFIA Lender's security.

(d) The Borrower shall furnish to the TIFIA Lender:

(i) As soon as available, but no later than sixty (60) days after the end of each semi-annual period of each fiscal year, an unaudited income statement and balance sheet as of the end of such period and the related unaudited statements of operations and changes in member capital and of cash flow of such Person for such period and for the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous period, certified by the chief executive officer or chief financial officer of such Person as fairly stating in all material respects the financial condition of such Person as at the end of such period and the results of its operations and its cash flows for such period (subject to normal year-end audit adjustments); and

(ii) as soon as available, but no later than 120 days after the end of each fiscal year of such Person, a copy of the audited income statement and balance sheet of such Person as of the end of such fiscal year and the related audited statements of operations, changes in member capital and of cash flow of such Person for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, certified without a "going concern" or like qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm of

national standing selected by such Person and which, in the case of the Borrower, is reasonably acceptable to the TIFIA Lender.

All such financial statements with respect to the Borrower shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein).

(e) The Borrower shall furnish to the TIFIA Lender, together with each delivery of annual audited or interim unaudited financial statements of the Borrower pursuant to Section 21(d), a certificate signed by the Borrower's Authorized Representative stating whether or not, during the annual or semi-annual period (as the case may be) covered by such financial statements, there occurred any Event of Default or event which, with notice or lapse of time or both, would become an Event of Default, and, if any such Event of Default or other event shall have occurred during such period, the nature of such Event of Default or other event and the actions that the Borrower has taken or intends to take in respect thereof.

## SECTION 22. Project Oversight and Monitoring.

(a) Project Development, Design and Construction. The TIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) development, including but not limited to environmental compliance, design, right-of-way acquisition, and construction of the Project. Project development, environmental compliance, design, right-of-way acquisition, and construction monitoring shall be conducted pursuant to the FHWA Division Oversight Agreement, which may be amended from time to time upon mutual agreement of the Borrower and the TIFIA Lender, or when so required by federal statute or otherwise required by the United States Congress. The Borrower agrees to cooperate in good faith with the TIFIA Lender in the conduct of such monitoring by promptly providing the TIFIA Lender with such reports, documentation or other information as shall be requested by the TIFIA Lender, or its agents, including any independent engineer reports, documentation or information.

(b) Reporting. The Borrower shall furnish to the TIFIA Lender during the Construction Period the following:

(i) Quarterly Construction Progress Report. On or before the last Business Day of any calendar quarter during the Construction Period, a report executed by a Borrower's Authorized Representative (A) of the amount of Project Costs expended since the Effective Date as well as during the preceding calendar month and the amount of Project Costs estimated to be required to complete the Project, (B) providing an assessment of the overall construction progress of the Project since the date of the last report and since the Effective Date, together with an assessment of how such progress compares to the Construction Schedule, (C) specifying the Substantial Completion Date, (D) providing a detailed description of all material problems (including but not limited to actual and anticipated cost and/or schedule overruns, if any) encountered or anticipated in connection with the construction of the Project since the date of the last report, together with an assessment of how such problems may impact the Construction Schedule and the

meeting of critical dates thereunder and a detailed description of the proposed solutions to any such problems, (E) specifying the delivery status of major equipment and the effect, if any, that the anticipated delivery dates of such equipment has on the overall Construction Schedule, (F) specifying any proposed or pending change orders, (G) specifying any material changes or deviations from the Borrower's land procurement plans or schedule, and (H) a discussion or analysis of such other matters related to the Project as the TIFIA Lender may reasonably request. The Borrower shall respond, and use commercially reasonable efforts to cause the Construction Contractors to respond, to the TIFIA Lender's inquiries regarding such report, the construction of the Project and any Construction Contractor's performance of its obligations under the Design-Build Agreement to which it is a party.

(ii) Construction Contractor Reports. During the Construction Period, promptly after receipt thereof, a copy of each report delivered by each Construction Contractor to the Borrower pursuant to the Design-Build Agreement to which it is a party.

(iii) Traffic and Operating Report. For the period commencing after the Substantial Completion Date, deliver to the TIFIA Lender, not later than ninety (90) days after the end of each financial quarter, a traffic and operating report showing (1) the operating data for the Project for the previous financial quarter, including total Receipts received and total Operating Expenses and Capital Expenditures incurred, (2) the variances for such period between the Receipts actually received and the budgeted Receipts as shown in the Annual Operating Budget, together with a brief narrative explanation of the reasons for any such variance of 20% or more, and (3) the variances for such period between the actual Operation Expenses incurred and the budgeted Operating Expenses as shown in the Annual Operating Budget, together with a brief narrative explanation of the reasons for any such variance of 20% or more.

(iv) Permits. Promptly after the receipt or filing thereof, as the case may be (but in no event later than thirty (30) days after such receipt or filing), a copy of (A) each Governmental Approval or other consent or approval obtained by the Borrower, or obtained by any Construction Contractor and delivered to the Borrower pursuant to any Design-Build Agreement after the Effective Date, and (B) each filing made by the Borrower with any Governmental Authority with respect to a Governmental Approval, except such as are routine or ministerial in nature.

(c) Project Operations. For the period following Substantial Completion, the TIFIA Lender shall have the right, in its sole discretion, to monitor (or direct its agents to monitor) the Project's operations and to require reporting on the operation and management of the Project and to provide copies of any contracts relating to the operation, maintenance and safety services for the Project as may be required from time to time. The Borrower agrees to cooperate in good faith with the TIFIA Lender in the conduct of such monitoring by promptly providing the TIFIA Lender with such reports, documentation, or other information as shall be requested by the TIFIA Lender. In the event that the TIFIA Lender retains a financial oversight advisor under contract with the TIFIA Lender, which decision shall be within the sole discretion of the TIFIA Lender, to carry out the provisions of this Section, the

full cost of such monitoring shall be borne by the Borrower. Any costs incurred by the TIFIA Lender for such monitoring shall be promptly reimbursed by the Borrower upon demand therefor in the form of an invoice reasonably acceptable to the Borrower.

SECTION 23. No Personal Recourse. No official, employee or agent of the TIFIA Lender or the Borrower or any Person executing this Agreement or any of the other TIFIA Loan Documents shall be personally liable on this Agreement or such other TIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof, except that nothing in this Section shall be construed to relieve the Borrower from any liability it may incur under this Agreement or any of the other TIFIA Loan Document.

SECTION 24. No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the Borrower, the United States or the TIFIA Lender, solely by virtue of the TIFIA Loan, and the Borrower agrees to indemnify and hold the above Federal parties harmless, to the extent permitted by law and in accordance with Section 17, from any lawsuit or claim arising in law or equity solely by reason of the TIFIA Loan, and that no third party creditor or creditors of the Borrower shall have any right against the TIFIA Lender with respect to the TIFIA Loan made pursuant to this Agreement.

SECTION 25. Borrower's Authorized Representative. The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating such Person or Persons from time to time to act on the Borrower's behalf pursuant to a written certificate furnished to the TIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

SECTION 26. TIFIA Lender's Authorized Representative. The TIFIA Lender shall at all times have appointed a TIFIA Lender's Authorized Representative by designating such Person or Persons from time to time to act on the TIFIA Lender's behalf pursuant to a written certificate furnished to the Borrower and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the TIFIA Lender.

SECTION 27. Servicer. The TIFIA Lender may from time to time designate an entity or entities to perform, or assist the TIFIA Lender in performing, the duties of the Servicer or specified duties of the TIFIA Lender under this Agreement and the TIFIA Bond. The TIFIA Lender shall give the Borrower written notice of the appointment of any Servicer or successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement to the TIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the TIFIA Lender shall have delegated to such Servicer. The TIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the TIFIA Bond.

SECTION 29. Fees and Expenses.

(a) Commencing in Federal Fiscal Year (FFY) 2010 and continuing thereafter each year throughout the term of the TIFIA Loan Agreement, the Borrower shall pay to the TIFIA Lender a loan servicing fee on or before the 15<sup>th</sup> of December. The TIFIA Lender shall establish the amount of this annual fee, and the Servicer, if any,

or the TIFIA Lender shall notify the Borrower of the amount, at least 30 days before payment is due.

In establishing the amount of the fee, the TIFIA Lender will adjust the previous year's base amount utilizing the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100, or its successor(s), published by the Bureau of Labor Statistics, or its successor(s). For the FFY 2010 calculation, the TIFIA Lender will use the FFY 2009 base amount of \$11,719 which applies to other TIFIA borrowers, as the previous year's base amount. The TIFIA Lender will calculate the percentage change in the CPI-U, before seasonal adjustment, from August of the previous year to August of the current year and will then adjust the previous year's base amount in proportion to the CPI percentage change. To calculate the amount of the fee, the TIFIA Lender shall round the current year's base amount using increments of \$500. Results with the ending integers between 250-499 or between 750-999 shall be rounded upward, and results with the ending integers between 001-249 or between 501-749 shall be rounded downward. The CPI adjustments in the following years shall begin with the base amount, not the rounded fee.

The Borrower shall cooperate and respond to any reasonable request of the Servicer, if any, or the TIFIA Lender for information, documentation or other items reasonably necessary for the performance by the Servicer or the TIFIA Lender of its duties hereunder.

(b) The Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the TIFIA Lender on demand from time-to-time on and after the date hereof for any and all fees, costs, charges and expenses incurred by it (including the reasonable fees, costs and expenses of counsel and other advisors) in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the other TIFIA Loan Documents and the transactions hereby and thereby contemplated, including without limitation, reasonable attorneys', engineers', and planning fees and professional costs, including all such fees, costs and expenses incurred as a result of or in connection with:

(i) the enforcement of or attempt to enforce any provision of this Agreement or any of the other TIFIA Loan Documents;

(ii) any amendment or requested amendment of, or waiver or consent or requested waiver or consent under or with respect to, this Agreement or any of the other TIFIA Loan Documents, or advice in connection with the administration of this Agreement or any of the other TIFIA Loan Documents or the rights of the TIFIA Lender thereunder; and

(iii) any work-out, restructuring or similar arrangement of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents during the pendency of one or more Events of Default.

The obligations of the Borrower under this Section shall survive the payment or prepayment in full or transfer of the TIFIA Bond, the enforcement of any provision of this Agreement or the other TIFIA Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring or similar arrangement.

SECTION 30. Amendments and Waivers. No amendment, modification, termination or waiver of any provision of this Agreement shall in any event be effective without the written consent of each of the parties hereto.

SECTION 31. Governing Law. This Agreement shall be governed by the federal laws of the United States if and to the extent such federal laws are applicable and the internal laws of the State of New York, if and to the extent such federal laws are not applicable.

SECTION 32. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 33. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the Borrower's rights or obligations hereunder nor any interest therein may be assigned or delegated by the Borrower without the prior written consent of the TIFIA Lender.

SECTION 34. Remedies Not Exclusive. No remedy conferred herein or reserved to the TIFIA Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 35. Delay or Omission Not Waiver. No delay or omission of the TIFIA Lender to exercise any right or remedy provided hereunder upon a default of the Borrower (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Agreement or by law to the TIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the TIFIA Lender.

SECTION 36. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

SECTION 37. Notices; Payment Instructions. Notices hereunder shall be effective upon receipt and shall be given by certified mail, return receipt requested, or by other delivery service providing evidence of receipt to:



If to TIFIA Lender

TIFIA Joint Program Office (HCFT-1)  
Federal Highway Administration  
Room E64-302  
1200 New Jersey Avenue, SE  
Washington, DC 20590  
Attention:

with copies to:

Federal Highway Administration  
North Carolina Division Office  
310 New Bern Avenue, Suite 410  
Raleigh, North Carolina 27601  
Attention: Division Administrator

Servicer (address to be provided at the time a  
Servicer is appointed)

If to Borrower:

North Carolina Turnpike Authority  
5400 Glenwood Avenue, Suite 400  
Raleigh, North Carolina 27612  
Attention:

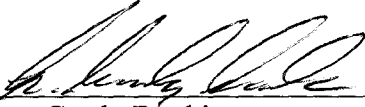
Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by a Borrower's Authorized Representative with respect to notices to the Borrower or by a TIFIA Lender's Authorized Representative with respect to notices to the TIFIA Lender or the Servicer. The Borrower shall make any payments hereunder or under the TIFIA Bond in accordance with the payment instructions hereafter provided by a TIFIA Lender's Authorized Representative, as modified from time-to-time by a TIFIA Lender's Authorized Representative.

SECTION 38. Effectiveness. This Agreement shall be effective on the Effective Date.

SECTION 39. Termination. This Agreement shall terminate upon payment in full by the Borrower of the TIFIA Loan, provided, however, that the indemnification requirements of Section 17, the reporting and record keeping requirements of Section 20(b) and (c) and the payment requirements of Section 27 shall survive the termination of this Agreement as provided in such sections.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**NORTH CAROLINA TURNPIKE AUTHORITY**

By:   
Name: Grady Rankin  
Title: Chief Financial Officer

**UNITED STATES DEPARTMENT OF  
TRANSPORTATION**

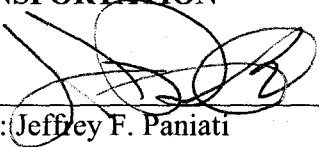
By: \_\_\_\_\_  
Name: Jeffrey F. Paniati  
Title: Executive Director,  
Federal Highway Administration

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**NORTH CAROLINA TURNPIKE AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**UNITED STATES DEPARTMENT OF  
TRANSPORTATION**

By:  \_\_\_\_\_  
Name: Jeffrey F. Paniati  
Title: Executive Director,  
Federal Highway Administration

## **SCHEDULE I**

### **PROJECT BUDGET**

[Please See Attached.]

# **ELIGIBLE PROJECT COSTS** **AND TIFIA LOAN USES**

North Carolina Turnpike Authority  
Triangle Expressway Project  
Rates as of 7/09/2009

## **TIFIA Sizing and Calculations**

### **Eligible Costs**

Project Cost	866,780,000
Project Cost Reimbursement	158,981,776
DSRF	35,675,299
CAPI Fund Draws	96,059,435
Bond Insurance/COI	14,207,621
Total TIFIA Eligible	1,171,704,131

Project Cost	286,037,400
Project Cost Reimbursement	52,463,986
DSRF	11,772,849
CAPI Fund Draws	31,699,614

Bond Insurance/COI	4,688,515
TIFIA Share	386,662,363
Less TIFIA Credit Charge	-

### **Distributions**

<u>Upon Loan Closing</u>	
Project Cost Reimbursement	
DSRF	
CAPI Fund Draws	
Bond Insurance/COI	
Total Upon Closing	-

<u>Pro-Rata</u>	
Project Cost	386,662,363
Project Cost Reimbursement	
CAPI Fund Draws	

Total Pro-Rata	386,662,363
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Total Eligible Loan Amount	386,662,363
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## **SCHEDULE II**

### **REIMBURSABLE PRIOR ELIGIBLE PROJECT COSTS**

[On File With TIFIA.]

**FORM OF TIFIA BOND**  
**NORTH CAROLINA TURNPIKE AUTHORITY**  
**TRIANGLE EXPRESSWAY PROJECT**  
**(TIFIA - 2—81004A)**

**TIFIA BOND**

**Maximum Principal Amount: \$386,662,363**

**Effective Date:** \_\_\_\_\_

**Due:** \_\_\_\_\_

**NORTH CAROLINA TURNPIKE AUTHORITY**, a body corporate and politic and public instrumentality of the State of North Carolina (the "Borrower"), for value received, hereby promises to pay to the order of the **UNITED STATES DEPARTMENT OF TRANSPORTATION**, acting by and through the Federal Highway Administrator, or its assigns (the "TIFIA Lender"), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the "Disbursements") made by the TIFIA Lender (such lesser amount, together with any interest that is capitalized and added to principal in accordance with the provisions of the TIFIA Loan Agreement referred to below, being hereinafter referred to as the "Outstanding Principal Sum"), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the TIFIA Loan Agreement) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in the below-referenced TIFIA Loan Agreement. Each Disbursement made by the TIFIA Lender to the Borrower pursuant to the TIFIA Loan Agreement and each prepayment made on account of the Outstanding Principal Sum, shall be recorded by or on behalf of the TIFIA Lender and endorsed on the grid attached hereto as **Appendix One** in accordance with the terms of the TIFIA Loan Agreement, which is hereby made a part hereof. The principal hereof shall be payable in the manner and at the place provided in the TIFIA Loan Agreement in accordance with **Appendix Two**, as revised from time to time in accordance with the TIFIA Loan Agreement, until paid in full. Such **Appendix Two** shall be revised or completed by or on behalf of the TIFIA Lender in accordance with the terms of the TIFIA Loan Agreement. Payments hereon are to be made in accordance with Section 37 of the TIFIA Loan Agreement as the same become due. Principal of and interest on this TIFIA Bond shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America which at the date of payment is legal tender for the payment of public and private debts.

This TIFIA Bond has been executed under and pursuant to a TIFIA Loan Agreement, dated as of the date hereof, between the TIFIA Lender and the Borrower (the "TIFIA Loan Agreement") and is issued to evidence the obligation of the Borrower under the TIFIA Loan Agreement to repay the loan made by the TIFIA Lender and any other payments of any kind

required to be paid by the Borrower under the TIFIA Loan Agreement or the other TIFIA Loan Documents referred to therein. Reference is made to the TIFIA Loan Agreement for all details relating to the Borrower's obligations hereunder. All capitalized terms used in this TIFIA Bond and not defined herein shall have the meanings set forth in the TIFIA Loan Agreement.

This TIFIA Bond shall be subject to mandatory prepayment in accordance with the TIFIA Loan Agreement.

This TIFIA Bond may be prepaid at the option of the Borrower in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in accordance with the TIFIA Loan Agreement; provided, however, such prepayments shall be in principal amounts of \$1,000,000 or any integral multiple thereof), at any time or from time to time, without penalty or premium, by paying to the TIFIA Lender all or part of the principal amount of the TIFIA Bond in accordance with the TIFIA Loan Agreement.

**Payment of the obligations of the Borrower under this TIFIA Bond is secured pursuant to the Trust Agreement and other Security Documents referred to in the TIFIA Loan Agreement.**

The obligations of the Borrower under this TIFIA Bond, the TIFIA Loan Agreement and the other TIFIA Loan Documents referred to therein are subordinated in right of security to certain senior indebtedness of the Borrower, in the manner and to the extent provided in a Trust Agreement, dated as of June 1, 2009, between the Borrower and Wells Fargo Bank, N.A., as trustee.

On each payment due date, payments hereon are to be made in the manner and at the place specified by the TIFIA Lender.

Any delay on the part of the TIFIA Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

All acts, conditions and things required by the Constitution and laws of the State of New York to happen, exist, and be performed precedent to and in the issuance of this TIFIA Bond have happened, exist and have been performed as so required. This TIFIA Bond is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State of North Carolina shall govern its construction to the extent such federal laws are not applicable.



IN WITNESS WHEREOF, the North Carolina Turnpike Authority has caused this TIFIA Bond to be executed in its name and its seal to be affixed hereto and attested by its duly authorized officer, all as of the Effective Date set forth above.

**NORTH CAROLINA TURNPIKE AUTHORITY**

(SEAL)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the Undersigned hereby unconditionally sells, assigns and transfers unto \_\_\_\_\_

(Please Insert Social Security or other identifying number of Assignee(s)):

\_\_\_\_\_

the within note and all rights thereunder.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.

## Appendix One

Maturity Date: \_\_\_\_\_

Maximum Principal Sum: \$386,662,363

**Borrower:** North Carolina Turnpike Authority

TIFIA Lender : The United States Department of Transportation

**DISBURSEMENTS AND PAYMENTS OF PRINCIPAL<sup>1</sup>**[illegible]

<sup>1</sup> This Grid may be extended if the number of Disbursements, payments and extensions so requires.

## Appendix Two

### Loan Amortization Schedule

<b>Initial Principal:</b>	<b>\$0</b>
<b>Effective Date:</b>	
<b>Interest rate:</b>	

[illegible]

Semiannual P&I  
Semiannual compounding  
Interest calculated based upon actual days over actual days

**Exhibit B**

**ANTICIPATED TIFIA LOAN DISBURSEMENT SCHEDULE**

<b>FY</b>	<b>Available Limit</b>	<b>Disbursements</b>	<b>Total Drawdown</b>
2010	386,662,363	175,857,369	175,857,369
2011	210,804,994	103,927,499	279,784,868
2012	106,877,496	79,910,876	359,695,744
2013	26,966,620	26,966,620	386,662,363
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-

**EXHIBIT C**

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
AND OTHER RESPONSIBILITY MATTERS—  
PRIMARY COVERED TRANSACTIONS**

The Borrower certifies, to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding the Effective Date been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three-year period preceding the Effective Date had one or more public transactions (Federal, State or local) terminated for cause or default.

Capitalized terms used in the certificate and not defined shall have the respective meanings ascribed to such terms in the TIFIA Loan Agreement, dated as of [Dated Date], between the TIFIA Lender and the Borrower, as the same may be amended from time to time.

Dated: 10 July 2009

**NORTH CAROLINA TURNPIKE AUTHORITY**

By: 

## **EXHIBIT D**

### **REQUISITION PROCEDURES**

This Exhibit D sets out the procedures which the Borrower agrees to follow in submitting Requisitions for the disbursement of TIFIA Loan proceeds to pay directly for, or reimburse the Borrower for, Eligible Project Costs incurred in connection with the Project. Section 1 sets out the manner in which Requisitions are to be submitted and reviewed. Sections 2 through 4 set out the circumstances in which the TIFIA Lender may reject or correct Requisitions submitted by the Borrower or withhold a disbursement. The Borrower expressly agrees to the terms hereof, and further agrees that (i) the rights of the TIFIA Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the TIFIA Lender under the TIFIA Loan Agreement, and (ii) nothing contained herein shall be construed to limit the rights of the TIFIA Lender to take actions including, but not limited to, administrative enforcement action and actions for breach of contract against the Borrower if it fails to carry out its obligations under the TIFIA Loan Agreement during the term thereof.

Section 1. General Requirements. All requests by the Borrower for the disbursement of TIFIA Loan proceeds shall be made by electronic mail or overnight delivery service by submission to the TIFIA Lender, in accordance with Section 36 of the Agreement, of a Requisition, in form and substance satisfactory to the TIFIA Lender and completed and executed by a duly authorized representative of the Borrower. The form of Requisition is attached as Appendix One to this Exhibit D. Supporting documentation should be submitted with the requisition.

The TIFIA Lender agrees to promptly send to the Borrower in accordance with Section 36 of the Agreement, an acknowledgement of receipt of each Requisition in the form attached as Appendix Two to this Exhibit D setting forth the date of receipt by the TIFIA Lender of such Requisition and setting forth the Business Day on which disbursement will be made absent denial by the TIFIA Lender. All disbursement requests must be received by the TIFIA Lender at or before 5:00 P.M. (EST) on the first Business Day of a calendar month in order to obtain disbursement by the fifteenth day of such calendar month or, if either such day is not a Business Day, the next succeeding Business Day. If a Requisition is approved by the TIFIA Lender, the TIFIA Lender will notify the Borrower of such approval and of the amount so approved.

Section 2. Rejection. A Requisition may be rejected by the TIFIA Lender if it is:

- (a) submitted without signature;
- (b) submitted under signature of a Person other than a Borrower's Authorized Representative; or
- (c) submitted after prior disbursement of all proceeds of the TIFIA Loan; or

(d) submitted without adequate documentation of Eligible Project Costs incurred or paid. Such documentation shall include invoices for costs incurred or paid and the most recent certificate of the Lender's Technical Advisor.

The TIFIA Lender will notify the Borrower of any Requisition so rejected, and the reasons therefor. Any Requisition rejected for the reasons specified in (a) or (b) above must be resubmitted in proper form in order to be considered for approval. If a Requisition exceeds the balance of the TIFIA Loan proceeds remaining to be disbursed, the request will be treated as if submitted in the amount of the balance so remaining, and the TIFIA Lender will so notify the Borrower.

Section 3. Correction. A Requisition containing an apparent mathematical error will be corrected by the TIFIA Lender, after telephonic notification to the Borrower, and will thereafter be treated as if submitted in the corrected amount. The TIFIA Lender will confirm correction of the error, to the Borrower, in writing.

Section 4. Withholding. The TIFIA Lender shall be entitled to withhold approval of any pending or subsequent requests for the disbursement of TIFIA Loan proceeds if:

(a) the Borrower

(i) fails to pay any principal or interest on the TIFIA Loan when the same is due and payable; or

(ii) applies TIFIA Loan proceeds for purposes other than payment of, or reimbursement for, Eligible Project Costs which have been the subject of an approved disbursement request hereunder; or

(iii) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable federal or local criminal law, in connection with the transactions contemplated hereby; or

(iv) An Event of Default under the TIFIA Loan Agreement shall have occurred and be continuing;

(b) the Borrower

(i) fails to construct the Project in a manner consistent with plans, specifications, engineering reports or facilities plans previously submitted to and approved by the TIFIA Lender, or with good engineering practices, where such failure prevents or materially impairs the Project from fulfilling its intended purpose, or prevents or materially impairs the ability of the TIFIA Lender to monitor compliance by the Borrower with applicable federal or local law pertaining to the Project, or with the terms and conditions of the TIFIA Loan Agreement; or

(ii) fails to observe or comply with any applicable federal or local law, or any term or condition of the TIFIA Loan Agreement; or



(iii) fails to deliver documentation evidencing Eligible Project Costs claimed for disbursement at the times and in the manner specified by the TIFIA Loan Agreement; and such failure continues for a period of more than thirty (30) days following written notice from the TIFIA Lender to the Borrower, the TIFIA Lender shall be entitled to withhold, from any Requisition received after such thirty (30) day period has expired, and until such failure is cured or corrected, an amount determined by the TIFIA Lender (in its sole discretion) to be adequate for the cure or correction of such failure, which amount shall be stated in such notice; provided, that if the nature of the failure is such that it cannot reasonably be cured or corrected within such thirty (30) day period, the TIFIA Lender shall not withhold any disbursement by reason of such failure if the Borrower commences cure or correction within such thirty (30) day period and thereafter diligently completes such cure or correction within a further reasonable time period.

The foregoing notwithstanding, if, as of the date of such notice from the TIFIA Lender, the balance of the TIFIA Loan proceeds remaining to be disbursed is less than the amount determined by the TIFIA Lender to be adequate for the cure or correction of such failure, the TIFIA Lender may immediately withhold all further disbursement of TIFIA Loan proceeds until such failure is cured or corrected within the time period specified by the preceding paragraph.

## APPENDIX ONE TO EXHIBIT D

### FORM OF REQUISITION

United States Department of Transportation  
c/o Director, TIFIA Joint Program Office (HCFT-1)  
Federal Highway Administration  
Room E64-302  
1200 New Jersey Avenue, SE,  
Washington, DC 20590

Federal Highway Administration  
[State] Division Office  
[Address]  
Attention: Division Administrator

Re: [ ] PROJECT (TIFIA # [ ])

Ladies and Gentlemen:

Pursuant to Section 4 of the TIFIA Loan Agreement, dated as of [Dated Date] (the "TIFIA Loan Agreement"), by and between the NORTH CAROLINA TURNPIKE AUTHORITY (the "Borrower") and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator (the "TIFIA Lender"), we hereby request disbursement in the amount of \$\_\_\_\_\_ for Eligible Project Costs. Capitalized terms used but not defined herein have the meaning set forth in the TIFIA Loan Agreement. In connection with this Requisition the undersigned does hereby represent and certify the following:

1. This Requisition is Requisition number \_\_\_\_\_.
2. The requested date of disbursement is [\_\_\_\_\_ 15, \_\_\_\_][\_\_\_\_\_, \_\_\_\_], which is the first Business Day following \_\_\_\_\_ 15, \_\_\_\_\_.
3. The amounts previously disbursed under the TIFIA Loan Agreement aggregate \$\_\_\_\_\_ and the amounts previously disbursed under the Trust Agreement aggregate \$\_\_\_\_\_.
4. The amounts hereby requisitioned have been incurred by or on behalf of the Borrower for Eligible Project Costs, and such amounts, together with the amounts set forth in paragraph 3 above, will not exceed as of the requested disbursement date 33% of reasonably anticipated Eligible Project Costs.

5. The amount of this Requisition, together with all prior Requisitions, does not exceed the amount of the TIFIA Loan, and the amount of this Requisition together with the sum of all disbursements of TIFIA Loan proceeds made and to be made for the current year will not exceed the cumulative disbursements through the end of the current year as set forth in the Anticipated Loan Disbursement Schedule.
6. All amounts requisitioned hereunder are for Eligible Project Costs which have not been paid for or reimbursed by any previous disbursement from TIFIA Loan proceeds.
7. All documentation evidencing the Eligible Project Costs to be paid for or reimbursed by the disbursement has been delivered by the Borrower at the times and in the manner specified by the TIFIA Loan Agreement.
8. The Project has been, and is being, constructed in a manner consistent with all plans, specifications, engineering reports and facilities plans previously submitted to and approved by the TIFIA Lender and with good engineering practices.
8. The Borrower is in compliance with all of the terms and conditions of the TIFIA Loan Agreement and the Trust Agreement and there does not currently exist an Event of Default under the TIFIA Loan Agreement or an event of default under the Trust Agreement or any event which with the giving of notice or the passage of time or both would constitute such an Event of Default or event of default.
9. A copy of the monthly construction progress report pursuant to Section 22 (b)(i) of the TIFIA Loan Agreement for the month preceding the date of the applicable Requisition has been delivered to each of the above named addresses.
10. The undersigned acknowledges that if the Borrower makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the Government reserves the right to impose on the Borrower the penalties of 18 U.S.C. §1001 and 49 U.S.C. §5307(n)(1), to the extent the Government deems appropriate.
11. A copy of this requisition has been delivered to each of the above named addressees.
12. The undersigned is duly authorized to execute and deliver this requisition on behalf of the Borrower.
13. [Add wire instructions for Trustee.]

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Borrower's Authorized Representative

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**APPENDIX TWO TO EXHIBIT D**

**FORM OF ACKNOWLEDGMENT OF RECEIPT OF  
REQUISITION FOR DISBURSEMENT OF TIFIA LOAN PROCEEDS**

[Borrower name and address]

Re: Receipt of Requisition for Disbursement of TIFIA Loan Proceeds

Ladies and Gentlemen:

Pursuant to Section 4 of the TIFIA Loan Agreement, dated as of [Dated Date], by and between NORTH CAROLINA TURNPIKE AUTHORITY (the "Borrower") and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator (the "TIFIA Lender"), the undersigned authorized representative of the TIFIA Lender hereby acknowledges receipt of the attached Requisition for Disbursement of TIFIA Loan Proceeds (the "Requisition") from the Borrower. In connection therewith, we hereby represent and certify the following:

1. The date of receipt of the Requisition is \_\_\_\_\_.
2. Unless this Requisition is denied, disbursement shall be made on or before \_\_\_\_\_.

Date: \_\_\_\_\_

By: \_\_\_\_\_  
TIFIA Lender's Authorized Representative

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## APPENDIX THREE TO EXHIBIT D

### [APPROVAL/DISAPPROVAL] OF THE TIFIA LENDER

(To be delivered to the Borrower)

Requisition Number \_\_\_\_\_ is [approved] [approved in part]<sup>2</sup> [not approved]<sup>3</sup> by the TIFIA Lender (as defined herein) pursuant to Section 4 of the TIFIA Loan Agreement, dated as of [Dated Date], by and between NORTH CAROLINA TURNPIKE AUTHORITY (the "Borrower") and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator (the "TIFIA Lender").

Any determination, action or failure to act by the TIFIA Lender with respect to the Requisition set forth above, including but not limited to the withholding of a disbursement, shall be at the TIFIA Lender's sole discretion, and in no event shall the TIFIA Lender be responsible for or liable to the Borrower for any and/or all consequence(s) which are the result thereof.

**UNITED STATES DEPARTMENT OF  
TRANSPORTATION**, acting by and through the  
Federal Highway Administrator

By: \_\_\_\_\_  
TIFIA Lender's Authorized Representative

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_

<sup>2</sup> Those portions of the requisitions that are approved and those portions that are not approved are described in Schedule A attached hereto, with explanations for items not approved.

<sup>3</sup> Attached hereto as Exhibit A are reasons for denial of approval.

**EXHIBIT E**

**UNITED STATES DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION**

[Please See Attached.]

## COMPLIANCE WITH LAWS

The Borrower agrees to abide by any and all applicable Federal and state laws. The following list of Federal laws is illustrative of the type of requirements generally applicable to transportation projects. It is not intended to be exhaustive. The Borrower shall require that its contractors and subcontractors comply with applicable laws:

- (i) The Americans With Disabilities Act of 1990 and implementing regulations (42 U.S.C. §§ 12101 et seq.; 28 C.F.R. § 35; 29 C.F.R. § 1630);
- (ii) Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. §§ 2000d et seq.) and United States Department of Transportation regulation, 49 C.F.R. Part 21;
- (iii) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. §§ 4601 et seq.), with the understanding that the requirements of said Act are not applicable with respect to utility relocations except with respect to acquisitions by the Borrower of easements or other real property rights for the relocated facilities;
- (iv) Equal employment opportunity requirements under Executive Order 11246 dated September 24, 1965 (30 F.R. 12319), any Executive Order amending such order, and implementing regulations (29 C.F.R. §§ 1625-27, 1630; 28 C.F.R. § 35; 41 C.F.R. § 60; and 49 C.F.R. § 27);
- (v) Restrictions governing the use of Federal appropriated funds for lobbying (31 U.S.C. § 1352; 49 C.F.R. § 20);
- (vi) The Clean Air Act, as amended (42 U.S.C. §§ 1857 et seq., as amended by Pub. L. 91-604);
- (vii) The National Environmental Policy Act of 1969 (42 U.S.C. §§ 4321 et seq.);
- (viii) The Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 et seq., as amended by Pub. L. 92-500);
- (ix) The environmental mitigation requirements and commitments made by the Borrower that result in TIFIA Lender's approval of the Final Environmental Impact Statement (issued pursuant to 42 U.S.C. § 4332(2)(C)) and issuance of the Record of Decision for the Project;
- (x) The Endangered Species Act, 16 U.S.C. §1531, et seq.
- (xi) 23 U.S.C. §138 [49 U.S.C. §303]

- (xii) The health and safety requirements set forth in 23 C.F.R. § 635.108;
- (xiii) The prevailing wage requirements set forth in 42 U.S.C. § 276a, 23 U.S.C. § 113, as supplemented by 29 C.F.R. Part 5, 23 C.F.R. §§ 635.117(f), 635.118 and FHWA Form 1273 §§ IV and V for those contracts that involve construction of highway improvements;
- (xiv) The Buy America requirements set forth in Section 165 of the Surface Transportation Assistance Act of 1982 and implementing regulations (23 C.F.R. § 635.410);
- (xv) The requirements of 23 U.S.C. §§ 101 et seq. and 23 C.F.R.; and
- (xvi) The applicable requirements of 49 C.F.R. Part 26 relating to the Disadvantaged Business Enterprise program.



**EXHIBIT F**

**FHWA DIVISION OVERSIGHT AGREEMENT**

[On File With TIFIA]

# Exhibit G

## MANDATORY AND SCHEDULED TIFIA DEBT SERVICE

#	Date	Mandatory Debt Service		Total Debt Service	
		Interest	Principal	Interest	Principal
1	1/1/2010	-	-	-	-
2	7/1/2010	-	-	-	-
3	1/1/2011	-	-	-	-
4	7/1/2011	-	-	-	-
5	1/1/2012	-	-	-	-
6	7/1/2012	-	-	-	-
7	1/1/2013	-	-	-	-
8	7/1/2013	-	-	-	-
9	1/1/2014	-	-	-	-
10	7/1/2014	-	-	-	-
11	1/1/2015	-	-	7,892,312	-
12	7/1/2015	-	-	7,892,312	-
13	1/1/2016	4,974,169	-	9,948,338	-
14	7/1/2016	4,974,169	-	9,948,338	-
15	1/1/2017	4,974,169	-	9,948,338	-
16	7/1/2017	4,974,169	-	9,948,338	-
17	1/1/2018	4,974,169	-	9,908,526	-
18	7/1/2018	4,974,169	-	9,908,526	-
19	1/1/2019	4,975,024	-	9,950,048	-
20	7/1/2019	4,975,024	-	9,950,048	-
21	1/1/2020	4,975,024	-	9,950,048	-
22	7/1/2020	4,975,024	-	9,950,048	-
23	1/1/2021	4,975,024	-	9,950,048	-
24	7/1/2021	4,975,024	-	9,950,048	-
25	1/1/2022	4,975,024	-	9,950,048	-
26	7/1/2022	4,975,024	-	9,950,048	-
27	1/1/2023	4,975,024	-	9,950,048	-
28	7/1/2023	4,975,024	-	9,950,048	-
29	1/1/2024	4,975,024	-	9,950,048	-
30	7/1/2024	4,975,024	-	9,950,048	-
31	1/1/2025	4,975,024	-	9,950,048	626,569
32	7/1/2025	4,975,024	-	9,950,048	626,569
33	1/1/2026	4,961,568	-	9,923,136	1,463,616
34	7/1/2026	4,961,568	-	9,923,136	1,463,616
35	1/1/2027	9,860,272	1,099,998	9,860,272	2,199,995
36	7/1/2027	9,860,272	1,099,998	9,860,272	2,199,995

# Exhibit G

## MANDATORY AND SCHEDULED TIFIA DEBT SERVICE

#	Date	Mandatory Debt Service		Total Debt Service	
		Interest	Principal	Interest	Principal
37	1/1/2028	9,765,779	1,502,540	9,765,779	3,005,081
38	7/1/2028	9,765,779	1,502,540	9,765,779	3,005,081
39	1/1/2029	9,636,706	1,915,321	9,636,706	3,830,643
40	7/1/2029	9,636,706	1,915,321	9,636,706	3,830,643
41	1/1/2030	9,472,174	2,385,924	9,472,174	4,771,848
42	7/1/2030	9,472,174	2,385,924	9,472,174	4,771,848
43	1/1/2031	9,267,215	2,841,017	9,267,215	5,682,034
44	7/1/2031	9,267,215	2,841,017	9,267,215	5,682,034
45	1/1/2032	9,023,163	3,276,575	9,023,163	6,553,150
46	7/1/2032	9,023,163	3,276,575	9,023,163	6,553,150
47	1/1/2033	8,741,695	3,744,682	8,741,695	7,489,365
48	7/1/2033	8,741,695	3,744,682	8,741,695	7,489,365
49	1/1/2034	8,420,015	4,233,869	8,420,015	8,467,738
50	7/1/2034	8,420,015	4,233,869	8,420,015	8,467,738
51	1/1/2035	8,056,312	4,755,742	8,056,312	9,511,483
52	7/1/2035	8,056,312	4,755,742	8,056,312	9,511,483
53	1/1/2036	7,647,779	5,459,963	7,647,779	10,919,926
54	7/1/2036	7,647,779	5,459,963	7,647,779	10,919,926
55	1/1/2037	7,178,752	6,009,104	7,178,752	12,018,209
56	7/1/2037	7,178,752	6,009,104	7,178,752	12,018,209
57	1/1/2038	6,662,551	6,593,371	6,662,551	13,186,742
58	7/1/2038	6,662,551	6,593,371	6,662,551	13,186,742
59	1/1/2039	6,096,159	7,202,419	6,096,159	14,404,837
60	7/1/2039	6,096,159	7,202,419	6,096,159	14,404,837
61	1/1/2040	5,477,449	14,374,343	5,477,449	28,748,686
62	7/1/2040	5,477,449	14,374,343	5,477,449	28,748,686
63	1/1/2041	4,242,648	16,827,051	4,242,648	33,654,102
64	7/1/2041	4,242,648	16,827,051	4,242,648	33,654,102
65	1/1/2042	2,797,152	17,872,561	2,797,152	35,745,123
66	7/1/2042	2,797,152	17,872,561	2,797,152	35,745,123
67	1/1/2043	1,261,843	14,689,141	1,261,843	29,378,282
68	7/1/2043	1,261,843	14,689,141	1,261,843	29,378,282
69	1/1/2044	-	-	-	-
70	7/1/2044	-	-	-	-
71	1/1/2045	-	-	-	-
72	7/1/2045	-	-	-	-

## EXHIBIT H

### FORM OF OPINION OF COUNSEL TO BORROWER

An opinion of the counsel of the Borrower, dated the Effective Date, to the effect that: (a) the Borrower is duly formed, validly existing and in good standing under the laws of North Carolina; (b) the Borrower has all requisite corporate power and authority to conduct its business and to execute and deliver, and to perform its obligations under the **Security Documents** to which it is a party; (c) the execution and delivery by the Borrower of, and the performance of their respective obligations under, the **Security Documents** to which it is a party, have been duly authorized by all necessary corporate action; (d) the Borrower has duly executed and delivered each **Security Document** to which it is a party and each such **Security Document** constitutes the legal, valid and binding obligation of such party; enforceable against such party in accordance with their respective terms (e) no authorization, consent or other approval of, or registration, declaration or other filing with any governmental authority of the United States or of the States of New York or North Carolina is required on the part of the Borrower for the execution and delivery by such party of, and the performance of such party, for the operating and maintenance of the Project; (f) the execution and delivery by the Borrower of, and compliance with the provisions of the Security Documents do not (i) violate the articles or certificate of incorporation or by-laws, (ii) violate the law of the United States of America or New York or North Carolina or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to such counsel to which the Borrower is a party, or to the best of such counsel's knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the Borrower presently is subject; (g) [perfected security interest opinion]; (h) the Borrower is not an investment company required to register under the Investment Company TIFIA Act of 1940, as amended and (i) to our knowledge after due inquiry, there are no actions, suits, proceedings or investigations against the Borrower by or before any court, arbitrator or any other governmental authority in connection with the **Security Documents** that are pending.

**EXHIBIT I**

**Base Case Revenue Projections**

<b>FY</b>	<b>Gross Toll Revenue</b>	<b>Net Receipts Used to Determine TIFIA Reserve Fund Deposit *</b>
2010	-	25,000,000
2011	-	23,986,307
2012	680,000	17,738,908
2013	6,616,000	3,322,853
2014	17,618,000	2,664,102
2015	23,704,000	-
2016	28,818,000	-
2017	32,138,000	-
2018	35,719,000	-
2019	39,705,000	-
2020	44,293,000	-
2021	49,075,000	-
2022	53,803,000	-
2023	59,059,000	-
2024	64,988,000	2,082,235
2025	71,570,000	4,049,809
2026	77,164,000	5,528,327
2027	81,372,000	6,615,226
2028	85,704,000	7,558,485
2029	90,407,000	8,613,512
2030	95,610,000	9,948,482
2031	100,354,000	11,421,211
2032	104,388,000	12,286,846
2033	108,617,000	12,092,857
2034	113,006,000	12,981,757
2035	117,574,000	9,627,886
2036	121,965,000	15,023,092
2037	126,165,000	15,940,584
2038	130,505,000	16,711,648
2039	134,998,000	17,458,679
2040	139,650,000	27,705,799
2041	143,430,000	28,203,146
2042	146,299,000	28,343,418
2043	149,223,000	32,691,984
2044	152,205,000	32,788,176
2045	155,249,000	68,586,610
2046	158,349,000	90,931,773
2047	161,514,000	91,969,487
2048	164,743,000	93,013,980
2049	168,036,000	93,386,723
2050	171,397,000	
2051	174,821,000	
2052	83,648,527	

\*Amounts available for deposit into General Reserve Fund

## Appendix D

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TRUST AGREEMENT

Dated as of June 1, 2009

Between

NORTH CAROLINA TURNPIKE AUTHORITY

and

WELLS FARGO BANK, N.A.  
Trustee

Authorizing and Securing

North Carolina Turnpike Authority  
Turnpike Revenue Bonds and Indebtedness  
(Triangle Expressway System)

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## TRUST AGREEMENT

This TRUST AGREEMENT, dated as of June 1, 2009, between **North Carolina Turnpike Authority** a body corporate and politic and public instrumentality duly organized and existing under the laws of the State of North Carolina (the "Authority"), and **Wells Fargo Bank, N.A.**, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Jacksonville, Florida, which is authorized under such laws to exercise trust powers (the "Trustee");

### WITNESSETH:

WHEREAS, the Authority is a body corporate and politic and a public agency of the State of North Carolina duly organized and existing under the laws of the State of North Carolina, and is authorized under Article 6H of Chapter 136, as amended, of the General Statutes of North Carolina (the "Act"), to issue revenue bonds for the purpose of financing and refinancing the cost of acquiring, constructing and equipping the "turnpike projects" (as defined in the Act);

WHEREAS, the Authority desires initially to issue revenue bonds pursuant to the Act and this Trust Agreement to finance the costs of the of the Initial Project (hereinafter defined);

WHEREAS, pursuant to the Act, the Authority is entering into this Trust Agreement for the purpose of authorizing the issuance of Senior Lien Bonds, Subordinate Lien Bonds and TIFIA Indebtedness (each as hereinafter defined) and securing the payment thereof and any Senior Lien Parity Debt, Senior Lien Derivative Agreement Regularly Scheduled Payments, Subordinate Lien Parity Debt, Subordinate Lien Derivative Agreement Regularly Scheduled Payments and TIFIA Indebtedness (all as hereinafter defined) by pledging and assigning its rights, title and interest in and to the Receipts to the Trustee in the manner and subject to the priorities set forth herein;

WHEREAS, under the Constitution and laws of the State of North Carolina, including the Act, the Authority is authorized to enter into this Trust Agreement, to issue Bonds as hereinafter provided and to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted;

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of North Carolina, including the Act, to happen, exist and be performed precedent to and in the execution and delivery of this Trust Agreement have happened, exist and have been performed as so required to make this Trust Agreement a valid and binding trust agreement securing the Senior Lien Bonds, Senior Lien Parity Debt, Senior Lien Derivative Agreement Regularly Scheduled Payments, Subordinate Lien Bonds, Subordinate Lien Parity Debt, Subordinate Lien Derivative Agreement Regularly Scheduled Payments and TIFIA Indebtedness in accordance with its terms; and

WHEREAS, the Trustee has accepted the trusts created by this Trust Agreement and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH that in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the issuance of the Senior Lien Bonds, the Subordinate Lien Bonds and the TIFIA Indebtedness as provided herein, and also for and in consideration of the sum of One Dollar in hand paid by the Trustee at or before the execution and delivery of this Trust Agreement, and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners (hereinafter defined) thereof, and to secure the payment of all Bonds at any time issued and Outstanding (hereinafter defined) under this Trust Agreement and to further secure payment of (a) any Senior Lien Parity Debt, Subordinate Lien Parity Debt (both as hereinafter defined) and TIFIA Indebtedness and (b) any Senior Lien Derivative Agreement Regularly Scheduled Payments and Subordinate Lien Derivative Agreement Regularly Scheduled Payments, and to secure the performance and observance of all the covenants, agreements and conditions, express or implied, therein and herein contained, the Authority has executed and delivered this Trust Agreement, and by this Trust Agreement has, subject to the terms hereof, given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over, and pledged, and does hereby give, grant, bargain, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto the Trustee, and its successor or successors in trust, the Trust Estate (as herein defined).

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successor or successors in trust and to them and their assigns forever.

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the benefit, security and protection of all and singular the present and future Owners of the Bonds issued or to be issued under and secured by this Trust Agreement and the Holders (hereinafter defined) of any Senior Lien Parity Debt, Subordinate Lien Parity Debt or TIFIA Indebtedness and the payee of any Senior Lien Derivative Agreement Regularly Scheduled Payment or Subordinate Lien Derivative Agreement Regularly Scheduled Payment, without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided for herein, of (a) any one Senior Lien Bonds, Senior Lien Parity Debt or Senior Lien Derivative Agreement Regularly Scheduled Payment over any other Senior Lien Bonds, Senior Lien Parity Debt or Senior Lien Derivative Agreement Regularly Scheduled Payment, (b) any one Subordinate Lien Bonds, Subordinate Lien Parity Debt or Subordinate Lien Derivative Agreement Regularly Scheduled Payment over any other Subordinate Lien Bonds, Subordinate Lien Parity Debt or Subordinate Lien Derivative Agreement Regularly Scheduled Payment or (c) any TIFIA Indebtedness over any other TIFIA Indebtedness, by reason of priority in their issue, sale, delivery date or otherwise, all as herein provided;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment, pursuant to the provisions of this Trust Agreement, of the principal of all Senior Lien Bonds, Senior Lien Parity Debt, Subordinate Lien Bonds, Subordinate Lien Parity Debt and TIFIA Indebtedness and the interest and any redemption premium due or to become due thereon and all Senior Lien Derivative Agreement Regularly Scheduled Payments and all Subordinate Lien Derivative Agreement Regularly

Scheduled Payments, at the times and in the manner mentioned therein and in this Trust Agreement, according to the true intent and meaning hereof and thereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof and perform all of its other obligations hereunder, then, upon such performance and payments, this Trust Agreement and the rights hereby granted shall cease, determine and become void, as provided in Article XII hereof; otherwise this Trust Agreement to be and remain in full force and effect.

THIS TRUST AGREEMENT FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder and any Senior Lien Parity Debt, Senior Lien Derivative Agreement Regularly Scheduled Payments, Subordinate Lien Parity Debt, Subordinate Lien Derivative Agreement Regularly Scheduled Payments and TIFIA Indebtedness secured hereunder are to be issued, authenticated, delivered and dealt with, and all said property hereby given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set-over and pledged is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, Holders, from time to time, of Bonds, Senior Lien Parity Debt, Subordinate Lien Parity Debt and TIFIA Indebtedness or any part thereof, and payee of any Senior Lien Derivative Agreement Regularly Scheduled Payments or Subordinate Lien Derivative Agreement Regularly Scheduled Payments, as follows:

## **ARTICLE I**

### **DEFINITIONS; FINDINGS AND DETERMINATIONS**

Section 101. Meaning of Words and Terms. In addition to words and terms elsewhere defined in this Trust Agreement, the following words and terms as used in this Trust Agreement shall have the following meanings, unless some other meaning is plainly intended:

“Act” means, collectively, Article 6H of Chapter 136 of the General Statutes of North Carolina, as amended, and Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended.

“Additional Project” means any addition, acquisition, improvement, betterment, extension or equipping of or relating to the Initial Project as authorized by the Act, or any previous Additional Project that has become part of the Triangle Expressway System and located within the geographic boundaries comprising the Capital Area Metropolitan Planning Organization and the Durham, Chapel Hill, Carrboro Metropolitan Planning Organization; provided, however, that the term “Additional Project” shall not include any Non-System Project unless the Authority specifically identifies such Non-System Project as an Additional Project upon compliance with the provisions of Section 715.

“Additional Projects Account” means an account in the Project Fund created and so designated by Section 401.

“Annual Budget” means the Authority’s budget for the Triangle Expressway System for a Fiscal Year adopted pursuant to the Authority’s bylaws, rules and regulations as in effect from time to time.

“Authority” means the North Carolina Turnpike Authority created by the Act, and any successor thereto.

“Authority Attorney” means the attorney or law firm designated by the Authority from time to time to perform the duties of counsel to the Authority under this Trust Agreement, including the Attorney General of the State or any assistant or deputy Attorney General of the State.

“Authority Board” means the Board of Directors of the Authority, as the governing body thereof.

“Authority Secretary” means the person appointed or employed by the Authority to perform the duties imposed on the Secretary of the Authority by this Trust Agreement, including the Secretary of the Authority Board or any assistant or deputy Secretary of the Authority Board.

“Authorized Officer” means the Executive Director, the Chief Financial Officer and any other person authorized by resolution of the Authority Board to perform the duties imposed on an Authorized Officer by this Trust Agreement whose name and specimen signature is filed pursuant to an Officer’s Certificate with the Trustee for such purpose.



“Balloon Long-Term Indebtedness” means fixed or variable rate Long-Term Indebtedness 25% or more of the principal payments of which are due in a single twelve-month period which portion of the principal is not required by the documents pursuant to which such Indebtedness is incurred to be amortized by redemption or prepayment prior to the expiration of such period.

“Bankruptcy Related Event” means (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Authority or any of its debts, or of a substantial part of the assets of the Authority, under any Insolvency Law, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Authority for a substantial part of the assets of the Authority, and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) the Authority shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Authority or for a substantial part of the assets of the Authority, or (ii) generally not be paying its debts with respect to the Triangle Expressway System as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, or (v) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, or (vi) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (vii) take any action for the purpose of effecting any of the foregoing; or (c) (i) all or a substantial part of the Triangle Expressway System or the Trust Estate shall be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of any liens or security interest thereon securing the Senior Lien Indebtedness, or (ii) all or a substantial part of the Triangle Expressway System or the Trust Estate shall be transferred pursuant to a sale or disposition in lieu of foreclosure.

“Base Case Projections” means the projected Receipts of the Project for a Fiscal Year as set forth in the initial financial plan prepared by the Authority and delivered to the USDOT pursuant to Section 21 of the TIFIA Loan Agreement and filed with the Trustee pursuant to Section 706.

“Bond” or “Bonds” means, collectively, the Senior Lien Bonds and the Subordinate Lien Bonds.

“Bond Insurance Policy” means a municipal bond insurance policy or similar arrangement permitted by the Act and obtained or established in connection with the incurrence of any Bonds or other.

“Bond Insurer” means the Person providing a Bond Insurance Policy.

“Bond Registrar” means, with respect to any Series of Bonds, the Bond Registrar at the time serving as such under the Supplemental Agreement relating to such Series, whether the original or a successor Bond Registrar.

“Business Day” means any day other than a Saturday, a Sunday or a day on which offices of the United States Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, in Raleigh, North Carolina or in the city where the principal or designated office of the Trustee is located.

“Capital Appreciation Bonds” means Bonds the interest on which is compounded at the rates and on the dates set forth in a Supplemental Agreement and is payable upon redemption or on the maturity date of such Bonds; provided, however, that nothing in this Trust Agreement shall prohibit the Authority from designating in the appropriate Supplemental Agreement any such Bonds by a name other than Capital Appreciation Bonds.

“Capital Improvements Budget” for any Fiscal Year means the budget for capital improvements adopted by the Authority in accordance with Section 705.

“Capitalized Interest Account” means the respective accounts in the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund created and so designated by Section 501.

“Chief Financial Officer” means the person appointed or employed by the Authority to perform the duties imposed on the Chief Financial Officer by this Trust Agreement.

“Completion Date” means the date of acquisition or completion of the Initial Project and any Additional Project, or of any segment of the foregoing, as the case may be, as certified by the Authority pursuant to Section 406.

“Completion Indebtedness” means any Long-Term Indebtedness incurred for the purpose of financing the completion of the Initial Project or any Additional Project for which Long-Term Indebtedness has theretofore been incurred in accordance with the provisions hereof, to the extent necessary to complete the Initial Project or such Additional Project, in the manner and scope contemplated at the time that such Long-Term Indebtedness theretofore incurred was originally incurred, and, to the extent the same shall be applicable, in accordance with the general plans and specifications for the Initial Project or such Additional Project, as originally prepared with only such changes as have been made in conformance with the documents pursuant to which such Long-Term Indebtedness theretofore incurred was originally incurred; provided, however, that such Long-Term Indebtedness shall not exceed 5% of the aggregate principal amount of the Long-Term Indebtedness originally incurred by the Authority to finance the costs of the Initial Project or any Additional Project.

“Compounded Amount” means with respect to Capital Appreciation Bonds of any Series, the amount set forth in a Supplemental Agreement as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Capital Appreciation Bonds.

“Construction and Renewal and Replacement Agreement” means the Construction Completion Assurance and Standby Renewal and Replacement Funding Agreement, dated as of April 15, 2009, between the Authority and NCDOT, including any supplement or amendment thereto.

“Cost,” as applied to the Initial Project or any Additional Project, means, without intending thereby to limit or restrict any proper definition of such word under the provisions of the Act or this Trust Agreement, all items of cost which are set forth in Section 403.

“Credit Facility” means a line of credit, letter of credit, standby bond purchase agreement or similar liquidity or credit facility permitted by the Act (but excluding a Bond Insurance Policy) and established or obtained in connection with the incurrence of any Indebtedness.

“Credit Provider” means the Person providing a Credit Facility. If and to the extent permitted by law, the Authority may be a Credit Provider for the sole purpose of providing liquidity support for Indebtedness.

“Current Interest Bonds” means Bonds the interest on which is payable on the Interest Payment Dates provided therefor in any Supplemental Agreement.

“Default” means any Event of Default and any event that, after notice or lapse of time or both, would become an Event of Default.

“Defaulted Interest” means Defaulted Interest as defined in Section 202.

“Defeasance Obligations” means noncallable (a) Government Obligations and (b) Defeased Municipal Obligations.

“Defeased Municipal Obligations” means obligations of state or local government municipal bond issuers which are rated the highest rating category by S&P, Fitch or Moody’s, respectively, provision for the payment of the principal of, premium, if any, and interest on which shall have been made by deposit with a trustee or escrow agent of Government Obligations, the maturing principal of and interest on which, when due and payable, shall provide sufficient money to pay the principal of, premium, if any, and interest on such obligations of state or local government municipal bond issuers. References in this definition to state or local government bond issuers shall mean the State of North Carolina and North Carolina local government bond issuers, and, to the extent permitted by law, states other than the State of North Carolina and local government bond issuers other than North Carolina local government bond issuers.

“Depository” means the State Treasurer of the State and one or more banks or trust companies or other institutions, including the Trustee, duly authorized by law to engage in the banking business and designated by the Authority as a depository of moneys under this Trust Agreement.

“Derivative Agreement” means an interest rate swap, cap, collar, floor, forward, option, put, call or other agreement, arrangement or security however denominated, entered into in order to hedge interest rate fluctuations on all or a portion of any Indebtedness or to provide debt

management by changing payments to be made by the Authority with respect to all or a portion of any Indebtedness.

“Derivative Agreement Additional Payments” means payments required to be paid by the Authority under a Derivative Agreement other than Derivative Agreement Regularly Scheduled Payments, including termination payments required to be paid in connection with the termination of a Derivative Agreement, whether voluntarily or upon the occurrence of an event of default, termination event or similar event thereunder.

“Derivative Agreement Regularly Scheduled Payments” means regularly scheduled payments required to be paid by the Authority under a Derivative Agreement that are based upon a fixed or variable imputed rate on a notional amount set forth in the Derivative Agreement and which are intended by the Authority to correspond to interest payments on the underlying Derivative Indebtedness.

“Derivative Indebtedness” means the portion of any Indebtedness meeting the requirements set forth in clauses (a) and (b) below:

(a) in connection with such Indebtedness, the Authority shall have entered into a Derivative Agreement in respect of all or a portion of such Indebtedness, and

(b) (i) if such Indebtedness bears interest at a variable rate, such Derivative Agreement provides that during the Derivative Period, the Authority shall pay to the provider of the Derivative Agreement a fixed rate (the “Synthetic Fixed Rate”) and the provider of the Derivative Agreement shall pay to the Authority a variable rate on a notional amount equal to all or a portion of the Outstanding principal amount of such Indebtedness, or (ii) if such Indebtedness bears interest at a fixed rate, such Derivative Agreement provides that during the Derivative Period, the Authority shall pay to the provider of the Derivative Agreement a variable rate (the “Synthetic Variable Rate”) and the provider of the Derivative Agreement shall pay to the Authority a fixed rate on a notional amount equal to all or a portion of the Outstanding principal amount of such Indebtedness.

“Derivative Period” means the period during which a Derivative Agreement is in effect.

“Eminent Domain” means the eminent domain or condemnation power by which all or any part of the Triangle Expressway System may be taken for another public use or any agreement that is reached in lieu of proceedings to exercise such power.

“Event of Default” means each of those events of default set forth in Section 802.

“Fiscal Year” means the period commencing on the first day of July of any year and ending on the last day of June of the following year.

“Fitch” means Fitch Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to

refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“General Engineering Consultant” means any engineer or firm of engineers of favorable reputation for skill and experience in performing the duties for which such consultant is required to be employed pursuant to the provisions of this Trust Agreement.

“General Reserve Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway General Reserve Fund by Section 501.

“Government Obligations” means direct obligations of, or obligations the principal of and the interest on which are fully and unconditionally guaranteed by, the United States of America in either certificated or book-entry form, including (a) stripped Government Obligations stripped by the United States Treasury itself and (b) interest only portions of obligations issued by the Resolution Funding Corporation.

“Grant Anticipation Notes” means any grant anticipation notes issued by the Authority in compliance with the provisions of Section 212.

“Hedging Acquisition Account” means the account in the Senior Lien Debt Service Fund created and so designated by Section 501.

“Hedging Acquisition Account Requirement” means the amount to be deposited from time to time to the credit of the Hedging Acquisition Account in accordance with the requirements of the TIFIA Loan Agreement. The Hedging Acquisition Account Requirement, if any, shall be computed by the Authority at the beginning of each Fiscal Year, subject to the approval of USDOT, and shall be funded during that Fiscal Year pursuant to Section 503.

“Holder” means the holder or owner of Senior Lien Parity Debt, Subordinate Lien Parity Debt or TIFIA Indebtedness.

“Indebtedness” means all obligations incurred or assumed by the Authority in connection with the ownership or operation of the Triangle Expressway System:

- (a) for payments of principal and interest with respect to borrowed money, including any obligation to repay a Credit Provider for moneys drawn to pay and retire or purchase Indebtedness and including the continuing obligation to pay principal and interest with respect to any Bonds pursuant to the subrogation provisions of a Bond Insurance Policy following the payment to the Owner of such Bonds of the insured principal and interest from amounts paid by the Bond Insurer under such Bond Insurance Policy; and

- (b) for payments under leases which are required to be capitalized in accordance with generally accepted accounting principles and under installment or lease purchase or conditional sale contracts;

provided, however, that (i) Indebtedness shall include only such obligations as are secured by Receipts, (ii) Indebtedness shall not include any State Appropriation Revenue Bonds, and (iii)

any obligation to pay a Credit Provider for moneys drawn to purchase, but not pay and retire, Indebtedness shall constitute Indebtedness only to the extent such payments are in excess of any scheduled payments of principal and interest required to be made to such Credit Provider as an Owner or Holder of such Indebtedness.

“Initial Project” means the land, easements, rights of way, capital improvements and equipment financed with the proceeds of the Series 2009 Bonds, the State Appropriation Revenue Bonds and the TIFIA Series 2009 Bond, as more particularly described in the Supplemental Agreement for the Series 2009 Bonds and the TIFIA Loan Agreement.

“Initial Project Account” means the account in the Project Fund created and so designated by Section 401.

“Insolvency Laws” means the United States Bankruptcy Code, 11 U.S.C. §101 et seq., as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership or similar law now or hereafter in effect.

“Insurance and Condemnation Award Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway Insurance and Condemnation Award Fund by Section 501.

“Insurance Consultant” means any Person or firm having a favorable reputation in the State for skill and experience in dealing with the insurance requirements of road and highway systems similar to the Triangle Expressway System and in performing the duties to be imposed upon the Insurance Consultant by this Trust Agreement, including, without limitation, the Risk Manager for the State Department of Insurance.

“Interest Account” means the respective accounts in the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund created and so designated by Section 501.

“Interest Payment Date” means, with respect to any Series of Bonds, each of the interest payment dates provided for in the Supplemental Agreement relating to such Series, and with respect to any Parity Debt or TIFIA Indebtedness, each of the interest payment dates provided for in the Parity Debt Resolution or TIFIA Loan Agreement relating to such Parity Debt or TIFIA Indebtedness.

“Investment Obligations” means, to the extent permitted by law, any investment authorized by Section 159-30 of the General Statutes of North Carolina, as such statute may be amended from time to time, or any successor statute.

“Loan Life Coverage Ratio” means a ratio where the numerator is equal to the net present value of projected total Receipts, as determined by the Traffic Consultant, after meeting the requirements of Section 503 (a) through (f), for each Fiscal Year from and including the Fiscal Year in which such calculation is made to and including the Fiscal Year in which the final maturity of the TIFIA Indebtedness occurs, plus the sum of the amounts on deposit in the TIFIA Reserve Fund and General Reserve Fund as of the last Business Day of the previous Fiscal Year, and the denominator is equal to the principal amount of TIFIA Indebtedness Outstanding as of

the date of such calculation. The discount rate for the net present value calculation shall be equal to the interest rate on the TIFIA Indebtedness.

“Local Government Commission” means the Local Government Commission, a division of the Department of the State Treasurer of the State.

“Long-Term Debt Service Requirement” means, for any period of twelve (12) consecutive calendar months for which such determination is made, the aggregate of the required deposits to be made in respect of Principal and interest (whether or not separately stated) on Outstanding Long-Term Indebtedness during such period, also taking into account:

(a) with respect to Balloon Long-Term Indebtedness, the amount of principal which would be payable in such period if such principal were amortized from the date of incurrence thereof over a period of twenty (20) years (or the actual number of years over which such Balloon Long-Term Indebtedness is being amortized, if greater than twenty (20) years, but in no event greater than forty (40) years) on a level debt service basis at an interest rate equal to the current market rate for an obligation with such assumed amortization as set forth in an opinion of a banking institution or an investment banking institution knowledgeable in financing of Triangle Expressway System delivered to the Trustee as the interest rate at which the Authority could reasonably expect to borrow the same by incurring Indebtedness with the same term as assumed above; provided, however, that if the date of calculation is within twelve (12) calendar months of the actual final maturity date of such Indebtedness, the full amount of principal payable at maturity shall be included in such calculation, unless a binding commitment by an institutional lender or municipal underwriting firm exists, which binding commitment may contain typical and customary conditions, to provide financing to refinance such Indebtedness and such commitment provides for the refinancing of such Indebtedness on terms which would, if such commitment was implemented, constitute Long-Term Indebtedness, then in such case the payment terms contained in such commitment shall be utilized for purposes of calculating the Long-Term Debt Service Requirement with respect to such Balloon Long-Term Indebtedness;

(b) with respect to Long-Term Indebtedness which is Variable Rate Indebtedness, the interest on such Indebtedness shall be calculated at the rate which is equal to the average of the actual interest rates which were in effect (weighted according to the length of the period during which each such interest rate was in effect) for the most recent twelve (12) month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve (12) month period), except that with respect to new Variable Rate Indebtedness proposed to be incurred, the interest rate for such Variable Rate Indebtedness shall be equal to the running average of the SIFMA Municipal Index for the most recent 52 weeks immediately preceding the date of calculation for which such information is available;

(c) with respect to any Credit Facility, (i) to the extent that such Credit Facility has not been used or drawn upon, the principal and interest relating to such Credit Facility shall not be included in the Long-Term Debt Service Requirement and (ii) to the extent that the Authority has reimbursed a Credit Provider for a drawing on a Credit Facility to pay principal or interest on Indebtedness that is already included in the Long-Term Debt Service Requirement, only the

portion of the reimbursement payment that is in excess of the payment of principal and interest paid from the drawing shall be included in the Long-Term Debt Service Requirement; and

(d) with respect to Derivative Indebtedness, during any Derivative Period and for so long as the provider of the Derivative Agreement has not defaulted on its payment obligations under the Derivative Agreement, the amount of interest payable on such Derivative Indebtedness shall be calculated as follows:

(i) for any historical computation of the Long-Term Debt Service Requirement:

(A) if such Derivative Indebtedness bears interest at a variable rate, the amount derived by adding (1) the amount of interest paid by the Authority on such Derivative Indebtedness at such variable rate (calculated as provided in subparagraph (b) above) and (2) the amount paid by the Authority to the provider of the Derivative Agreement relating to such Derivative Indebtedness at the Synthetic Fixed Rate, and subtracting (3) the amount received by the Authority from the provider of such Derivative Agreement at the variable rate specified in the Derivative Agreement (calculated as provided in subparagraph (b) above); and

(B) if such Derivative Indebtedness bears interest at a fixed rate, the amount derived by adding (1) the amount of interest paid by the Authority on such Derivative Indebtedness at such fixed rate and (2) the amount paid by the Authority to the provider of the Derivative Agreement relating to such Derivative Indebtedness at the Synthetic Variable Rate (calculated as provided in subparagraph (b) above) and subtracting (3) the amount received by the Authority from the provider of such Derivative Agreement at the fixed rate specified in the Derivative Agreement; and

(ii) for any projected computation of the Long-Term Debt Service Requirement:

(A) if such Derivative Indebtedness bears interest at a variable rate, at the Synthetic Fixed Rate; and

(B) if such Derivative Indebtedness bears interest at a fixed rate, at the Synthetic Variable Rate (calculated as provided in subparagraph (b) above);

provided, however, that notwithstanding the foregoing, (a) accrued and capitalized interest shall be excluded from the determination of Long-Term Debt Service Requirement to the extent the same is provided from the proceeds of the Long-Term Indebtedness or otherwise provided so as to be available for deposit into an account for capitalized interest or similar account not later than the date of delivery of and payment for such Long-Term Indebtedness; (b) the aggregate amount of payments made with respect principal or interest on Outstanding Long-Term Indebtedness shall not include principal or interest payable from investment earnings on the Senior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund, any Senior Lien Special Reserve Account, any Subordinate Lien Special Reserve Account or any other fund or account established by the Authority that are required to be used to pay the principal of or interest on Indebtedness; and (c) the aggregate of the payments to be made with respect to principal and interest on Outstanding Long-Term Indebtedness shall not include principal or interest payable from Qualified Escrow Funds; and



(e) the deposits required to be made for any period in respect of interest on any Outstanding Senior Lien Bonds, Subordinate Lien Bonds or TIFIA Bonds issued or incurred hereunder shall be reduced by the amount of any investment earnings on the Funds and Accounts created in the Debt Service Fund.

Long-Term Indebtedness” means all Indebtedness for any of the following:

(a) money borrowed for an original term, or renewable at the option of the Authority for a period from the date originally incurred, of longer than one year;

(b) leases which are required to be capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the Authority for a period from the date originally incurred, of longer than one year; and

(c) installment purchase, installment financing or conditional sale contracts having an original term in excess of one year.

Long-Term Indebtedness shall include Short-Term Indebtedness if a Credit Facility exists to provide financing to retire such Short-Term Indebtedness and such Credit Facility provides for the repayment of principal on terms which would, if such commitment were implemented, constitute Long-Term Indebtedness. Long-Term Indebtedness shall also include the current portion of Long-Term Indebtedness. Long-Term Indebtedness shall only include the obligations described in (a), (b) and (c) to the extent that such obligations are Indebtedness, as herein defined.

“Maximum Long-Term Debt Service Requirement” means the highest Long-Term Debt Service Requirement for the present and any succeeding Fiscal Year.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“NCDOT” means the North Carolina Department of Transportation, a department of the State, and any successor to its functions.

“Net Eminent Domain Proceeds” means the gross proceeds paid to the Authority as a final award for the taking by Eminent Domain of any of the Triangle Expressway System less payment of attorneys’ and other fees and expenses properly incurred in the collection of such gross proceeds.

“Net Insurance Proceeds” means the gross proceeds paid to the Authority as a result of any casualty insurance policy with respect to the Triangle Expressway System or as a result of any liability insurance policy less payment of attorneys’ and other fees and expenses properly incurred in the collection of such gross proceeds.

“Non-System Project” means any additions, acquisitions, improvements, betterments, land, buildings, structures or other facilities, including equipment, acquired or constructed, and the preparation and grading of land, relating to the Triangle Expressway System but which are specifically designated by resolution of the Authority Board as not being part of the Triangle Expressway System and are not otherwise thereafter designated as an Additional Project pursuant to Section 715.

“Officer’s Certificate” means a certificate signed by an Authorized Officer.

“O&M Guaranty Agreement” means the Operating and Maintenance Expense Guaranty Agreement, dated as of August 20, 2008, between the Authority and NCDOT, including any supplement or amendment thereto.

“Operating Advance” means any payment received by the Authority from NCDOT pursuant to the terms of the O&M Guaranty Agreement to replenish amounts drawn from the Operating Reserve Fund pursuant to Section 509.

“Operating Expenses” means the Authority’s current expenses for the operation, maintenance and repair of the Triangle Expressway System as determined in accordance with generally accepted accounting principles, except as modified by this definition, including, without limiting the generality of the foregoing:

- (a) all ordinary and usual expenses of operation, toll collection, maintenance and repair, which may include expenses not annually recurring;
- (b) direct administrative expenses;
- (c) salaries, benefits and other compensation;
- (d) operating lease payments;
- (e) payments to any pension or retirement plan or plans properly chargeable to the Authority;
- (f) insurance premiums and expenses;
- (g) engineering and architectural expenses relating to the operation, maintenance or repair of the Triangle Expressway System;
- (h) fees and expenses of the Trustee or its counsel, any Bond Registrar, Depositary, Traffic Consultant, tender agent, paying agent or Bond Insurer, fees and expenses payable to the USDOT pursuant to the terms of any TIFIA Loan Agreement, legal expenses, Credit Facility fees, remarketing fees and fees of consultants or professionals; and
- (i) any other similar-type operating expenses required to be paid by the Authority under this Trust Agreement or by law;

but Operating Expenses shall not include:

- (a) any reserves for extraordinary replacements or repairs;
- (b) any allowance for depreciation or any amortization of financing expense;
- (c) any deposits to any fund, account and subaccount created under this Trust Agreement or any Supplemental Agreement, Parity Debt Resolution or TIFIA Loan Agreement and payments of principal, premium, if any, and interest on Indebtedness from such funds, accounts and subaccounts;
- (d) any debt service payments or reserves or deposits for debt service payments in respect of Indebtedness or any lease-purchase or installment financing contracts or any other indebtedness of the Authority not secured by a pledge of and lien on the Receipts; or
- (e) any payments made under any Derivative Agreement, whether regularly scheduled payments, termination payments or other payments.

“Operating Reserve Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway Operating Reserve Fund by Section 501.

“Operations and Maintenance Expense Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway Operations and Maintenance Expense Fund by Section 501.

“Outstanding” when used with reference to Bonds means, as of a particular date, all Bonds theretofore authenticated and delivered under this Trust Agreement, except:

- (a) Bonds theretofore canceled by the Bond Registrar or delivered to the Bond Registrar for cancellation;
- (b) Bonds deemed to be no longer Outstanding pursuant to Section 304;
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Trust Agreement;
- (d) Bonds deemed to have been paid in accordance with Article XII; and
- (e) Bonds constituting Put Indebtedness deemed to have been purchased in accordance with the provisions of the applicable Supplemental Agreement in lieu of which other Bonds have been delivered under such Supplemental Agreement.

When used with reference to Parity Debt or TIFIA Indebtedness, “Outstanding” means, as of a particular date, all Parity Debt and TIFIA Indebtedness except:

- (a) Parity Debt and TIFIA Indebtedness theretofore canceled by the Authority;

(b) Parity Debt and TIFIA Indebtedness for the payment or redemption of which money, Defeasance Obligations, or a combination of both, in an amount sufficient to pay on the date when such Parity Debt and TIFIA Indebtedness is to be paid or redeemed the principal amount of or Redemption Price of, and the interest accruing to such date on, the Parity Debt and TIFIA Indebtedness to be paid or redeemed, has been deposited with an escrow agent in trust for the Holders of such Parity Debt and TIFIA Indebtedness; Defeasance Obligations shall be deemed to be sufficient to pay or redeem Parity Debt and TIFIA Indebtedness on a specified date if the principal and the interest on such Defeasance Obligations, when due, together with any money left uninvested, will be sufficient to pay on such date the principal amount of or Redemption Price of, and the interest accruing on, such Parity Debt and TIFIA Indebtedness to such date;

(c) Parity Debt and TIFIA Indebtedness in exchange for or in lieu of which other Parity Debt or TIFIA Indebtedness has been delivered under the documentation securing such Parity Debt or TIFIA Indebtedness;

(d) Parity Debt and TIFIA Indebtedness deemed to have been paid in accordance with the defeasance or like provisions of the Parity Debt Resolution or TIFIA Resolution providing for the issuance of the Parity Debt or TIFIA Indebtedness; and

(e) Parity Debt and TIFIA Indebtedness constituting Put Indebtedness deemed to have been purchased in accordance with the provisions of the applicable Parity Debt Resolution or TIFIA Loan Agreement in lieu of which other Parity Debt or TIFIA Indebtedness has been incurred under the Parity Debt Resolution or TIFIA Loan Agreement.

“Owner” means a Person in whose name a Bond is registered in the registration books provided for in Section 205.

“Parity Debt” means, collectively, Senior Lien Parity Debt and Subordinate Lien Parity Debt.

“Parity Debt Resolution” means the resolution and any other documentation adopted or executed and delivered by the Authority providing for the incurrence of Parity Debt. If any Senior Lien Indebtedness is to be the subject of a Credit Facility providing for repayments for draws under the Credit Facility on a parity basis with such Senior Lien Indebtedness, then the term Parity Debt Resolution shall include any reimbursement agreement or similar repayment agreement executed and delivered by the Authority in connection with the provision of a Credit Facility for such Senior Lien Indebtedness. If any Subordinate Lien Indebtedness is to be the subject of a Credit Facility providing for repayments for draws under the Credit Facility on a parity basis with such Subordinate Lien Indebtedness, then the term Parity Debt Resolution shall include any reimbursement agreement or similar repayment agreement executed and delivered by the Authority in connection with the provision of a Credit Facility for such Subordinate Lien Indebtedness.

“Permitted Encumbrances” means in addition to any charge created or permitted by this Trust Agreement upon the Triangle Expressway System or any part thereof or on the Receipts:

(a) liens for taxes or other governmental charges or levies not delinquent or that are being contested in good faith by the Authority;

(b) (i) covenants, easements, encumbrances, defects of title, reservations, restrictions and conditions existing at the time of delivery of the Series 2009 Bonds and (ii) defects, irregularities, encumbrances, easements, including easements for roads and public utilities and similar easements, rights of way, mineral conveyances, mineral reservations, and clouds on title, none of which materially impairs the use of the property affected thereby for its intended purposes;

(c) mechanics', workers', repairmen's, architects', engineers', surveyors', or carriers' liens or other similar liens provided that the same shall be discharged in the ordinary course of business and without undue delay or the validity of the same shall be contested in good faith with any pending execution thereof appropriately stayed;

(d) other liens, charges and encumbrances that, in the written opinion of the Authority Attorney, a copy of which is filed with the Trustee, do not prevent or materially impair the use of the Triangle Expressway System (the Authority Attorney may rely upon a certificate of any engineer or any architect as to whether such liens, charges and encumbrances prevent or materially impair the use of the Triangle Expressway System);

(e) liens on any Non-System Projects;

(f) encumbrances on property, plant and equipment comprising a part of the Triangle Expressway System to the extent permitted by Section 711;

(g) the pledge of State Appropriated Revenues under the State Appropriation Revenue Bond Trust Agreement to secure the State Appropriation Revenue Bonds; and

(h) any contracts, leases or other agreements to the extent permitted by Section 714.

"Person" includes corporations, firms, associations, partnerships, joint ventures, joint stock companies, trusts, unincorporated organizations, and public bodies, as well as natural persons.

"Predecessor Bonds" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond; and, for purposes of this definition, any Bond authenticated and delivered under Section 210 in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

"Principal" means (a) with respect to any Capital Appreciation Bond, the Compounded Amount thereof (the difference between the stated amount to be paid at maturity and the Compounded Amount being deemed unearned interest) except as used in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an Event of Default, in which case "Principal" means the initial public offering price of a Capital Appreciation Bond and the difference between the Compounded Amount and the initial public offering price shall be deemed to be interest and (b) with respect to any Current Interest Bond, the principal amount of such Bond or Indebtedness payable at maturity or in satisfaction of a Sinking Fund Requirement, if applicable.

“Principal Account” means the respective accounts in the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund created and so designated by Section 501.

“Principal Payment Date” means any date established by any Supplemental Agreement, Parity Debt Resolution or TIFIA Loan Agreement for the payment of principal of Bonds, Parity Debt or TIFIA Indebtedness, whether at maturity or pursuant to an amortization requirement or otherwise.

“Project Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway Project Fund by Section 401.

“Put Indebtedness” means fixed or variable rate Long-Term Indebtedness 25% or more of the principal of which may, at the option of the Owner or Holder thereof, be tendered to the Authority, the Trustee, a Depositary or a paying agent or other fiduciary, or an agent of any of the foregoing, for payment or purchase at one time.

“Qualified Escrow Funds” means amounts deposited in a segregated escrow fund or other similar fund or account in connection with the issuance of Long-Term Indebtedness which fund or account is required by the documents establishing such fund or account to be applied toward the Authority’s payment obligations with respect to principal or interest on (a) the Long-Term Indebtedness which is incurred under the documents establishing such fund or account or (b) Long-Term Indebtedness which is incurred prior to the establishment of such fund or account.

“Receipts” means all receipts, revenues, income, proceeds and money received in any period by or for the Authority in respect of the Triangle Expressway System, including, but without limiting the generality of the foregoing:

(a) all toll revenues, payments, proceeds, fees, charges, rents and all other income derived by or for the Authority from the ownership and operation of the Triangle Expressway System, and all other income derived by the Authority from the operation or ownership of the Triangle Expressway System, and all rights to receive the same, whether in the form of accounts receivable, contract rights or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence;

(b) proceeds of use and occupancy or business interruption insurance and amounts received by the Authority from any contractor as liquidated damages for failures of such contractor to complete its contractual commitment in accordance with the terms of the contract;

(c) proceeds of any appropriation made by the federal government or any agency or instrumentality thereof or the State or any agency, instrumentality or political subdivision thereof State for use in connection with the Triangle Expressway System, to the extent such proceeds are deposited in the Revenue Fund and are available for use in the same manner as other Receipts under the provisions of this Trust Agreement, including, without limitation, the State Appropriated Revenues; provided, however, that State Appropriated Revenues shall not constitute Receipts hereunder until such time as such amounts are withdrawn from the State Appropriation Revenue Bond Trust Agreement and deposited to the Revenue Fund;

(d) any Derivative Agreement Regularly Scheduled Payments or Derivative Agreement Additional Payments received by the Authority under any Derivative Agreement; and

(e) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the Authority in the Revenue Fund;

but there shall not be included in “Receipts”:

(i) the proceeds of any gifts, grants, bequests, contributions or donations (except as provided in clause (c) above in this definition);

(ii) the proceeds from the sale or disposition of all or any part of the Triangle Expressway System;

(iii) reimbursements received by the Authority of advances made by it in respect of the Initial Project, any Additional Project, any refinancing of Indebtedness and any capital improvements;

(iv) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the Authority in any funds, accounts and subaccounts established pursuant to this Trust Agreement (other than the Revenue Fund), except to the extent that such investment income is transferred by the Authority to the Revenue Fund.

(v) any payments received or revenues derived from the ownership or operation of any Non-System Project, except to the extent expressly included as a Receipt by resolution adopted by the Authority Board;

(vi) Net Insurance Proceeds or Net Eminent Domain Proceeds other than the net proceeds of any use and occupancy or business interruption insurance;

(vii) proceeds of any appropriation made by the federal government or any agency or instrumentality thereof or the State or any agency, instrumentality or political subdivision thereof to the extent the use of such funds is limited to a use that is inconsistent with their use as Receipts under the provisions of this Trust Agreement;

(viii) the income from the investment of Qualified Escrow Funds to the extent such income is applied to the payment of the principal of or the interest on Long-Term Indebtedness which is excluded from the determination of the Long-Term Debt Service Requirement; and

(ix) the proceeds of any indebtedness of the Authority.

“Redemption Account” means the respective accounts in the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund created and so designated by Section 501.

“Redemption Price” means, with respect to any Indebtedness or portion thereof, the principal amount of such Indebtedness or portion called for redemption plus the applicable premium, if any, payable upon redemption thereof.

“Regular Record Date” means, with respect to any Series of Bonds, the regular record date, if any, provided for in the Supplemental Agreement relating to such Series.

“Renewal and Replacement Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway Renewal and Replacement Fund by Section 501.

“Reserve Alternative Instrument” means an unconditional insurance policy or surety bond or irrevocable letter of credit or guaranty deposited in the Senior Lien Parity Reserve Account, a Senior Lien Special Reserve Account, the Subordinate Lien Parity Reserve Account or a Subordinate Lien Special Reserve Account in lieu of or in partial substitution for the deposit of cash and Investment Obligations in satisfaction of all or a portion of the Senior Lien Parity Reserve Account Requirement, a Senior Lien Special Reserve Account Requirement, the Subordinate Lien Parity Reserve Account Requirement or a Subordinate Lien Special Reserve Account Requirement. The Reserve Alternative Instrument shall be payable (upon the giving of notice as required thereunder) to remedy any deficiency in the appropriate subaccounts in the Interest Account, the Principal Account and the Sinking Fund Account of the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund, as the case may be, in order to provide for the timely payment of interest and principal (whether at maturity or pursuant to Sinking Fund Requirements therefor). Except as may be provided in a Senior Lien Resolution providing for a Senior Lien Special Reserve Account or in a Subordinate Lien Resolution providing for a Subordinate Lien Special Reserve Account, the provider of a Reserve Alternative Instrument shall be (a) an insurer that has been assigned either (A) one of the two highest policyholder ratings accorded insurers by A. M. Best & Co. or any comparable service or (B) for bonds insured by the provider of the Reserve Alternative Instrument, a rating by Fitch, Moody’s or S&P in one of the two highest rating categories (without regard to gradations within such categories) or (b) a commercial bank, insurance company or other financial institution the bonds payable or guaranteed by which have been assigned a rating by either Fitch, Moody’s or S&P in one of the two highest rating categories (without regard to gradations within such categories).

“Revenue Bond Anticipation Notes” means any revenue bond anticipation notes issued by the Authority in compliance with the provisions of Section 211.

“Revenue Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway Revenue Fund by Section 501.

“Revenues” means revenues of the Triangle Expressway System, as determined in accordance with generally accepted accounting principles; provided, however, that revenues shall include, without limiting the generality of the foregoing:

- (a) proceeds of use and occupancy or business interruption insurance; and
- (b) proceeds of any appropriation made by the federal government or any agency or instrumentality thereof or the State or any agency, instrumentality or political subdivision thereof



State for use in connection with the Triangle Expressway System, to the extent such proceeds are deposited in the Revenue Fund and are available for use in the same manner as other Receipts under the provisions of this Trust Agreement, including, without limitation, the State Appropriated Revenues; provided, however, that State Appropriated Revenues shall not constitute Revenues hereunder until such time as such amounts are withdrawn from the State Appropriation Revenue Bond Trust Agreement and deposited to the Revenue Fund; and

(c) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the Authority in the Revenue Fund;

but there shall not be included in "Revenues":

(i) the proceeds of any gifts, grants, bequests, contributions or donations (except as provided in clause (b) above in this definition);

(ii) the proceeds from the sale or disposition of all or any part of the Triangle Expressway System;

(iii) reimbursements received by the Authority of advances made by it in respect of (i) the Initial Project, (ii) any Additional Project, (iii) any refinancing of Indebtedness and (iv) any capital improvements;

(iv) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the Authority in any funds, accounts and subaccounts established pursuant to this Trust Agreement (other than the Revenue Fund), except to the extent that such investment income is transferred by the Authority to the Revenue Fund.

(v) any payments received or revenues derived from the ownership or operation of any Non-System Project, except to the extent expressly included as a Receipt by resolution adopted by the Authority Board;

(vi) Net Insurance Proceeds or Net Eminent Domain Proceeds other than the net proceeds of any use and occupancy or business interruption insurance;

(vii) proceeds of any appropriation made by the federal government or any agency or instrumentality thereof or the State or any agency, instrumentality or political subdivision thereof to the extent the use of such funds is limited to a use that is inconsistent with their use as Receipts under the provisions of this Trust Agreement;

(viii) the income from the investment of Qualified Escrow Funds to the extent such income is applied to the payment of the principal of or the interest on Long-Term Indebtedness which is excluded from the determination of the Long-Term Debt Service Requirement;

(ix) any payments received by the Authority under any Derivative Agreement;

(x) the proceeds of any security deposits or moneys received to make refunds to users of the Triangle Expressway System; and

(xi) the proceeds of any indebtedness of the Authority.

“S&P” means Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, Inc., and its successors and assigns, and if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“Securities Depository” means the Depository Trust Company, New York, New York, or any other recognized securities depository selected by the Authority, which maintains a book-entry system in respect of a Series of Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

“Securities Depository Nominee” means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Bond Registrar the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

“Senior Lien Bonds” means the Series 2009 Bonds and any other bonds issued under the provisions of Section 208 and secured on a parity with each other and any Senior Lien Parity Debt and Senior Lien Derivative Agreement Regularly Scheduled Payment by this Trust Agreement.

“Senior Lien Debt Service Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway Senior Lien Debt Service Fund by Section 501.

“Senior Lien Derivative Agreement Regularly Scheduled Payments” means any Derivative Agreement Regularly Scheduled Payments with respect to Derivative Indebtedness constituting Senior Lien Indebtedness.

“Senior Lien Indebtedness” means, collectively, the Senior Lien Bonds and Senior Lien Parity Debt.

“Senior Lien Parity Debt” means all Indebtedness incurred by the Authority in respect of the Triangle Expressway System and not evidenced by Bonds which is secured on a parity (as so designated in the Parity Debt Resolution) with the Senior Lien Bonds by a pledge, charge and lien upon the Receipts as provided in this Trust Agreement, including, without limiting the generality of the foregoing, Section 518.

“Senior Lien Parity Reserve Account” means the account in the Senior Lien Debt Service Fund created and so designated by Section 501.

“Senior Lien Parity Reserve Account Requirement” means, initially at the time of issuance of the Series 2009 Bonds, the least of (i) the Maximum Long-Term Debt Service Requirement for all Senior Lien Bonds and Senior Lien Parity Debt secured by the Senior Lien Parity Reserve Account, (ii) 125% of the average annual Long-Term Debt Service Requirement for all Senior Lien Bonds and Senior Lien Parity Debt secured by the Senior Lien Parity Reserve Account and (iii) 10% of the stated principal amount of all Senior Lien Bonds and Senior Lien Parity Debt secured by the Senior Lien Parity Reserve Account; provided, however, that if any Series of Senior Lien Bonds or Senior Lien Parity Debt secured by the Senior Lien Parity Reserve Account has original issue discount or premium that exceeds 2% of the stated redemption price at maturity plus any original issue premium attributable exclusively to underwriter’s compensation, the initial offering prices to the public shall be used in lieu of the stated principal amount for purposes of the 10% limitation. Thereafter, the Senior Lien Parity Reserve Account shall be adjusted annually on the first day of each Fiscal Year to equal the Maximum Long-Term Debt Service Requirement for the Senior Lien Bonds and Senior Lien Parity Debt secured by the Senior Lien Parity Reserve Account for the current Fiscal Year and the next succeeding four Fiscal Years to the extent such amount exceeds the initial deposit to the Senior Lien Parity Reserve Account Requirement at the time of issuance of the Series 2009 Bonds. The Senior Lien Parity Reserve Account Requirement may be composed of cash, Investment Obligations or Reserve Alternative Instruments, or any combination of the foregoing, as the Authority may determine.

“Senior Lien Resolution” means any Supplemental Agreement for Senior Lien Bonds or Parity Debt Resolution for Senior Lien Parity Debt, or both, as the case may be, authorizing the issuance of a Series of Senior Lien Bonds or the incurrence of Senior Lien Parity Debt.

“Senior Lien Special Reserve Account” means a special debt service reserve account, if any, created by a Senior Lien Resolution as a debt service reserve account only for the particular Senior Lien Indebtedness authorized thereby.

“Senior Lien Special Reserve Account Requirement” means the amount required to be placed or maintained in a Senior Lien Special Reserve Account as may be required by the Senior Lien Resolution creating such account. The Senior Lien Special Reserve Account Requirement may be composed of cash, Investment Obligations or Reserve Alternative Instruments or any combination of the foregoing, as the Authority may determine.

“Serial Bonds” means the Bonds of any Series that are stated to mature in consecutive annual installments.

“Series”, whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series.

“Series 2009 Bonds” means the Authority’s Senior Lien Turnpike Revenue Bonds (Triangle Expressway Project), Series 2009, dated as of the date of delivery thereof.

“Short-Term Indebtedness” means all Indebtedness incurred for borrowed money other than the current portion of Long-Term Indebtedness for any of the following:

(a) money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, of one year or less;

(b) leases which are capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and

(c) installment purchase, installment financing or conditional sale contracts having an original term of one year or less.

“SIFMA Municipal Index” means The Securities Industry and Financial Markets Association Municipal Swap Index or such other weekly, high-grade index comprised of seven-day, tax-exempt multi-modal notes produced by Municipal Market Data, Inc., or its successor, or as otherwise designated by The Securities Industry and Financial Markets Association; provided, however, that if such index is no longer produced by Municipal Market Data, Inc. or its successor, then “SIFMA Municipal Index” means such other reasonably comparable index selected by the Authority.

“Sinking Fund Account” means the respective accounts in the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund created and so designated by the provisions of Section 501.

“Sinking Fund Requirement” means, with respect to any Series of Bonds, the Sinking Fund Requirement provided in the Supplemental Agreement relating to such Series.

“Special Record Date” means a date fixed by the Trustee for determining the Owner of Bonds for the payment of Defaulted Interest pursuant to Section 202.

“State” means the State of North Carolina.

“State Appropriated Revenues” means any funds appropriated by the State pursuant to G.S. 136-176 or other legislation enacted by the General Assembly of the State providing for the annual appropriation of funds to the Authority to pay debt service on bonds or other indebtedness issued or incurred to finance the Triangle Expressway System or to fund debt service reserves, operating reserves or similar reserves in connection therewith.

“State Appropriation Revenue Bonds” means the Bonds issued by the Authority under the State Appropriation Revenue Bond Trust Agreement.

“State Appropriation Revenue Bond Trust Agreement” means the Trust Agreement, dated as of June 1, 2009, between the Authority and the Trustee as trustee thereunder, authorizing, among other things, the issuance of revenue bonds thereunder secured by the State Appropriated Revenues to pay a portion of the costs of the Initial Project.

“Subordinate Lien Bonds” means any bonds issued under the provisions of Section 208 and secured on a parity with each other and any Subordinate Lien Parity Debt and Subordinate Lien Derivative Agreement Regularly Scheduled Payment by this Trust Agreement.

“Subordinate Lien Debt Service Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway Subordinate Lien Debt Service Fund by Section 501.

“Subordinate Lien Derivative Agreement Regularly Scheduled Payments” means any Derivative Agreement Regularly Scheduled Payments with respect to Derivative Indebtedness constituting Subordinate Lien Indebtedness.

“Subordinate Lien Indebtedness” means, collectively, the Subordinate Lien Bonds and Subordinate Lien Parity Debt.

“Subordinate Lien Parity Debt” means all Indebtedness incurred by the Authority in respect of the Triangle Expressway System and not evidenced by Subordinate Lien Bonds which is secured on a parity (as so designated in the Parity Debt Resolution) with the Subordinate Lien Bonds by a pledge, charge and lien upon the Receipts as provided in this Trust Agreement, including, without limiting the generality of the foregoing, Section 518.

“Subordinate Lien Parity Reserve Account” means the account in the Senior Lien Debt Service Fund created and so designated by Section 501.

“Subordinate Lien Parity Reserve Account Requirement” means the amount required to be placed or maintained in a Subordinate Lien Parity Reserve Account as may be required by the Subordinate Lien Resolution first providing for the funding of the Subordinate Lien Parity Reserve Account. The Subordinate Lien Parity Reserve Account Requirement may be composed of cash, Investment Obligations or Reserve Alternative Instruments, or any combination of the foregoing, as the Authority may determine.

“Subordinate Lien Resolution” means any Supplemental Agreement for Subordinate Lien Bonds or Parity Debt Resolution for Subordinate Lien Parity Debt, or both, as the case may be, authorizing the issuance of a Series of Subordinate Lien Bonds or the incurrence of Subordinate Lien Parity Debt.

“Subordinate Lien Special Reserve Account” means a special debt service reserve account, if any, created by a Subordinate Lien Resolution as a debt service reserve account only for the particular Subordinate Lien Indebtedness authorized thereby.

“Subordinate Lien Special Reserve Account Requirement” means the amount required to be placed or maintained in a Subordinate Lien Special Reserve Account as may be required by the Subordinate Lien Resolution creating such account. The Subordinate Lien Special Reserve Account Requirement may be composed of cash, Investment Obligations or Reserve Alternative Instruments or any combination of the foregoing, as the Authority may determine.

“Supplemental Agreement” means an order or resolution of the Authority authorizing any particular Series of Bonds, together with a supplemental trust agreement executed and delivered by the Authority in connection with the issuance of such Series of Bonds that is required to be executed and delivered by this Trust Agreement prior to the issuance of any such Series.

“Synthetic Fixed Rate” means Synthetic Fixed Rate as defined in the definition of Derivative Indebtedness.

“Synthetic Variable Rate” means Synthetic Variable Rate as defined in the definition of Derivative Indebtedness.

“Term Bonds” means the Bonds of any Series, other than Serial Bonds, that are designated as such in the Supplemental Agreement for such Series.

“TIFIA Debt Service Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway TIFIA Debt Service Fund by Section 501.

“TIFIA Debt Service Account” means the special account in the TIFIA Debt Service Fund created and so designated by Section 501.

“TIFIA Debt Service Reserve Account” means the special account in the TIFIA Debt Service Fund created and so designated by Section 501.

“TIFIA Debt Service Reserve Account Requirement” initially means \$1,000,000. Thereafter, until the amount on deposit in the TIFIA Debt Service Reserve Account equals 10% of the amount of the Outstanding TIFIA Indebtedness as of June 30 of the previous Fiscal Year, the TIFIA Debt Service Reserve Account Requirement shall be an ascending amount computed for each Fiscal Year and shall be an amount equal to (i) the TIFIA Debt Service Reserve Account Requirement computed for the prior Fiscal Year, plus (ii) 10% of the amount, if any, the Receipts received in such Fiscal Year exceed the amount projected for such Fiscal Year in the Base Case Projections. When the TIFIA Debt Service Reserve Account Requirement is an amount equal to 10% of the amount of the Outstanding TIFIA Indebtedness as of June 30 of the previous Fiscal Year, the TIFIA Debt Service Reserve Account Requirement shall be an amount equal to 10% of the amount of the Outstanding TIFIA Indebtedness as of June 30 of the previous Fiscal Year.

“TIFIA Indebtedness” means the TIFIA Series 2009 Bond and any additional bonds or other secured loan from the USDOT, as lender, to the Authority, as borrower, pursuant to the Transportation Infrastructure Finance and Innovation Act of 1998, as codified as 23 U.S.C. §601 *et seq.*, as the same may be amended from time to time, with respect to the Triangle Expressway Project, and secured by the pledge, charge and lien on the Receipts in the manner provided in Section 503.

“TIFIA Loan Agreement” means the TIFIA Loan Agreement, to be entered between the USDOT and the Authority, including any supplements or amendments thereto with respect to the TIFIA Indebtedness evidenced by the TIFIA Series 2009 Bond and any other Loan Agreement or similar instrument executed and delivered by the Authority providing for the incurrence of other TIFIA Indebtedness.

“TIFIA Series 2009 Bond” means the North Carolina Turnpike Authority Triangle Expressway Revenue Bond, TIFIA Series 2009, to be dated the date of issuance thereof, issued by the Authority to the USDOT pursuant to Section 213 hereof to evidence the obligation of the

Authority to pay the loan repayments to the USDOT, or its assigns, pursuant to the TIFIA Loan Agreement.

“Traffic Consultant” means any traffic and revenue consultant or firm of traffic and revenue consultants of favorable reputation for skill and experience in performing the duties for which such consultant is required to be employed pursuant to the provisions of this Trust Agreement.

“Triangle Expressway System” means, collectively, Initial Project and any Additional Projects.

“Trust Agreement” means this Trust Agreement and any supplements and amendments hereto permitted hereby; provided, however, that the Trust Agreement shall not include any Supplemental Agreement executed and delivered by the Authority and the Trustee with respect to a particular Series of Bonds to the extent provided in Section 1105.

“Trust Estate” has the meaning set forth in Section 518 hereof.

“Trustee” means the Trustee serving as such under this Trust Agreement, whether original or successor.

“USDOT” means the United States Department of Transportation.

“Variable Rate Indebtedness” means any portion of Indebtedness the interest rate on which is not established at the time of incurrence at a fixed or constant rate.

Section 102. Findings and Determinations. The Authority does hereby find and determine as follows:

(a) The Authority will own and operate the Triangle Expressway System, which comprises the Initial Project.

(b) The Authority has determined to provide in this Trust Agreement for the issuance of revenue bonds for financing and refinancing the cost of various projects authorized by the Act.

(c) The Authority has determined, for purposes of the Act, to combine the Initial Project and all Additional Projects, other than its existing and future Non-System Projects, into one integral combined system of facilities designated as the Triangle Expressway System for purposes of this Trust Agreement.

(d) Under the Constitution and laws of the State, particularly the Act, the Authority is authorized and empowered:

(i) to acquire, construct, reconstruct, extend, improve, maintain, better and operate the Triangle Expressway System, which may include roads, bridges or tunnel projects and other structures and equipment necessary or convenient for the use and operation of the Triangle Expressway System in a manner consistent with the Act;

(ii) to establish, maintain, revise, charge and collect rates, fees, rentals or other charges for the use, services, facilities and commodities of or furnished by the Triangle Expressway System;

(iii) to borrow money for the purpose of acquiring, constructing, reconstructing, extending, bettering, improving or otherwise paying the cost of projects authorized by the Act and to issue its revenue bonds or bond anticipation notes therefor;

(iv) to pledge to the payment of such bonds or notes and interest thereon revenues from the Triangle Expressway System; and

(v) to enter into contracts with any person, firm or corporation, public or private, on such terms as the Authority may determine, with respect to the acquisition, construction, reconstruction, extension, betterment, improvement, maintenance or operation of such projects.

(e) The Authority has determined to provide in this Trust Agreement for the issuance of revenue bonds for the purpose of financing and refinancing various improvements to the Triangle Expressway System or to any one or more components of the Triangle Expressway System as the Authority may determine from time to time in its discretion.

Section 103. Rules of Construction. (a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number.

(b) References herein to particular articles or sections are references to articles or sections of this Trust Agreement unless some other reference is indicated.

(c) References herein to specific sections or chapters of the General Statutes of North Carolina or to specific legislative acts are intended to be references to these sections, chapters or acts as amended and as they may be amended from time to time by the General Assembly of North Carolina, or any successor statute.

(d) Provisions calling for the redemption of Bonds or Parity Debt or the calling of Bonds or Parity Debt for redemption do not mean or include the payment of Bonds or Parity Debt at a stated maturity or maturities.



## ARTICLE II

### DETAILS OF BONDS

Section 201. Limitation on Issuance of Bonds. No Bonds may be issued under this Trust Agreement except in accordance with the provisions of this Article. The principal of, the interest on and the redemption premium, if any, on all Bonds issued under the provisions of this Trust Agreement shall be payable solely from the moneys and assets pledged by this Trust Agreement and the respective Supplemental Agreements for their payment. All covenants, agreements and provisions of this Trust Agreement shall be for the benefit and security of all present and future Owners of Bonds and Holders of Parity Debt without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided or as provided in any Supplemental Agreement or Parity Debt Resolution, of (a) any one Senior Lien Bond or Senior Lien Parity Debt over any other Senior Lien Bond or Senior Lien Parity Debt or (b) any one Subordinate Lien Bond or Subordinate Lien Parity Debt over any other Subordinate Lien Bond or Subordinate Lien Parity Debt, by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 202. Details of Bonds. Bonds authorized hereunder may be issued in one or more Series that may be delivered from time to time. The Authority shall by Supplemental Agreement authorize such Series and shall specify, to the extent appropriate, (a) the authorized principal amount of such Series, (b) the Initial Project or Additional Project to be financed from the Bonds or other indebtedness to be refunded or refinanced with the proceeds thereof, including costs of issuance; (c) whether such Bonds shall constitute Senior Lien Bonds or Subordinate Lien Bonds, (d) the creation or funding of a debt service reserve fund for such Series, if any; (e) the date and terms of maturity or maturities of the Bonds of such Series, or the dates of payment of the Bonds on the demand of the Owner; (f) the interest rate or rates of the Bonds of such Series, which may include variable, adjustable, convertible or other rates, original issue discount, Capital Appreciation Bonds, municipal multipliers or other deferred interest arrangements and zero interest rate Bonds, provided that the interest cost of such Series shall never exceed for such Series the maximum interest rate, if any, permitted by law in effect at the time such Series is issued; (g) the Interest Payment Dates for such Series of Bonds; (h) the denominations, numbering, lettering and series designation of such Series of Bonds; (i) the Bond Registrar or paying agents and place or places of payment of such Bonds; (j) the redemption dates and Redemption Prices for such Series of Bonds and any terms of redemption not inconsistent with the provisions of this Trust Agreement, which may include mandatory redemption at the election of the Owner thereof to the extent permitted by law; (k) the terms of any optional or mandatory tender requirement, if any, for such Series of Bonds; (l) the use to be made of proceeds of such Series of Bonds, including, without limitation, deposits required to be made into the appropriate account or subaccount of the Project Fund, the Senior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund, the Senior Lien Parity Reserve Account, any Senior Lien Special Reserve Account, the Subordinate Lien Parity Reserve Account or any Subordinate Lien Special Reserve Account; and (m) any other terms or provisions applicable to the Series of Bonds not inconsistent with the provisions of this Trust Agreement or the Act. All of the foregoing may be added by Supplemental Agreements adopted at any time or from time to time prior to the issuance of such Series of Bonds.

Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated upon an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) authenticated prior to the first Interest Payment Date, in which event it shall bear interest from its date or such later date as is specified in the Supplemental Agreement providing for its issuance; provided, however, that if at the time of authentication of any Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid.

Unless provided to the contrary in a Supplemental Agreement, and as permitted by law, the principal of and the interest and premium, if any, on the Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The payment of interest on each Bond shall be made (a) by the Bond Registrar on each Interest Payment Date to the person appearing on the registration books of the Bond Registrar as the registered owner thereof as of the Regular Record Date by check mailed to the registered owner at his address as it appears on such registration books, or (b) by such additional or alternative means as is provided in any Supplemental Agreement providing for the issuance of such Bond. Unless otherwise provided in a Supplement Agreement, payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds at the designated corporate trust office of the Bond Registrar as the same become due and payable (whether at maturity, by redemption or otherwise).

Any interest on any Bond of any Series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner; and such Defaulted Interest may be paid by the Authority, at its election in each case, as provided in Subsection A or B below:

A. The Authority may elect to make payment of any Defaulted Interest on the Bonds of any Series to the persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Authority shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time, the Authority shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Subsection provided. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Authority of such Special Record Date and, in the name and at the expense of the Authority, such expense to be paid solely from Receipts, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner at his address as it appears in the registration books maintained under Section 206 not less than ten (10) days prior to such Special

Record Date. The Trustee may, in its discretion, in the name and at the expense of the Authority, such expense to be paid solely from Receipts, cause a similar notice to be published at least once in (i) a financial journal distributed in the Borough of Manhattan, City and State of New York, and (ii) a newspaper of general circulation in Wake County, North Carolina, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following subsection B below.

B. The Authority may make payment of any Defaulted Interest on the Bonds of any Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Authority to the Trustee of the proposed payment pursuant to this Subsection, such method of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Bond delivered under this Trust Agreement upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date, that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 203. Execution and Form of Bonds. The Bonds shall be signed by, or bear the facsimile signatures of, the Chairman, the Vice Chairman or the Executive Director of the Authority and the Authority Secretary or such other officers of the Authority as may be designated by the Authority Board and the official seal of the Authority shall be impressed, or a facsimile thereof imprinted, on the Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature or such facsimile nevertheless shall be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond are the proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers.

The definitive Bonds are issuable as permitted or required by the respective Supplemental Agreement providing for the issuance of Bonds of any Series. Bonds may be issued under a book-entry system and held by a Securities Depository. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Bonds may be listed or to any requirement of law with respect thereto.

Section 204. Exchange of Bonds. Bonds, upon surrender thereof at the designated corporate trust office of the Bond Registrar, together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity, of any denomination or denominations authorized by the Supplemental

Agreement pursuant to which such Bonds were issued, bearing interest at the same rate and in the same form as the Bonds surrendered for exchange.

The Authority shall make provision for the exchange of Bonds at the designated corporate trust office of the Bond Registrar.

Section 205. Transfer and Registration of Transfer of Bonds. Unless provided to the contrary in a Supplemental Agreement, and as permitted by law, the Bond Registrar shall keep books for the registration and the registration of transfer of the Series of Bonds as to which it is Bond Registrar as provided in this Trust Agreement. The registration books shall be available at all reasonable times for inspection by the Authority and any Owner of such Bonds and may be copied by either of the foregoing and their agents or representatives.

The Bond Registrar shall evidence acceptance of the duties, responsibilities and obligations of the Bond Registrar under this Trust Agreement and the applicable Supplemental Agreement by the execution of the certificate of authentication on the related Series of Bonds.

The transfer of any Bond may be registered only upon the books kept for the registration and registration of transfer of Bonds upon presentation thereof to the Bond Registrar together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Bond Registrar. No transfer of any Bond shall alter the ownership of such Bond for purposes of this Trust Agreement unless such transfer is registered with the Bond Registrar. Upon any such registration of transfer, the Authority shall, if necessary, execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by the Supplemental Agreement pursuant to which such Bond was issued, in the aggregate principal amount equal to the principal amount of such Bond surrendered or exchanged, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Authority shall, if necessary, execute and the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Trust Agreement. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. No service charge shall be made for any registration, transfer or exchange of Bonds, but the Authority and the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds. Unless otherwise required by the applicable Supplemental Agreement, neither the Authority nor the Bond Registrar shall be required (a) to issue, transfer or exchange Bonds during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to transfer or exchange any Bond so selected for redemption in whole or in part.

Section 206. Ownership of Bonds. The Authority, the Trustee, the Bond Registrar and any agent of the Authority, the Trustee or the Bond Registrar, may treat the person in whose name any Bond is registered, including, without limitation, any Securities Depository Nominee,

as the Owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest on such Bond, and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, neither the Authority, the Trustee, the Bond Registrar nor any such agent shall be affected by notice to the contrary.

Section 207. Authentication of Bonds. Only such Bonds as have endorsed thereon a certificate of authentication substantially in the form set forth in the Supplemental Agreement pursuant to which such Bonds are issued, duly executed as provided in the Supplemental Agreement, shall be entitled to any benefit or security under this Trust Agreement. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond has been duly executed and dated as provided in the Supplemental Agreement, and such certificate upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Trust Agreement. The certificate of authentication on any Bond shall be deemed to have been duly executed and dated if signed by an authorized officer of the party authorized under the Supplemental Agreement but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds or any Series thereof that may be issued hereunder at any one time.

Section 208. Terms and Conditions for Issuance of Bonds. Before any Bonds shall be issued, the Authority shall adopt and execute and deliver a Supplemental Agreement authorizing the issuance of such Bonds, fixing the amount and the details thereof as provided in Section 202 and describing in brief and general terms the purpose for issuing such Bonds. Bonds may be issued for the purpose of providing funds for paying, together with any other available funds,

- (a) all or any part of the Cost of the Initial Project or any Additional Project,
- (b) all or any part of completing payment of the Cost of the Initial Project or any Additional Project, and
- (c) the cost (including financing costs) of refunding any Bonds, Parity Debt or any other indebtedness of the Authority.

The Supplemental Agreement for Senior Lien Bonds may determine to use the Senior Lien Parity Reserve Account or to establish a Senior Lien Special Reserve Account for such Series of Bonds and fix the provisions with respect thereto or not to establish any debt service reserve account. Unless named otherwise in the Supplemental Agreement, the Senior Lien Bonds of each Series shall be designated “Triangle Expressway System Senior Lien Turnpike Revenue Bonds, Series \_\_\_\_” (inserting the year such Bonds are issued and any other distinctive letter or number), shall be stated to mature, subject to the right of prior redemption as therein set forth, on the date or dates specified therein, in such year or years not later than forty (40) years from their date, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered and shall have such redemption provisions (subject to the provisions of Article III), all as provided in the Supplemental Agreement. Except as to any differences in the maturities thereof or in the rate or rates of interest or the provisions for redemption or the provisions regarding the respective subaccounts within the Interest Account, the Principal Account, the Sinking Fund Account and the Redemption Account of the Senior Lien Debt Service Fund, and any provisions with respect to the Senior Lien Parity Reserve

Account or a Senior Lien Special Reserve Account, all such Senior Lien Bonds shall be payable on a parity with each other and any Senior Lien Parity Debt and Senior Lien Derivative Agreement Regularly Scheduled Payments and shall be entitled to the same benefit and security of this Trust Agreement, including, in particular, the pledge, charge and lien upon the Receipts in the priority and manner provided herein.

The Supplemental Agreement for Subordinate Lien Bonds may determine to use the Subordinate Lien Parity Reserve Account or to establish a Subordinate Lien Special Reserve Account for such Series of Bonds and fix the provisions with respect thereto or not to establish any debt service reserve account. Unless named otherwise in the Supplemental Agreement, the Subordinate Lien Bonds of each Series shall be designated "Triangle Expressway System Subordinate Lien Turnpike Revenue Bonds, Series \_\_\_\_" (inserting the year such Bonds are issued and any other distinctive letter or number), shall be stated to mature, subject to the right of prior redemption as therein set forth, on the date or dates specified therein, in such year or years not later than forty (40) years from their date, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered and shall have such redemption provisions (subject to the provisions of Article III), all as provided in the Supplemental Agreement. Except as to any differences in the maturities thereof or in the rate or rates of interest or the provisions for redemption or the provisions regarding the respective subaccounts within the Interest Account, the Principal Account, the Sinking Fund Account and the Redemption Account of the Subordinate Lien Debt Service Fund, and any provisions with respect to the Subordinate Lien Parity Reserve Account or a Subordinate Lien Special Reserve Account, all such Subordinate Lien Bonds shall be payable on a parity with each other and any Subordinate Lien Parity Debt and Subordinate Lien Derivative Agreement Regularly Scheduled Payments and shall be entitled to the same benefit and security of this Trust Agreement, including, in particular, the pledge, charge and lien upon the Receipts in the priority and manner provided herein.

The Bonds shall be executed substantially in the form and in the manner hereinabove set forth and shall be deposited with the Bond Registrar for authentication, but before the Bonds shall be authenticated and delivered to the purchasers thereof, there shall be filed with the Trustee the following:

- (i) an executed copy of this Trust Agreement;
- (ii) an executed copy of the Supplemental Agreement adopted or executed and delivered by the Authority for the particular Series of Bonds;
- (iii) evidence of the approval of the Bonds by the Local Government Commission as required by Section 159-86 of the General Statutes of North Carolina;
- (iv) a copy, certified by the Authority Secretary, of the resolution of the Authority (which resolution may be incorporated in the Supplemental Agreement for the particular Series of Bonds), approving the award of the Bonds and directing the authentication and delivery of such Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth plus the accrued interest thereon;

(v) for any Series of Senior Lien Bonds other than the Series 2009 Bonds, evidence of compliance with the provisions of Section 716, or for any Series of Subordinate Lien Bonds, evidence of compliance with the provisions of Section 717; and

(vi) such other documents as are required to be delivered to the Trustee pursuant to the Supplemental Agreement.

When the documents mentioned in subsections (i) to (vi), inclusive, of this Section shall have been filed with the Trustee and when the Bonds shall have been executed and authenticated as required by this Trust Agreement, the Trustee shall deliver the Bonds at one time to or upon the order of the purchasers named in the resolution mentioned in subsection (iv) of this Section, but only upon payment to the Trustee of the purchase price of the Bonds and the accrued interest, if any, thereon to the date of delivery. The Trustee shall be entitled to rely upon the resolutions and documents mentioned in subsections (i) to (vi) of this Section as to all matters stated therein.

The proceeds (including accrued interest) of the Bonds shall be applied by the Trustee simultaneously with the delivery of the Bonds as provided in the Supplemental Agreement.

Section 209. Temporary Bonds. Until the definitive Bonds of any Series are ready for delivery, there may be executed, and upon direction of the Authority, the Bond Registrar shall deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, except as to identifying numbers, printed, engraved, lithographed or typewritten temporary Bonds in denominations permitted by the applicable Supplemental Agreement for the definitive Bonds, substantially of the tenor hereinabove set forth, with such appropriate omissions, insertions and variations as may be required. The Authority shall cause the definitive Bonds to be prepared and to be executed and delivered to the Bond Registrar, and the Bond Registrar, upon presentation to it of any temporary Bond, shall cancel the same or cause the same to be canceled and shall authenticate and deliver, in exchange therefor, at the place designated by the Owner, without expense to the Owner, a definitive Bond or Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall be entitled to the same benefit of this Trust Agreement, as the definitive Bonds to be issued and authenticated hereunder, including the privilege of registration if so provided. Until definitive Bonds are ready for exchange, interest on temporary Bonds shall be paid when due and notation of such payment shall be endorsed thereon.

Section 210. Mutilated, Destroyed, Lost or Stolen Bonds. The Authority shall cause to be executed, and the Bond Registrar shall authenticate and deliver a new Bond of like date, number and tenor in exchange and substitution for and upon the cancellation of any mutilated Bond, or in lieu of and in substitution for any destroyed, lost or stolen Bond, and the Owner shall pay the reasonable expenses and charges of the Authority in connection therewith. Prior to the delivery of a substitute Bond, the Owner of any Bond which was destroyed, lost or stolen shall file with the Bond Registrar evidence satisfactory to it of the destruction, loss or theft of such Bond and of the Owner's ownership thereof and shall furnish to the Authority and to the Bond Registrar such security or indemnity as may be required by them to save each of them harmless from all risks, however remote.

Every Bond issued pursuant to the provisions of this Section in exchange or substitution for any Bond which is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the Authority, whether or not the destroyed, lost or stolen Bonds are found at any time or are enforceable by anyone, and shall be entitled to all the benefits and security hereof equally and proportionately with any and all other Bonds of the same Series duly issued under this Trust Agreement.

Section 211. Revenue Bond Anticipation Notes. Revenue Bond Anticipation Notes may be issued by the Authority from time to time for any purpose for which Bonds may be issued under Section 208. Revenue Bond Anticipation Notes may be issued as Senior Lien Indebtedness or Subordinate Lien Indebtedness and, except to the extent otherwise expressly provided in this Trust Agreement, shall be issued in compliance, to the extent applicable, with the provisions of Section 208 setting forth certain terms and conditions for the issuance of Bonds.

Revenue Bond Anticipation Notes may be issued provided the following conditions are met:

(a) The Authority Board shall adopt a resolution authorizing the issuance of such Revenue Bond Anticipation Notes and setting forth the amount and details thereof, which resolution shall designate such Revenue Bond Anticipation Notes as Senior Lien Indebtedness or Subordinate Lien Indebtedness. The maximum aggregate principal amount of Revenue Bond Anticipation Notes of an issue at any one time Outstanding shall not exceed the aggregate principal amount of Senior Lien Indebtedness or Subordinate Lien Indebtedness allowed by subsection (d) of this Section.

(b) The Revenue Bond Anticipation Notes shall be issued pursuant to the provisions of the Act.

(c) The interest on and the principal of any such Revenue Bond Anticipation Notes may be made payable from Receipts in the manner provided in Section 503 or from the proceeds of other Revenue Bond Anticipation Notes, Senior Lien Indebtedness or other Subordinate Lien Indebtedness or any other legally available source.

(d) Prior to or simultaneously with the delivery of and payment for any such Revenue Bond Anticipation Notes then proposed to be issued, there shall be filed with the Trustee evidence, based on the assumptions hereinafter mentioned in this paragraph, of compliance with the provisions of Section 716 in the case the Revenue Bond Anticipation Notes are issued as Senior Lien Indebtedness or of compliance with the provisions of Section 717 in the case the Revenue Bond Anticipation Notes are issued as Subordinate Lien Indebtedness. In showing compliance with the provisions of Section 716 or Section 717, as the case may be, the principal amount of such assumed Senior Lien Indebtedness or Subordinate Lien Indebtedness shall be deemed to be equal to the principal amount of such Revenue Bond Anticipation Notes being issued, and the Authority shall be entitled to assume that such Senior Lien Indebtedness or Subordinate Lien Indebtedness will mature at such times and in such principal amounts as if such principal were amortized from the date of incurrence thereof over a period of forty (40)



years on a level debt service basis and bear such interest rates as it may in its best judgment determine. The Traffic Consultant shall be entitled in his or her best judgment to make such other assumptions as may be necessary in respect of matters that cannot be otherwise ascertained at such time in order to determine whether or not the assumed Senior Lien Indebtedness or Subordinate Lien Indebtedness could be incurred at such time. Any assumptions made by the Traffic Consultant to show compliance with this paragraph shall be binding and conclusive upon the Trustee and any Owner of Bonds and Holders of Parity Debt or the providers of any Derivative Agreements.

Section 212. Grant Anticipation Notes. Grant Anticipation Notes may be issued by the Authority from time to time for any purpose for which Bonds may be issued under Section 208 in anticipation of the receipt of moneys from firm grant commitments for such purpose from the State or the United States or any agencies of either. Grant Anticipation Notes shall constitute Subordinate Lien Indebtedness and, except to the extent otherwise expressly provided in this Trust Agreement, shall be issued in compliance, to the extent applicable, with the provisions of Section 208 setting forth certain terms and conditions for the issuance of Bonds.

Grant Anticipation Notes may be issued provided the following conditions are met:

(a) The Authority shall adopt a resolution authorizing the issuance of the Grant Anticipation Notes and setting forth the amount and details thereof.

(b) The Grant Anticipation Notes shall be issued pursuant to the provisions of the Act.

(c) The interest on and the principal of the Grant Anticipation Notes may be made payable from Receipts the manner provided in Section 503 or from the proceeds of the grant, other Grant Anticipation Notes, Senior Lien Indebtedness or Subordinate Lien Indebtedness or any other legally available source.

(d) The maximum aggregate principal amount of the Grant Anticipation Notes at any time Outstanding shall not exceed the maximum amount of the grant.

(e) Grant Anticipation Notes may be issued without showing compliance with the appropriate provisions of Section 717.

(f) A copy of the resolution of the Authority authorizing the issuance of the Grant Anticipation Notes shall be filed with the Trustee.

Section 213. Parity Debt and TIFIA Indebtedness. (a) Senior Lien Parity Debt, Subordinate Lien Parity Debt and TIFIA Indebtedness may be incurred by the Authority from time to time for any purpose for which Bonds may be issued under Section 208. Except to the extent otherwise expressly provided in this Trust Agreement, Parity Debt and TIFIA Indebtedness shall be incurred in compliance, to the extent applicable, with the provisions of Section 208 setting forth certain terms and conditions for the issuance of Bonds.

(b) Parity Debt may be incurred provided the following conditions are met:

(a) The Authority shall adopt a resolution authorizing the incurrence of any such Parity Debt or TIFIA Indebtedness and setting forth the amount and details thereof.

(b) Any such Parity Debt and TIFIA Indebtedness shall be incurred pursuant to the provisions of the Act.

(c) The interest on and the principal of any such Parity Debt or TIFIA Indebtedness shall be made payable from Receipts the manner provided in Section 503.

(d) There shall be filed with the Trustee evidence of compliance with the appropriate provisions of Section 716, in the case of Senior Lien Parity Debt, or Section 717, in the case of Subordinate Lien Parity Debt.

(c) Subordinate Lien Indebtedness shall be secured by and payable from Receipts on a junior and subordinated basis to Senior Lien Indebtedness and shall be paid in the manner set forth in Section 503 and as set forth below:

In the event (a) of any Bankruptcy-Related Event relative to the Authority or to the Triangle Expressway System or (b) any Event of Default under this Trust Agreement shall occur and be continuing and (i) written notice of such default shall have been given to the Authority and (ii) judicial proceedings shall be commenced in respect of such Event of Default within 180 days in the case of a default in payment of principal or interest on Senior Lien Indebtedness and within 90 days in the case of any other default after the giving of such notice, then, for so long as any action described in clause (a) or (b) above shall not have been remedied or cured in the opinion of the Trustee, the Owners or Holders of Senior Lien Indebtedness shall be entitled to receive payment in full from Receipts of all principal, premium and interest on all Senior Lien Indebtedness (whether or not then due and payable) before the Owners or Holders of the Subordinate Lien Indebtedness are entitled to receive any payment from Receipts on account of principal of or interest on the Subordinate Lien Indebtedness, and to that end the Owners or Holders of Senior Lien Indebtedness shall be entitled to receive for application in payment thereof any payment or distribution of any kind of character, whether in cash or property or securities, which may be payable or deliverable in any such proceedings in respect of the Subordinate Lien Indebtedness after giving effect to any concurrent payment or distribution in respect to such Senior Lien Indebtedness. Notwithstanding the foregoing, the Owners or Holders of Subordinate Lien Indebtedness shall be entitled, subject to the rights of the Owners of any Senior Lien Indebtedness, to exercise any of its rights in and to any other collateral securing such Subordinate Lien Indebtedness other than Receipts, and the proceeds derived therefrom shall be distributed in the manner set forth in the Subordinate Lien Resolution and shall not be subject to the provisions of this paragraph.

(d) In order to evidence the obligation of the Authority to pay the loan payments incurred pursuant to the TIFIA Loan Agreement, there shall be issued hereunder a bond of the Authority designated "North Carolina Turnpike Authority Triangle Expressway Revenue Bond, TIFIA Series 2009." Initially, the TIFIA Series 2009 Bond shall represent the obligation of the Authority to pay a maximum aggregate principal amount of not to exceed \$450,000,000, such amount to be calculated from time to time in accordance with the terms of the TIFIA Loan

Agreement, pursuant to which amounts are advanced to the Authority from time to time pursuant to the TIFIA Loan Agreement, with the principal amount owed to USDOT increasing in the amount of such advances. In addition, following the disbursement of the initial loan amount under the TIFIA Loan Agreement, the principal amount of the TIFIA Series 2009 Bond may increase further from time to time in the manner provided by the TIFIA Loan Agreement (if Receipts are not sufficient to pay TIFIA Scheduled Debt Service, as defined in the TIFIA Loan Agreement). The TIFIA Series 2009 Bond shall constitute TIFIA Indebtedness for all purposes of this Trust Agreement.

The TIFIA Series 2009 Bond and any other TIFIA Indebtedness shall be secured by and payable from Receipts on a junior and subordinated basis to Senior Lien Indebtedness and Subordinate Lien Indebtedness and shall be paid in the manner set forth in Section 503 and as set forth below.

In the event any Event of Default (except for a Bankruptcy-Related Event) under this Trust Agreement shall occur and be continuing and (i) written notice of such default shall have been given to the Authority and (ii) judicial proceedings shall be commenced in respect of such Event of Default within 180 days in the case of a default in payment of principal or interest on Senior Lien Indebtedness or Subordinate Lien Indebtedness and within 90 days in the case of any other default after the giving of such notice, then, for so long as any action described above shall not have been remedied or cured in the opinion of the Trustee, the Owners and Holders of Senior Lien Indebtedness and Subordinate Lien Indebtedness shall be entitled to receive payment in full from Receipts of all principal, premium and interest on all Senior Lien Indebtedness and Subordinate Lien Indebtedness (whether or not then due and payable) before the Holders of the TIFIA Indebtedness are entitled to receive any payment from Receipts on account of principal of or interest on the TIFIA Indebtedness, and to that end the Owners or Holders of Senior Lien Indebtedness and Subordinate Lien Indebtedness shall be entitled to receive for application in payment thereof any payment or distribution of any kind of character, whether in cash or property or securities, which may be payable or deliverable in any such proceedings in respect of the TIFIA Indebtedness after giving effect to any concurrent payment or distribution in respect to such Senior Lien Indebtedness and Subordinate Lien Indebtedness. Notwithstanding the foregoing, the Holders of TIFIA Indebtedness shall be entitled, subject to the rights of the Owners of any Senior Lien Indebtedness or Subordinate Lien Indebtedness, to exercise any of its rights in and to any other collateral securing such TIFIA Indebtedness other than Receipts, and the proceeds derived therefrom shall be distributed in the manner set forth in the TIFIA Loan Agreement and shall not be subject to the provisions of this paragraph.

Notwithstanding any of the foregoing to the contrary, in the case of the occurrence and continuance of a Bankruptcy-Related Event, all TIFIA Indebtedness shall automatically and without notice be deemed to constitute Senior Lien Parity Debt, and the Holder of such TIFIA Indebtedness shall be entitled to all rights of a Holder of Senior Lien Parity Debt, except that the Holders of TIFIA Indebtedness shall have no rights in, or claim to, any amounts held in the Senior Lien Parity Reserve Account or any Senior Lien Special Reserve Account.

Section 214. Additional Restrictions. A Senior Lien Resolution, Subordinate Lien Resolution or a TIFIA Loan Agreement may establish restrictions and covenants, in addition to those established in this Trust Agreement, including, without limiting the generality of the

foregoing, additional restrictions on the incurrence of Indebtedness beyond those set forth in Sections 716 and 717.

## ARTICLE III

### REDEMPTION

Section 301. Redemption Generally. The Bonds of any Series issued under this Trust Agreement may be made subject to redemption, at such times and prices, as may be provided by the Supplemental Agreement authorizing the issuance of such Bonds.

Section 302. Selection of Bonds or Portions Thereof to be Redeemed. The Bond Registrar shall select the Bonds or portions thereof to be redeemed in accordance with the terms and provisions of this Trust Agreement and the Supplemental Agreement relating to such Bonds.

Section 303. Redemption Notice. The requirements for notice of redemption shall be set forth in the Supplemental Agreement for each Series of Bonds.

Section 304. Effect of Calling for Redemption. On or before the date upon which Bonds are to be redeemed, the Authority shall deposit with the Trustee or Bond Registrar money or Defeasance Obligations, or a combination of both, that will be sufficient to pay on the redemption date the Redemption Price of and interest accruing on the Bonds to be redeemed on such redemption date.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date, and if moneys sufficient to pay the Redemption Price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date of redemption are held by the Trustee or Bond Registrar in trust for the Owners of Bonds to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue; such Bonds or portions thereof shall cease to be entitled to any benefits or security under this Trust Agreement or to be deemed Outstanding; and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date of redemption.

Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption on any one or more dates as determined by the Authority have been given to the Trustee or Bond Registrar in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Trust Agreement and shall cease to be entitled to the security of or any rights under this Trust Agreement, and the Owners shall have no rights in respect of the same other than to receive payment of the principal or Redemption Price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in Section 303, and to the extent hereinafter provided, to receive Bonds for any unredeemed portions of Bonds if money or Defeasance Obligations (that have maturity dates or redemption dates which, at the option of the holder of such Defeasance Obligations, shall not be later than the date or dates on which moneys will be required to effect such payment or redemption), or a combination of both, sufficient to pay the principal or Redemption Price of such Bonds or portions thereof, together with accrued interest thereon to the date upon which such Bonds are to be paid or

redeemed, are held in separate accounts by the Trustee or Bond Registrar in trust for the Owners of such Bonds.

Any Supplemental Agreement may provide that any notice of redemption, except a notice of redemption in respect of a Sinking Fund Requirement, may state that the redemption to be effected is conditioned upon the receipt by the Trustee or Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys or Defeasance Obligations sufficient to pay the Redemption Price and interest on such Bonds are not received by the Trustee or Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Trustee or Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. The Supplemental Agreement may also provide for the giving of notice of insufficient money prior to the redemption date and such other provisions as the Authority may determine.

Section 305. Redemption of a Portion of Bonds. If less than all of an Outstanding Bond is selected for redemption, the Owner thereof or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption, and the redemption premium, if any, on such principal amount, and the Authority shall, if necessary, execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Owner or his attorney or legal representative, without charge, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond of the same Series and maturity, bearing interest at the same rate and of any denomination or denominations authorized by Supplemental Agreement for such Bond.

Section 306. Cancellation. Bonds presented and surrendered in accordance with the provisions of this Article shall be canceled upon the surrender thereof.

## ARTICLE IV

### PROJECT FUND

Section 401. Project Fund; Initial Deposit to Project Fund. A special fund is hereby established with the Trustee and designated the "North Carolina Turnpike Authority Triangle Expressway Project Fund" and within the Project Fund there are hereby established two special accounts designated the "Initial Project Account" and the "Additional Projects Account," respectively. The proceeds of the Series 2009 Bonds to be used for payment of the Costs of the Initial Project shall be deposited by the Trustee in the Initial Project Account. Unless otherwise provided in a Supplemental Agreement, the proceeds of any Series of Bonds to be used for providing any Additional Project shall be deposited upon the delivery of such Series of Bonds into a separate subaccount in the Additional Projects Account to be created by the Supplemental Agreement providing for the issuance of the Bonds financing such Additional Project.

The money in the Project Fund shall be held by the Trustee in trust and, pending application to the payment of the refinancing of, the reimbursement for or the Costs of the Initial Project or the Cost of any Additional Project, as the case may be, or transfer as provided herein or in the Supplemental Agreement, shall, to the extent permitted by law, be subject to a lien and charge in favor of the Owners of Bonds issued with respect to the Initial Project or Additional Project and Outstanding under this Trust Agreement and the applicable Supplemental Agreement and shall be held for the security of such Owners.

Upon the execution and delivery of this Trust Agreement, but prior to the date of the issuance of the Series 2009 Bonds, the Authority intends to arrange for an initial deposit with the Trustee of \$25,000,000, such amount comprising the State Appropriated Revenues for the State's fiscal year ending June 30, 2009. Such amount shall be deposited by the Trustee upon receipt to the credit of the Initial Project Account. At any time after the time of such deposit until the time the Series 2009 Bonds are issued hereunder, the Authority may direct the Trustee pursuant to an Officer's Certificate to apply such amounts in any manner directed by the Authority, including, without limitation, for the payment to USDOT of its origination fee expected to be charged in connection with the TIFIA Series 2009 Bond, for deposit to the Funds and Account created hereunder and for the deposit to the funds and accounts created under the State Appropriation Trust Agreement. So long as the Trustee shall follow the directions of the Authority, the Trustee shall have no liability arising out of the application of such funds for such purpose or responsibility for determining the appropriateness of the application. Any amounts remaining at the time of issuance of the Series 2009 Bonds shall be applied in the manner directed by the Authority at the time of issuance of the Series 2009 Bonds. If at any time prior to the issuance of the Series 2009 Bonds the Authority determines that the Series 2009 Bonds will not be issued and this Trust Agreement shall be rescinded, then the Trustee shall deposit the remaining amount of the initial deposit to such fund or account as shall be directed by the Authority. Pending application, the initial deposit amount shall be invested as provided in Article VI hereof.

Section 402. Payments from Project Fund. Payments to accomplish the refinancing of, the reimbursement for or for the Costs of the Initial Project shall be made from the Initial Project Account and payment of the Costs of any Additional Project shall be made from the applicable subaccount within the Additional Projects Account. All payments from the Project Fund shall be

subject to the provisions and restrictions set forth in this Article, and the Authority shall not cause or agree to permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

In order to assure that the Authority will have sufficient funds to provide for the completion of the Initial Project, the Authority and the NCDOT have entered into the Construction and Renewal and Replacement Agreement, pursuant to which the NCDOT has agreed to provide additional funding for the Costs of the Initial Project in the event the proceeds of the State Appropriation Revenue Bonds, the Series 2009 Bonds and the TIFIA Series 2009 Bond are not sufficient for such purpose. In the event that funds from NCDOT are required to complete the Initial Project, the Authority will provide such notices, financial information and additional documentation to NCDOT as may be needed or requested to NCDOT to provide for the timely payment by NCDOT of the amounts needed to complete the Initial Project. Such payments shall be deposited as received to the Initial Project Account and applied to pay Costs of the Initial Project in accordance with the provisions of this Article IV.

If the proceeds of the State Appropriation Revenue Bonds, the Series 2009 Bonds and the TIFIA Series 2009 Bond, and investment earnings thereon, are not sufficient to provide for completion of the Initial Project, the Authority shall not take any action to issue Completion Indebtedness unless the Authority first takes all actions required to obtain additional funding from NCDOT under the Construction and Renewal and Replacement Agreement and fails to receive such funding from NCDOT.

Section 403. Cost of Project and Additional Projects. For the purpose of this Trust Agreement, the Costs of the Initial Project or any Additional Project, as the case may be, shall include such costs as are eligible costs within the purview of the Act, and, without intending to limit or restrict any proper definition of such Cost, shall include the following:

- (a) obligations incurred for labor, materials, services provided by contractors, builders and materialmen in connection with the construction, acquisition, and equipping of the Initial Project or Additional Projects, machinery and equipment, for the restoration of property damaged or destroyed in connection with such construction and acquisition, for the demolition, removal or relocation of any structures and for the clearing of lands;

- (b) interest accruing upon any Bonds prior to the commencement of and during construction or for any additional period as may be authorized by law and provided in the Supplemental Agreement authorizing the issuance of such Bonds;

- (c) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by Eminent Domain, such land, structures and improvements, property, property rights, rights-of-way, franchises, easements and other interests in lands as may be deemed necessary or convenient in connection with such construction or operation of the Triangle Expressway System;

- (d) expenses of administration properly chargeable to such construction or acquisition, legal, trustee, architectural and engineering expenses and fees, cost of audits and of preparing and issuing the Bonds, fees and expenses of consultants, financing



charges, premiums of insurance in connection with construction, bond insurance premiums, the cost of funding any debt service reserve account requirements, and all other items of expense not elsewhere in this Section specified that are incident to the financing, construction or acquisition of the Initial Project or any Additional Projects and the placing of the same in operation; and

(e) reimbursement of any obligation or expense incurred by the Authority for any of the foregoing purposes prior to the date of delivery of the Bonds, including reimbursement to any Persons for advances made to the Authority, and also including the cost of materials, supplies or equipment furnished by the Authority in connection with the construction of the Initial Project or any Additional Project and paid for by the Authority out of funds other than money in the Project Fund.

Section 404. Requisitions from Project Fund. Payments from the Project Fund shall be made in accordance with the provisions of this Section.

Upon receipt of a requisition of the Authority signed by an Authorized Officer, the Trustee shall pay from the appropriate account or subaccount of the Project Fund to the Authority at one time or from time to time, a sum or sums aggregating at any point in time not more than \$500,000 (or such greater or lesser amount as shall be specified in the applicable Supplemental Agreement), exclusive of reimbursements as hereinafter authorized in this Section, to be used by the Authority as a revolving fund for the payment of items of Cost referred to in Section 403 which cannot conveniently be paid as herein otherwise provided in this Section. Such money shall be deemed to be a part of the Project Fund until paid out by the Trustee. The Trustee shall apply money in the Project Fund to reimburse the revolving fund from time to time for items of Cost paid with money in the revolving fund upon receipt of a requisition, in substantially the form set forth in Exhibit A, signed by an Authorized Officer for reimbursement of items of Cost referred to in Section 403, which requisition (1) shall specify the amount and the purpose by general classification of each payment from the revolving fund for which such reimbursement is requested and state that each such item of cost so paid was a necessary item of Cost within Section 403, was not previously requisitioned and was a proper charge against the Project Fund and (2) shall make the certifications required by (f) and (g) below.

Upon request of the Authority, the Trustee shall pay Costs directly from the Project Fund, but before any payment shall be made there shall be filed with the Trustee a requisition, in substantially the form set forth in Exhibit A, signed by an Authorized Officer, stating:

(a) the Requisition number;

(b) the name of the person to whom such payment is due;

(c) the amount to be paid;

(d) the purpose for which the obligation to be paid was incurred;

(e) that the obligation in the stated amount has been incurred by the Authority, is presently due and payable and is a proper charge against the Project Fund that has not been paid;

(f) that no notice of any lien, right to lien or attachment upon, or claim affecting the right of any such Person to receive payment of, the amount stated in such requisition has been filed or attached or, if any of the foregoing has been filed or attached, that the same either has been or will be satisfied or discharged or that provisions have been made (which shall be specified) to protect adequately the Trustee and the Owners from incurring any loss as a result of the same;

(g) that such requisition contains no item representing payment on account of any retainage to which the Authority is entitled at the date of such requisition;

(h) the account or subaccount from which such Cost shall be paid; and

(i) to the extent that such requisition contains any payment of the purchase price or cost of any lands, property, property rights, rights-of-way, easements, franchises or interests in or relating to lands, that such lands, property, property rights, rights-of-way, easements, franchises or interests are being acquired by the Authority in furtherance of the construction or acquisition of the Initial Project or any Additional Project.

Upon receipt of each requisition, the Trustee shall pay the obligations set forth in such requisition out of money in the applicable account or subaccount in the Project Fund, and each such obligation shall be paid by check or wire transfer. If for any reason the Authority should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee, and thereupon the Trustee shall not make such payment.

Section 405. Reliance upon Requisitions. All requisitions, opinions and notices received by the Trustee as conditions of payment from the Project Fund may be relied upon by the Trustee. Such requisitions, opinions and notices shall be retained by the Trustee for so long as the Bonds are Outstanding and shall be subject at all reasonable times to examination by the Authority and the Owners of Bonds then Outstanding.

Section 406. Progress Reports. The Authority covenants that at least quarterly during the construction of the Initial Project and any Additional Project, it will cause a General Engineering Consultant to prepare a progress report in connection with such construction with respect to:

(a) the date on which the Initial Project or such Additional Project, as the case may be, is expected to be opened for traffic unless such project has been opened for traffic prior to the date of such report;

(b) the date on which the construction of the Initial Project or such Additional Project, as the case may be, is expected to be substantially completed; and

(c) the amount of funds required each six month during the remaining estimated period of construction to pay the Costs of the Initial Project or Additional Project, as the case may be, exclusive of construction contingencies, and accompanied by a progress schedule for such construction, and further including, as to construction, comparisons between actual times elapsed and the actual costs and the original estimates of such time and costs.

A copy of such report shall be filed with the Trustee, provided to any Owner who requests a copy thereof and, upon the request of the Local Government Commission, filed with the Local Government Commission.

Section 407. Completion of Initial Project or any Additional Project and Disposition of Project Fund Balance. The Completion Date for the Initial Project or any Additional Project, or any segment thereof, shall be evidenced to the Trustee by an Officer's Certificate (a) setting forth the Cost of the Initial Project or the Additional Project, or such segment, whichever is applicable, and stating that, except for amounts not then due and payable or the liability for the payment of which is being contested or disputed by the Authority, which amounts shall be set forth in such Officer's Certificate, all costs and expenses incurred in connection therewith have been paid, and (b) stating that (i) the acquisition, construction and equipping of the Initial Project or the Additional Project, or such segment, whichever is applicable, have been completed substantially in accordance with the plans and specifications therefor and the Cost of the same has been paid and (ii) all other facilities necessary in connection with the Additional Project, or such segment, have been acquired, constructed and installed in accordance with the plans and specifications therefor. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or that may subsequently come into being. The Authority shall supply such certificate within sixty (60) days after the facts justifying such certification exist.

Upon receipt of such certificate, the Trustee shall withdraw all money then remaining in the relevant account or subaccount in the Project Fund in excess of the amount then needed for completion of the remainder of the Initial Project or Additional Project and apply the same, subject to Section 604, for any capital improvement related to the Triangle Expressway System which, in the opinion of nationally recognized bond counsel, is permitted by the Act and shall not adversely affect the tax status of interest on the Bonds of the applicable Series. In the event that the Authority does not deliver an opinion of nationally recognized bond counsel as required by the preceding sentence at the time it delivers such certificate, the Trustee shall transfer the money in excess of the amount then needed for completion of the Additional Project to the applicable subaccount or account of the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund for such Series of Bonds as directed in writing by an Authorized Officer.

Section 408. Application of Proceeds of TIFIA Series 2009 Bond. Proceeds of the TIFIA Series 2009 Bond shall be applied to pay costs of the Initial Project in accordance with the terms of the TIFIA Loan Agreement. The Authority shall submit requisitions and such supporting documentation as shall be required by the TIFIA Loan Agreement in order to assure that proceeds of the TIFIA Series 2009 Bond, together with other available funds, shall be available to pay such costs as the same are required to be funded.

**ARTICLE V**  
**RECEIPTS AND FUNDS**

Section 501. Establishment of Funds. In addition to the Project Fund, there are hereby established the following funds:

- (a) North Carolina Turnpike Authority Triangle Expressway Revenue Fund;
- (b) North Carolina Turnpike Authority Triangle Expressway Senior Lien Debt Service Fund, in which there are established seven special accounts to be known as the Capitalized Interest Account, the Interest Account, the Principal Account, the Sinking Fund Account, the Redemption Account, the Senior Lien Parity Reserve Account and the Hedging Acquisition Account;
- (c) North Carolina Turnpike Authority Triangle Expressway Subordinate Lien Debt Service Fund, in which there are established six special accounts to be known as the Capitalized Interest Account, the Interest Account, the Principal Account, the Sinking Fund Account, the Redemption Account and the Subordinate Lien Parity Reserve Account;
- (d) North Carolina Turnpike Authority Triangle Expressway Renewal and Replacement Fund;
- (e) North Carolina Turnpike Authority Triangle Expressway TIFIA Debt Service Fund, in which there are established two special accounts to be known as the TIFIA Debt Service Account and the TIFIA Debt Service Reserve Account;
- (f) North Carolina Turnpike Authority Triangle Expressway Operations and Maintenance Expense Fund;
- (g) North Carolina Turnpike Authority Triangle Expressway Operating Reserve Fund;
- (h) North Carolina Turnpike Authority Triangle Expressway General Reserve Fund; and
- (i) North Carolina Turnpike Authority Triangle Expressway Insurance and Condemnation Award Fund.

The Revenue Fund, the Senior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund and the TIFIA Debt Service Fund and the accounts and subaccounts therein and the Insurance and Condemnation Award Fund and the General Reserve Fund shall be established with and held by the Trustee. The Renewal and Replacement Fund, the Operations and Maintenance Expense Fund and the Operating Reserve Fund shall be established with and held by a Depositary selected by the Authority.

A Senior Lien Resolution may provide for the creation of a Senior Lien Special Reserve Account for the Senior Lien Indebtedness authorized by such Senior Lien Resolution and for the deposit of moneys to and withdrawal of moneys from such Account. A Senior Lien Special Reserve Account created for any Series of Bonds shall be held and maintained by the Trustee; provided, however, that if a Series of Bonds is placed with the purchaser thereof and not publicly offered, then such purchaser or a Depositary may hold the Senior Lien Special Reserve Account created for such Senior Lien Indebtedness as provided for in the Senior Lien Resolution authorizing such Senior Lien Indebtedness.

A Subordinate Lien Resolution may provide for the creation of a Subordinate Lien Special Reserve Account for the Subordinate Lien Indebtedness authorized by such Subordinate Lien Resolution and for the deposit of moneys to and withdrawal of moneys from such Account. A Subordinate Lien Special Reserve Account created for any Series of Bonds shall be held and maintained by the Trustee; provided, however, that if a Series of Bonds is placed with the purchaser thereof and not publicly offered, then such purchaser or a Depositary may hold the Subordinate Lien Special Reserve Account created for such Subordinate Lien Indebtedness as provided for in the Subordinate Lien Resolution authorizing such Subordinate Lien Indebtedness.

A Senior Lien Resolution may also provide for the creation of such other funds and accounts, as the Authority may determine, for the Senior Lien Indebtedness authorized by such Senior Lien Resolution. A Subordinate Lien Resolution may also provide for the creation of such other funds and accounts, as the Authority may determine, for the Subordinate Lien Indebtedness authorized by such Subordinate Lien Resolution.

The money in all of the funds, accounts and subaccounts established with and held by the Trustee pursuant to this Article shall be held in trust and applied as hereinafter provided and, pending such application, the money in such funds, accounts and subaccounts therein shall be subject to a pledge, charge and lien in favor of the Owners of the respective Series of Bonds issued and Outstanding under this Trust Agreement and for the further security of such Owners, except as otherwise provided herein or in any Supplemental Agreement.

Each Supplemental Agreement shall provide, to the extent applicable, for the creation of a separate subaccount within the Capitalized Interest Account, the Interest Account, the Principal Account, the Redemption Account and the Sinking Fund Account of the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund, as the case may be, with respect to each Series of Bonds, which subaccounts shall bear the designation of such Series of Bonds. A Supplemental Agreement for Senior Lien Bonds may provide that such Senior Lien Bonds authorized thereby may be additionally secured by the Senior Lien Parity Reserve Account or a Senior Lien Special Reserve Account or it may provide that there shall not be any debt service reserve fund in respect of such Series of Bonds. If a Series of Senior Lien Bonds is secured by a Senior Lien Special Reserve Account or is not secured by any debt service reserve fund, such Series of Senior Lien Bonds shall have no claim on the Senior Lien Parity Reserve Account or any other Senior Lien Special Reserve Account. A Supplemental Agreement for Subordinate Lien Bonds may provide that such Subordinate Lien Bonds authorized thereby may be additionally secured by the Subordinate Lien Parity Reserve Account or a Subordinate Lien Special Reserve Account or it may provide that there shall not be any debt service reserve fund in respect of such Series of Bonds. If a Series of Subordinate Lien Bonds is secured by a

Subordinate Lien Special Reserve Account or is not secured by any debt service reserve fund, such Series of Subordinate Lien Bonds shall have no claim on the Subordinate Lien Parity Reserve Account or any other Subordinate Lien Special Reserve Account.

Each Parity Debt Resolution for Senior Lien Parity Debt may provide for the creation of such funds and accounts as it may determine, including, without limiting the generality of the foregoing, an account for the payment of interest as mentioned in Section 504(a), an account or accounts for the payment of principal, whether at maturity or pursuant to an amortization requirement, as mentioned in Section 504(b). A Parity Debt Resolution for Senior Lien Parity Debt may provide that the Senior Lien Parity Debt authorized thereby may be additionally secured by the Senior Lien Parity Reserve Account or a Senior Lien Special Reserve Account or it may provide that there shall not be any debt service reserve account in respect of such Senior Lien Parity Debt. If Senior Lien Parity Debt is secured by a Senior Lien Special Reserve Account or is not secured by any debt service reserve account, such Senior Lien Parity Debt shall have no claim on the Senior Lien Parity Reserve Account.

Each Parity Debt Resolution for Subordinate Lien Parity Debt may provide for the creation of such funds and accounts as it may determine, including, without limiting the generality of the foregoing, an account for the payment of interest as mentioned in Section 504(d), an account or accounts for the payment of principal, whether at maturity or pursuant to an amortization requirement, as mentioned in Section 504(e). A Parity Debt Resolution for Subordinate Lien Parity Debt may provide that the Subordinate Lien Parity Debt authorized thereby may be additionally secured by the Subordinate Lien Parity Reserve Account or a Subordinate Lien Special Reserve Account or it may provide that there shall not be any debt service reserve account in respect of such Subordinate Lien Parity Debt. If Subordinate Lien Parity Debt is secured by a Subordinate Lien Special Reserve Account or is not secured by any debt service reserve account, such Subordinate Lien Parity Debt shall have no claim on the Subordinate Lien Parity Reserve Account.

The Authority shall provide to the Trustee a certified or otherwise authentic copy of each Parity Debt Resolution and each Derivative Agreement adopted or entered into by the Authority and shall otherwise provide the Trustee with such information and documents as the Trustee shall request to assure that the Trustee is advised of the payments to be made pursuant to such Parity Debt Resolutions and Derivative Agreements as provided in Section 503.

Section 502. Funds Received by the Authority. Except as otherwise expressly provided for herein, all Receipts shall be deposited on a daily basis when received in the Revenue Fund.

All Derivative Agreement Regularly Scheduled Payments received by the Authority shall be deposited in the Revenue Fund upon receipt. Any Derivative Agreement Additional Payments received by the Authority from any counterparty under a Derivative Agreement shall be deposited in the General Reserve Fund upon receipt. The Authority shall provide the Trustee with written schedules of all Derivative Agreement Regularly Scheduled Payments prior to any such deposits in the Reserve Fund.

The Authority is issuing the State Appropriation Revenue Bonds pursuant to the State Appropriation Revenue Bond Trust Agreement to pay certain Costs of the Triangle Expressway

System not being funded with the proceeds of Bonds and Parity Debt issued hereunder. Pursuant to the State Appropriation Revenue Bond Trust Agreement, the Authority has provided that all State Appropriated Revenue shall be deposited as received in the Revenue Fund of the State Appropriation Revenue Bond Trust Agreement to be used to pay principal and interest on the State Appropriation Revenue Bonds. The State Appropriation Revenue Bond Trust Agreement further provides that amounts in excess of the amount needed to pay such debt service is to be withdrawn from the State Appropriation Revenue Bond Trust Agreement and deposited to the Revenue Fund hereunder. Upon such deposit, but not prior to such deposit, such State Appropriated Revenues shall constitute “Revenues” and “Receipts” for all purposes of this Trust Agreement including being subject to the lien and pledge of the Trust Estate as provided herein.

In order to assure that the Authority will have sufficient funds to pay Operating Expenses as the same become due, the Authority and the NCDOT have entered into the O&M Guaranty Agreement, pursuant to which the NCDOT has agreed to provide additional funding for the deposits to be made to the Operating Reserve Fund in the event the Receipts are not sufficient to make the deposits thereto as provided in Section 503(j). In the event that funds from NCDOT are required to make the deposit to the Operating Reserve Fund, the Authority will provide such notices, financial information and additional documentation to NCDOT as may be needed or requested by NCDOT to provide for the timely payment by NCDOT of the amounts needed to fund such deposit. Such payments shall be deposited as received to the Operating Reserve Fund and applied as provided in Section 511.

In order to assure that the Authority will have sufficient funds to maintain the quality and sustainability of the Triangle Expressway System, the Authority and the NCDOT have entered into the Construction and Renewal and Replacement Agreement, pursuant to which the NCDOT has agreed to provide additional funding for the deposits to be made to the Renewal and Replacement Fund in the event the Receipts are not sufficient to make the deposits thereto as provided in Section 503(k). In the event that funds from NCDOT are required to make the deposit to the Renewal and Replacement Fund, the Authority will provide such notices, financial information and additional documentation to NCDOT as may be needed or requested to NCDOT to provide for the timely payment by NCDOT of the amounts needed to fund the deposit. Such payments shall be deposited as received to the Renewal and Replacement Fund and applied as provided in Section 512.

Section 503. Application of Money in Revenue Fund. On the last Business Day of each month, the Trustee shall withdraw all Receipts and other amounts held in the Revenue Fund and apply the same in the following manner and order:

(a) (1) for deposit in the appropriate subaccounts of the Interest Account of the Senior Lien Debt Service Fund an amount equal to the amount of interest payable on each Series of Senior Lien Bonds on the next Interest Payment Date for each such Series of Senior Lien Bonds (if such Interest Payment Date is within seven months of such deposit) divided by the number of deposits to be made to such subaccounts with respect to interest on such Senior Lien Bonds on or prior to the next Interest Payment Date for each such Series of Senior Lien Bonds; (2) to the Persons entitled thereto an amount equal to the amount of interest payable on each issue of Senior Lien Parity Debt on the next Interest Payment Date for each such issue of Senior Lien Parity Debt (if such Interest Payment Date is within seven months of such payment) divided by

the number of such payments to be made to such Persons with respect to interest on such Senior Lien Parity Debt on or prior to the next Interest Payment Date for each such issue of Senior Lien Parity Debt; and (3) to the Persons entitled thereto the amount of any Senior Lien Derivative Agreement Regularly Scheduled Payments required by a Derivative Agreement to be paid by the Authority on or prior to the last Business Day of the next succeeding month; provided, however, that if there shall not be sufficient Receipts to satisfy all such deposits and payments, such deposits and payments shall be made to the Trustee and to each appropriate Person designated in such Senior Lien Parity Debt Resolutions or Derivative Agreements ratably according to the amount so required to be deposited or paid;

(b) (1) for deposit in the appropriate subaccounts of the Principal Account and the Sinking Fund Account of the Senior Lien Debt Service Fund an amount equal to the amount of Principal payable on each Series of Senior Lien Bonds on the next Principal Payment Date for each such Series of Senior Lien Bonds (if such Principal Payment Date is within thirteen months of such deposit) divided by the number of deposits to be made to such subaccounts with respect to Principal on such Senior Lien Bonds on or prior to the next Principal Payment Date for each such Series of Senior Lien Bonds; and (2) to the Persons entitled thereto an amount equal to the amount of Principal payable on each issue of Senior Lien Parity Debt on the next Principal Payment Date for each such issue of Senior Lien Parity Debt (if such Principal Payment Date is within thirteen months of such payment) divided by the number of such payments to be made to such Persons with respect to Principal on such Senior Lien Parity Debt on or prior to the next Principal Payment Date for each such issue of Senior Lien Parity Debt; provided, however, that if there shall not be sufficient Receipts to satisfy all such deposits and payments, such deposits and payments shall be made to the Trustee and to each appropriate Person designated in such Senior Lien Parity Debt Resolutions ratably according to the amount so required to be deposited or paid;

(c) if the amount in the Senior Lien Parity Reserve Account is less than the Senior Lien Parity Reserve Account Requirement or the amount in any Senior Lien Special Reserve Account is less than the applicable Senior Lien Special Reserve Account Requirement, (1) one-twelfth (1/12) of the amount required to make up any deficiency in the Senior Lien Parity Reserve Account as provided in Section 507 for deposit in the Senior Lien Parity Reserve Account and (2) to the Trustee or other Person holding a Senior Lien Special Reserve Account, one-twelfth (1/12) of the amount required to make up any deficiencies in any Senior Lien Special Reserve Account as provided in the Supplemental Agreement or Parity Debt Resolution creating any Senior Lien Special Reserve Accounts for deposit in such Senior Lien Special Reserve Accounts; provided, however, that if there shall not be sufficient Receipts to satisfy all such deposits and payments, such deposits and payments shall be made for deposit to the Senior Lien Parity Reserve Account and each Senior Lien Special Reserve Account ratably according to the amount so required to be deposited or paid;

(d) (1) for deposit in the appropriate subaccounts of the Interest Account of the Subordinate Lien Debt Service Fund an amount equal to the amount of interest payable on each Series of Subordinate Lien Bonds on the next Interest Payment Date for each such Series of Subordinate Lien Bonds (if such Interest Payment Date is within seven months of such deposit) divided by the number of deposits to be made to such subaccounts with respect to interest on such Subordinate Lien Bonds on or prior to the next Interest Payment Date for each such Series



of Subordinate Lien Bonds; (2) to the Persons entitled thereto an amount equal to the amount of interest payable on each issue of Subordinate Lien Parity Debt on the next Interest Payment Date for each such issue of Subordinate Lien Parity Debt (if such Interest Payment Date is within seven months of such payment) divided by the number of such payments to be made to such Persons with respect to interest on such Subordinate Lien Parity Debt on or prior to the next Interest Payment Date for each such issue of Subordinate Lien Parity Debt; and (3) to the Persons entitled thereto the amount of any Subordinate Lien Derivative Agreement Regularly Scheduled Payments required by a Derivative Agreement to be paid by the Authority on or prior to the last Business Day of the next succeeding month; provided, however, that if there shall not be sufficient Receipts to satisfy all such deposits and payments, such deposits and payments shall be made to the Trustee and to each appropriate Person designated in such Subordinate Lien Parity Debt Resolutions or Derivative Agreements ratably according to the amount so required to be deposited or paid;

(e) (1) for deposit in the appropriate subaccounts of the Principal Account and the Sinking Fund Account of the Subordinate Lien Debt Service Fund an amount equal to the amount of Principal payable on each Series of Subordinate Lien Bonds on the next Principal Payment Date for each such Series of Subordinate Lien Bonds (if such Principal Payment Date is within thirteen months of such deposit) divided by the number of deposits to be made to such subaccounts with respect to Principal on such Subordinate Lien Bonds on or prior to the next Principal Payment Date for each such Series of Subordinate Lien Bonds; and (2) to the Persons entitled thereto an amount equal to the amount of Principal payable on each issue of Subordinate Lien Parity Debt on the next Principal Payment Date for each such issue of Subordinate Lien Parity Debt (if such Principal Payment Date is within thirteen months of such payment) divided by the number of such payments to be made to such Persons with respect to Principal on such Subordinate Lien Parity Debt on or prior to the next Principal Payment Date for each such issue of Subordinate Lien Parity Debt; provided, however, that if there shall not be sufficient Receipts to satisfy all such deposits and payments, such deposits and payments shall be made to the Trustee and to each appropriate Person designated in such Subordinate Lien Parity Debt Resolutions ratably according to the amount so required to be deposited or paid;

(f) if the amount in the Subordinate Lien Parity Reserve Account is less than the Subordinate Lien Parity Reserve Account Requirement or the amount in any Subordinate Lien Special Reserve Account is less than the applicable Subordinate Lien Special Reserve Account Requirement, (1) one-twelfth (1/12) of the amount required to make up any deficiency in the Subordinate Lien Parity Reserve Account as provided in the Supplemental Agreement or Parity Debt Resolution providing for the initial funding of the Subordinate Lien Parity Reserve Account for deposit in the Subordinate Lien Parity Reserve Account and (2) to the Trustee or other Person holding a Subordinate Lien Special Reserve Account, one-twelfth (1/12) of the amount required to make up any deficiencies in any Subordinate Lien Special Reserve Account as provided in the Supplemental Agreement or Parity Debt Resolution creating any Senior Lien Special Reserve Account for deposit in such Subordinate Lien Special Reserve Accounts; provided, however, that if there shall not be sufficient Receipts to satisfy all such deposits and payments, such deposits and payments shall be made for deposit to the Subordinate Lien Parity Reserve Account and each Subordinate Lien Special Reserve Account ratably according to the amount so required to be deposited or paid;

(g) beginning July 1, 2015, to the credit of the TIFIA Debt Service Account of the TIFIA Debt Service Fund an amount equal to the greater of (i) the amount of interest payable on any Outstanding TIFIA Indebtedness on the next Interest Payment Date (beginning with the first Interest Payment Date of January 1, 2016) for such TIFIA Indebtedness (if such Interest Payment Date is within seven months of such deposit) divided by the number of deposits to be made to the TIFIA Debt Service Account with respect to interest on such TIFIA Indebtedness on or prior to such Interest Payment Date and (ii) forty-five percent (45%) of the remaining Receipts available after making all of the deposits and payments required by subsection (a) to (g), inclusive, above. If the amount credited to the TIFIA Debt Service Account is less than the amount payable on the next Interest Payment Date for such TIFIA Indebtedness, then the Authority will apply the Receipts available under this Section 503(h) to pay as much as the amount due for the next Interest Payment Date. Notwithstanding the foregoing, however, with the prior written consent of USDOT, the amount to be deposited to the TIFIA Debt Service Account may be reduced to an amount that is less than the amount described in the second preceding sentence. The amount of interest not paid shall accrue to the balance owed on the TIFIA Indebtedness. If, in connection with the formulation of the Annual Budget pursuant to Section 705, the Authority determines that the percentage specified above is not sufficient to ensure payment in full of all of the principal and interest on the Outstanding TIFIA Indebtedness prior to its final stated maturity date, the Authority shall increase the percentage in a manner determined by the Authority to be necessary to ensure payment in full of all of the principal and interest on the Outstanding TIFIA Indebtedness prior to its final stated maturity date. The Authority covenants not to reduce such percentage to less than 45%;

(h) to the credit of the Hedging Acquisition Account, one-twelfth (1/12) of the amount, to be deposited in the Fiscal Year to the Hedging Acquisition Account so that the Account equals the current Hedging Acquisition Account Requirement;

(i) to the credit of the Operations and Maintenance Expense Fund an amount equal to the next succeeding month's budgeted Operating Expenses as set forth in the Annual Budget;

(j) to the credit of the Operating Reserve Fund such amount as shall be necessary to make the amount on deposit therein equal to one-fourth (1/4) of the total budgeted Operating Expenses of the Triangle Expressway System for the current Fiscal Year as set forth in the Annual Budget;

(k) to the credit of the Renewal and Replacement Fund one-twelfth (1/12) of the total amount, if any, required to be deposited therein in such Fiscal Year as set forth in the Annual Budget;

(l) to NCDOT any amounts necessary to reimburse NCDOT for any Operating Advance made by NCDOT to the Authority pursuant to the O&M Guaranty Agreement or any payments by NCDOT to the Authority pursuant to the Construction and Renewal and Replacement Agreement, together with interest thereon, at the rates and in the manner provided in the O&M Guaranty Agreement or the Construction and Renewal and Replacement Agreement, as the case may be;

(m) to the credit of the TIFIA Debt Service Reserve Account the amount then needed for the TIFIA Debt Service Reserve Account to equal the TIFIA Debt Service Reserve Account Requirement;

(n) after all deposits are made in accordance with subsections (a) through (m) above, any remaining moneys shall be deposited in the General Reserve Fund.

The Authority shall provide to the Trustee such certifications, documentation, agreements and other information as may be necessary for the Trustee to determine the amounts required to be deposited or paid as provided above in this Section.

With respect to any deposits or credits due pursuant to subsections (g) through (m) above, the Authority shall provide the Trustee with specific written direction as to the amounts to be paid or credited to such accounts and the Trustee shall be permitted to conclusively rely on such direction by the Authority.

There shall be credited against the amounts required to be deposited or paid as provided in subsection (a) and (d) above any amounts transferred or to be transferred from the Capitalized Interest Account of the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund or otherwise set aside for payment of interest on Bonds or Parity Debt, all as may be provided in a Supplemental Agreement or a Parity Debt Resolution.

On or before the 45th day next preceding any date on which Serial Bonds are to mature or Term Bonds are to be redeemed pursuant to Sinking Fund Requirements therefor or are to mature, the Authority may satisfy all or a portion of its obligation to make the payments required by subsections (a)(1) and (b)(1) or by subsections (d)(1) and (e)(1) of this Section by delivering to the Trustee Serial Bonds maturing or Term Bonds maturing or required to be redeemed on such date. The price paid to purchase any such Bond, including accrued interest to the date of purchase, shall not exceed the principal or Redemption Price plus accrued interest to the date of purchase. Upon such delivery, the Authority shall receive a credit against amounts required to be deposited into the Interest Account, the Principal Account or Sinking Fund Account, as the case may be, on account of such Bonds with respect to all interest payments for the remainder of the Fiscal Year and in the amount of 100% of the principal amount of any such Serial Bonds or Term Bonds so delivered.

On or before the 45th day next preceding any date on which Parity Debt is to mature or is to be redeemed pursuant to an amortization requirement, the Authority may satisfy all or a portion of its obligation to make the payments required by subsections (a)(2) and (b)(2) or by subsections (d)(2) and (e)(2) of this Section by delivering to the Trustee Parity Debt maturing or required to be so redeemed on such date. The price paid to purchase any such Parity Debt, including accrued interest to the date of purchase, shall not exceed the principal or Redemption Price plus accrued interest to date of purchase. Upon such delivery, the Authority shall receive a credit against amounts required to be deposited or paid with respect to interest or principal on account of such Parity Debt with respect to all interest payments for the remainder of the Fiscal Year and in the amount of 100% of the principal amount of any such Parity Debt so delivered.

Section 504. Application of Money in Interest Accounts and Capitalized Interest Accounts. Not later than 10:00 A.M. on each Interest Payment Date, date for the payment of Defaulted Interest or date upon which Bonds are to be redeemed, or on such other date as may be specified in the applicable Supplemental Agreement, the Trustee shall withdraw from the applicable subaccount in the respective Interest Accounts and wire transfer to the Bond Registrar, in federal reserve or other immediately available funds, the amounts required for paying interest on the respective Bonds on such Interest Payment Date. The Bond Registrar shall remit or otherwise set aside the amount due and payable to the Owners as provided in the Supplemental Agreements.

Unless otherwise provided by a Supplemental Agreement, on the date of issuance of any Series of Bonds, an Authorized Officer shall deliver to the Trustee a schedule of transfers to be made from the applicable subaccount in the respective Capitalized Interest Accounts to the applicable subaccount of the respective Interest Accounts. The Trustee shall make such transfers as required by the schedule of an Authorized Officer.

If the Authority fails to deposit with the Trustee the amounts required to be deposited in the applicable subaccount of the respective Interest Accounts as provided in Section 503, or if the balance in the applicable subaccount of the respective Interest Accounts on the Business Day next preceding an Interest Payment Date is insufficient to pay interest coming due on the Bonds on such Interest Payment Date, the Trustee shall notify the Authority of the amount of the deficiency and request the Authority to immediately cure such deficiency. Upon failure of the Authority to cure such deficiency and in any event not later than such Interest Payment Date, the Trustee shall transfer an amount sufficient to cure the same, drawing only upon funds (a) in the case of Senior Lien Bonds secured by the Senior Lien Parity Reserve Account, from the Senior Lien Parity Reserve Account, (b) in the case of Senior Lien Bonds secured by a Senior Lien Special Reserve Account, from such Senior Lien Special Reserve Account, if any, securing such Series of Senior Lien Bonds, (c) in the case of Subordinate Lien Bonds secured by the Subordinate Lien Parity Reserve Account, from the Subordinate Lien Parity Reserve Account and (d) in the case of Subordinate Lien Bonds secured by a Subordinate Lien Special Reserve Account, from such Subordinate Lien Special Reserve Account, if any, securing such Series of Subordinate Lien Bonds.

Section 505. Application of Money in Principal Account. Not later than 10:00 A.M. on each Principal Payment Date, the Trustee shall withdraw from the applicable subaccount in the respective Principal Accounts and wire transfer to the Bond Registrar, in federal reserve or other immediately available funds, the amount necessary to pay the principal of the respective Bonds at their respective maturities. The Bond Registrar shall remit or otherwise set aside the amount due and payable to the Owners as provided in the Supplemental Agreements.

If on any date there is money in the Principal Account of the Senior Lien Debt Service Fund and no Serial Bonds are then Outstanding or if on any Principal Payment Date money remains therein after the payment of the principal of Serial Bonds then due, the Trustee shall withdraw such money therefrom and shall apply the same in the following order: (a) deposit into the Sinking Fund Account of the Senior Lien Debt Service Fund the amount then required to be paid thereto by the Authority pursuant to Section 503, (b) deposit, if and to the extent determined by the Authority, into the Senior Lien Parity Reserve Account or any Senior Lien Special

Reserve Account such amounts as may be determined by the Authority in order to make the amounts on deposit therein equal to the Senior Lien Parity Reserve Account Requirement or the Senior Lien Special Reserve Account Requirement, as the case may be, and (c) otherwise make the deposits required by Section 503.

If on any date there is money in the Principal Account of the Subordinate Lien Debt Service Fund and no Serial Bonds are then Outstanding or if on any Principal Payment Date money remains therein after the payment of the principal of Serial Bonds then due, the Trustee shall withdraw such money therefrom and shall apply the same in the following order: (a) deposit into the Sinking Fund Account of the Subordinate Lien Debt Service Fund the amount then required to be paid thereto by the Authority pursuant to Section 503, (b) deposit, if and to the extent determined by the Authority, into the Subordinate Lien Parity Reserve Account or any Subordinate Lien Special Reserve Account such amounts as may be determined by the Authority in order to make the amounts on deposit therein equal to the Subordinate Lien Parity Reserve Account Requirement or the Subordinate Lien Special Reserve Account Requirement, as the case may be, and (c) otherwise make the deposits required by Section 503.

If the Authority fails to deposit with the Trustee the amounts required to be deposited in the applicable subaccounts of the respective Principal Accounts as provided in Section 503, or if the balance in the applicable subaccount of the respective Principal Accounts on the Business Day next preceding a Principal Payment Date is insufficient to pay the Principal coming due on the Bonds on such Principal Payment Date, the Trustee shall notify the Authority of the amount of the deficiency and request the Authority to immediately cure such deficiency. Upon failure of the Authority to cure such deficiency and in any event not later than such Principal Payment Date, the Trustee shall transfer an amount sufficient to cure the same, drawing only upon funds (a) in the case of Senior Lien Bonds secured by the Senior Lien Parity Reserve Account, from the Senior Lien Parity Reserve Account, (b) in the case of Senior Lien Bonds secured by a Senior Lien Special Reserve Account, from such Senior Lien Special Reserve Account, if any, securing such Series of Senior Lien Bonds, (c) in the case of Subordinate Lien Bonds secured by the Subordinate Lien Parity Reserve Account, from the Subordinate Lien Parity Reserve Account and (d) in the case of Subordinate Lien Bonds secured by a Subordinate Lien Special Reserve Account, from such Subordinate Lien Special Reserve Account, if any, securing such Series of Subordinate Lien Bonds.

Section 506. Application of Money in Sinking Fund Account. Money held for the credit of the subaccounts in the Sinking Fund Account shall be applied to the retirement, purchase, redemption or payment of Term Bonds in the manner provided in the applicable Supplemental Agreement.

If the Authority fails to deposit with the Trustee the amounts required to be deposited in the applicable subaccounts of the respective Sinking Fund Accounts as provided in Section 503, or if the balance in the applicable subaccount of the respective Sinking Fund Accounts on the Business Day next preceding a Principal Payment Date is insufficient to pay the Principal coming due on the Bonds on such Principal Payment Date, the Trustee shall notify the Authority of the amount of the deficiency and request the Authority to immediately cure such deficiency. Upon failure of the Authority to cure such deficiency and in any event not later than such Principal Payment Date, the Trustee shall transfer an amount sufficient to cure the same, drawing

only upon funds (a) in the case of Senior Lien Bonds secured by the Senior Lien Parity Reserve Account, from the Senior Lien Parity Reserve Account, (b) in the case of Senior Lien Bonds secured by a Senior Lien Special Reserve Account, from such Senior Lien Special Reserve Account, if any, securing such Series of Senior Lien Bonds, (c) in the case of Subordinate Lien Bonds secured by the Subordinate Lien Parity Reserve Account, from the Subordinate Lien Parity Reserve Account and (d) in the case of Subordinate Lien Bonds secured by a Subordinate Lien Special Reserve Account, from such Subordinate Lien Special Reserve Account, if any, securing such Series of Subordinate Lien Bonds.

Section 507. Deposit and Application of Money in Senior Lien Parity Reserve Account, any Senior Lien Special Reserve Account, Subordinate Lien Parity Reserve Account and any Subordinate Lien Special Reserve Account; Determination of Deficiencies. (a) If a Senior Lien Resolution provides that the Senior Lien Indebtedness incurred thereunder is to be secured by the Senior Lien Parity Reserve Account, the Authority must fund, from the proceeds of such Senior Lien Indebtedness or from any other available sources, concurrently with the delivery of and payment for such Senior Lien Indebtedness, the Senior Lien Parity Reserve Account in an amount equal to the Senior Lien Parity Reserve Account Requirement. If a Senior Lien Resolution provides that the Senior Lien Indebtedness incurred thereunder is to be secured by a Senior Lien Special Reserve Account, the Authority must fund, from the proceeds of such Senior Lien Indebtedness or from any other available sources, at the time or times and in the manner specified in the applicable Senior Lien Resolution, such Senior Lien Special Reserve Account in an amount equal to the Senior Lien Special Reserve Account Requirement for such Senior Lien Indebtedness.

If a Subordinate Lien Resolution provides that the Subordinate Lien Indebtedness incurred thereunder is to be secured by the Subordinate Lien Parity Reserve Account, the Authority must fund, from the proceeds of such Subordinate Lien Indebtedness or from any other available sources, concurrently with the delivery of and payment for such Subordinate Lien Indebtedness, the Subordinate Lien Parity Reserve Account in an amount equal to the Subordinate Lien Parity Reserve Account Requirement. If a Subordinate Lien Resolution provides that the Subordinate Lien Indebtedness incurred thereunder is to be secured by a Subordinate Lien Special Reserve Account, the Authority must fund, from the proceeds of such Subordinate Lien Indebtedness or from any other available sources, at the time or times and in the manner specified in the applicable Subordinate Lien Resolution, such Subordinate Lien Special Reserve Account in an amount equal to the Subordinate Lien Special Reserve Account Requirement for such Subordinate Lien Indebtedness.

(b) The Trustee shall use amounts in the Senior Lien Parity Reserve Account to make transfers, or use moneys provided under a Reserve Alternative Instrument to make deposits, in the order specified in Section 503, in respect of all Senior Lien Indebtedness secured by the Senior Lien Parity Reserve Account, to the appropriate subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account of the Senior Lien Debt Service Fund to remedy any deficiency therein as of any Interest Payment Date or Principal Payment Date (or any earlier date as set forth in a Senior Lien Resolution), or to pay the interest on or the principal of or amortization requirements in respect of any Senior Lien Parity Debt secured by the Senior Lien Parity Reserve Account when due, whenever and to the extent the money on deposit for such purposes is insufficient. The Trustee shall use amounts in the Subordinate Lien Parity

Reserve Account to make transfers, or use moneys provided under a Reserve Alternative Instrument to make deposits, in the order specified in Section 503, in respect of all Subordinate Lien Indebtedness secured by the Subordinate Lien Parity Reserve Account, to the appropriate subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account of the Subordinate Lien Debt Service Fund to remedy any deficiency therein as of any Interest Payment Date or Principal Payment Date (or any earlier date as set forth in a Subordinate Lien Resolution), or to pay the interest on or the principal of or amortization requirements in respect of any Subordinate Lien Parity Debt secured by the Subordinate Lien Parity Reserve Account when due, whenever and to the extent the money on deposit for such purposes is insufficient. Moneys or Investment Obligations on deposit in the Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account, any Senior Lien Special Reserve Account or any Subordinate Lien Special Reserve Account shall be used to satisfy deficiencies prior to any draw on a Reserve Alternative Instrument.

(c) The Trustee shall use amounts in any Senior Lien Special Reserve Account held by it to make transfers or use moneys provided under a Reserve Alternative Instrument to make deposits, in the order specified in Section 503, in respect of the particular Senior Lien Indebtedness secured by such Senior Lien Special Reserve Account, to the appropriate subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account of the Senior Lien Debt Service Fund to remedy any deficiency therein as of any Interest Payment Date or Principal Payment Date (or any earlier date as set forth in a Senior Lien Resolution) or to pay the interest on or the principal of or amortization requirement in respect thereof on Senior Lien Parity Debt secured by such Senior Lien Special Reserve Account when due, whenever and to the extent the money on deposit for such purposes is insufficient. The Trustee shall use amounts in any Subordinate Lien Special Reserve Account held by it to make transfers or use moneys provided under a Reserve Alternative Instrument to make deposits, in the order specified in Section 503, in respect of the particular Subordinate Lien Indebtedness secured by such Subordinate Lien Special Reserve Account, to the appropriate subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account of the Subordinate Lien Debt Service Fund to remedy any deficiency therein as of any Interest Payment Date or Principal Payment Date (or any earlier date as set forth in a Subordinate Lien Resolution) or to pay the interest on or the principal of or amortization requirement in respect thereof on Subordinate Lien Parity Debt secured by such Subordinate Lien Special Reserve Account when due, whenever and to the extent the money on deposit for such purposes is insufficient.

(d) Any deficiency in the Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account, any Senior Lien Special Reserve Account and any Subordinate Lien Special Reserve Account resulting from the withdrawal of moneys therein shall be made up over the twelve-month period immediately following the month in which such withdrawal is made by monthly deposits of one-twelfth (1/12) of the amount of such deficiency, such deposits to be made pursuant to Section 503(c) or Section 503(f), as applicable. Any deficiency resulting from a draw on a Reserve Alternative Instrument shall be made up as provided in such Reserve Alternative Instrument or documentation relating thereto, but any such deficiency must be made up by not later than the final date when such deficiency would have been required to be made up if there had been a withdrawal of moneys from the Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account, any Senior Lien Special Reserve Account or any Subordinate Lien Special Reserve Account rather than a draw on a Reserve Alternative

Instrument. Deficiencies may be satisfied through the deposit of additional moneys or the providing of an additional, or increase in a, Reserve Alternative Instrument.

(e) Unless a Reserve Alternative Instrument shall be in effect, if on any date of valuation pursuant to Section 603, the amount on deposit in the Senior Lien Parity Reserve Account is less than 90% of the Senior Lien Parity Reserve Account Requirement, the Authority shall deposit into the Senior Lien Parity Reserve Account monthly one-twelfth (1/12) of the amount required as of such date to bring the amount then on deposit in the Senior Lien Parity Reserve Account up to the Senior Lien Parity Reserve Account Requirement. Any such deficiency may be satisfied through the deposit of additional moneys or the providing of an additional, or increase in a, Reserve Alternative Instrument. Any deficiency in the Subordinate Lien Parity Reserve Account or any Senior Lien Special Reserve Account or Subordinate Lien Special Reserve Account resulting from a valuation of the Investment Obligations therein pursuant to Section 603 shall be made up as provided in the relevant Senior Lien Resolution or Subordinate Lien Resolution.

Section 508. Application of Money in the Redemption Account. The Trustee shall apply money in the respective Redemption Accounts of the Senior Lien Debt Service Fund and the Subordinate Lien Debt Service Fund, as the case may be, for the purchase or redemption of Senior Lien Bonds or Subordinate Lien Bonds, as applicable, as follows:

(a) Subject to the provisions of subsection (c) of this Section, and if instructed to do so in writing by an Authorized Officer, the Trustee shall endeavor to purchase and cancel Bonds or portions thereof, whether or not such Bonds or portions thereof are then subject to redemption, at the written direction of an Authorized Officer, provided that the purchase price of each Bond, plus accrued interest to the date of purchase, shall not exceed the Redemption Price that would be payable on the next redemption date to the Owners of such Bonds under the provisions of the applicable Supplemental Agreement plus accrued interest to the redemption date if such Bond or such portion thereof were called for redemption on such redemption date from the money in the applicable subaccount of the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the applicable subaccount of the respective Interest Account and the purchase price from the applicable subaccount of the respective Redemption Account, but no such purchase shall be made by the Trustee from money in the applicable subaccount of the respective Redemption Account within the period of forty-five (45) days immediately preceding any date on which such Bonds or portions thereof are to be redeemed except from moneys other than the moneys set aside in the applicable subaccount of the respective Redemption Account for the redemption of Bonds.

(b) Subject to the provisions of subsection (c) of this Section, the Trustee shall call for redemption on a date permitted by the applicable Supplemental Agreement such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust the moneys then held in the applicable subaccount of the respective Redemption Account as nearly as may be; provided, however, that not less than Fifty Thousand Dollars (\$50,000) principal amount of Bonds shall be called for redemption at any one time unless the Trustee is so instructed in writing by the Authority. The Trustee shall pay the accrued interest on the Bonds or portions thereof to be redeemed to the date of redemption from the applicable subaccount of the respective Interest Account or any other available funds of the Authority and the Redemption Price of such Bonds or portions thereof from the applicable subaccount of the respective



Redemption Account. On or before the redemption date, the Trustee shall withdraw from the applicable subaccounts of the respective Redemption Account and the Interest Account, as applicable, and transfer to the Bond Registrar the respective amounts required to pay the Redemption Price and accrued interest to the redemption date of the Bonds or portions thereof so called for redemption.

(c) Money in the respective Redemption Accounts may be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Bonds of any one or more Series then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee (i) designating one or more Series of Bonds to be purchased or redeemed, (ii) if more than one Series of Bonds is so designated, setting forth the aggregate principal amount of Bonds of each Series to be purchased or redeemed, and (iii) unless the Supplemental Agreement relating to the Bonds to be redeemed specifies the order of redemption, designating the Bonds to be redeemed within each Series, and if such Bonds are Term Bonds, the years in which future Sinking Fund Requirements are to be reduced as a result of such redemption and the amount of such reduction in each such year. In the event no such certificate is filed and unless the Supplemental Agreement relating to the Bonds to be redeemed specifies otherwise, (A) the Trustee shall apply such money to the purchase of one or more Series of Bonds as it shall determine or to the redemption of Bonds bearing the highest rate of interest, (B) if Bonds of more than one maturity bear the same interest rate, the Trustee will redeem such Bonds in the inverse order of maturities, and (C) if the Bonds bearing the highest rate of interest are Term Bonds, the Trustee will reduce Sinking Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such Term Bonds. All Bonds shall be redeemed as provided in the applicable Supplemental Agreement.

Money held for the credit of the applicable subaccounts in the respective Redemption Accounts shall be applied to the purchase or redemption of Bonds in the manner provided in the applicable Supplemental Agreement.

Section 509. Application of Money in TIFIA Debt Service Fund. (a) Moneys held for the credit of the TIFIA Debt Service Account shall be applied to pay the interest on and principal of any Outstanding TIFIA Indebtedness in the manner in the applicable TIFIA Loan Agreement.

(b) The Trustee shall use amounts in the TIFIA Debt Service Reserve Account to make transfers to the TIFIA Debt Service Account to pay the scheduled interest on or the principal of TIFIA Indebtedness, whenever and to the extent the money on deposit for such purposes in the TIFIA Debt Service Account is insufficient.

Section 510. Application of Money in Operations and Maintenance Expense Fund. Moneys held for the credit of the Operations and Maintenance Expense Fund shall be used by the Authority only to pay all or a portion of the cost of any Operating Expenses in accordance with the applicable procedures used in the payment of Operating Expenses.

Section 511. Application of Money in Operating Reserve Fund. Moneys held for the credit of the Operating Reserve Fund shall be used by the Authority only to pay all or a portion of the cost of any Operating Expenses in accordance with the applicable procedures used in the payment of Operating Expenses or as provided in the Capital Improvements Budget, but only to

the extent that amount held in the Operations and Maintenance Expense Fund are not sufficient for such purpose.

In addition to the deposits required by Section 503(j), the Authority shall deposit to the credit of the Operating Reserve Fund any amounts received by NCDOT as an Operating Advance pursuant to the terms of the O&M Guaranty Agreement.

Section 512. Application of Money in Renewal and Replacement Fund. Moneys held for the credit of the Renewal and Replacement Fund shall be used by the Authority only for the following:

(a) to pay all or a portion of the cost of unusual or extraordinary maintenance, repairs, renewals or replacements or capital improvements related to the Triangle Expressway System in accordance with the applicable procedures used in the payment of Operating Expenses or as provided in the Capital Improvements Budget; and

(b) in the Authority's sole discretion, (i) to make deposits to the appropriate subaccounts in the Interest Account, the Principal Account and the Sinking Fund Account of the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund or the TIFIA Debt Service Fund to remedy any deficiency therein, (ii) to make any required deposits or pay interest on or the principal of or amortization requirements in respect of any Senior Lien Parity Debt or Subordinate Lien Parity Debt when due or (iii) to make any Senior Lien Derivative Agreement Regularly Scheduled Payments or Subordinate Lien Derivative Agreement Regularly Scheduled Payments when due, whenever moneys are insufficient for such purposes; provided, however, that amounts paid by NCDOT to the Authority pursuant to the Construction and Renewal and Replacement Agreement may not be used for the purposes described in this subsection (b).

Section 513. Insurance and Condemnation Award Fund. The Trustee shall deposit Net Insurance Proceeds or Net Eminent Domain Proceeds into the Insurance and Condemnation Award Fund when and as received by the Trustee from the Authority, and they shall be disbursed pursuant to the provisions of Section 709.

Section 514. General Reserve Fund. Moneys held for the credit of the General Reserve Fund shall be used for any legally available purpose, including, without limitation, the payment of Operating Expenses, the payment of capital improvements, repayment of any amount owed to NCDOT pursuant to the O&M Guaranty Agreement or the Construction and Renewal and Replacement Agreement, the funding of any Non-System Project and the payment of any Derivative Agreement Additional Payments.

In no event shall money be released by the Trustee from the General Reserve Fund for an expenditure not related to the Triangle Expressway System or for a Non-System Project unless the Authority shall have certified to the Trustee in writing that: (i) the Authority is current on all payments then required to be paid under the TIFIA Loan Agreement and the TIFIA Debt Service Reserve Account is funded at the TIFIA Debt Service Reserve Account Requirement, (ii) all amounts owed to NCDOT under the O&M Guaranty Agreement and the Construction and Renewal and Replacement Agreement have been paid, (iii) the Authority shall have delivered a certificate to the Trustee and the USDOT (and the Trustee shall have received such certificate)

demonstrating that after such release, (x) the Revenues, in each ensuing Fiscal Year as shown in a statement of a Traffic Consultant to be delivered with such certificate, are at least 130% of (1) the Long-Term Debt Service Requirement with respect to all Outstanding Senior Lien Indebtedness, Subordinate Lien Indebtedness and TIFIA Indebtedness for such Fiscal Year and (2) the amounts, if any, to be deposited to the Renewal and Replacement Fund, the Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account and the TIFIA Debt Service Reserve Account for such Fiscal Year and (y) the Loan Life Coverage Ratio is at least 130%, and (iv) no Event of Default shall have occurred and be continuing hereunder.

An amount equal to 25% of the amount to be released for a Non-System Project shall upon written direction by the Authority be applied to the prepayment of the TIFIA Indebtedness.

Section 515. Escheat. All money that the Trustee shall have withdrawn from the Senior Lien Debt Service Fund or the Subordinate Lien Debt Service Fund shall have received from any other source and set aside or delivered to the Bond Registrar for the purpose of paying any of the Bonds hereby secured, either at maturity or by purchase or call for redemption, shall be held in trust for the respective Owners.

Any money that is so set aside and that remains unclaimed by the Owners for a period of five (5) years after the date on which such Bonds have become payable shall be treated as abandoned property pursuant to the provisions of Section 116B-53 of the General Statutes of North Carolina, and the Trustee or the Bond Registrar shall report and remit this property to the Escheat Fund established by, according to the requirements of Chapter 116B of the General Statutes of North Carolina, and thereafter the Owners shall look only to the Escheat Fund for payment and then only to the extent of the amounts so received, without any interest thereon, and the Trustee, the Bond Registrar and the Authority shall have no responsibility with respect to such money.

Section 516. Cancellation of Bonds. Upon receipt of the same, the Bond Registrar shall cancel all Bonds paid, redeemed or purchased by the Trustee or purchased by the Authority and delivered to the Bond Registrar, and all Bonds delivered to the Bond Registrar in exchange for other Bonds or delivered to the Bond Registrar upon the transfer of any Bond if a new Bond is delivered upon such transfer. The Bond Registrar shall certify to the Authority the details of all Bonds so canceled. All Bonds canceled under any of the provisions of this Trust Agreement either shall be delivered to the Authority or destroyed by the Bond Registrar, as the Authority directs. Upon destruction of any Bonds, the Bond Registrar shall execute a certificate in duplicate, describing the Bonds so destroyed; and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Bond Registrar.

Section 517. Disposition of Fund Balances. After provision is made for the payment of all Outstanding Senior Indebtedness, Subordinate Lien Indebtedness and TIFIA Indebtedness, including the interest thereon, and for the payment of all and Senior Lien Derivative Agreement Regularly Scheduled Payments, Subordinate Lien Derivative Agreement Regularly Scheduled Payments and all other obligations, expenses and charges required to be paid under or in connection with this Trust Agreement, and receipt by the Trustee of an Officer's Certificate to the effect that there are no other indentures, resolutions, bond orders, Supplemental Agreements, Parity Debt Resolutions, Subordinate Lien Resolutions, Derivative Agreements or other

agreements that impose a continuing lien on the balances hereinafter mentioned, the Trustee shall pay all amounts in any fund, account or subaccount then held by it under this Trust Agreement to the Authority. If a continuing lien has been imposed on such balance by another resolution, bond order, any other agreement, by court order or decree, or by law, the Trustee shall pay such balance to such person as is entitled to receive the same by law or under the terms of such resolution, bond order, agreement, court order, or decree.

Section 518. Security. As security for the payment of all Indebtedness issued or incurred hereunder and the interest thereon, and as security for the payments of amounts due under any Derivative Agreement, but in each case solely as provided herein, the Authority hereby grants to the Trustee, for the benefit of the Owners and Holders of such indebtedness and the counterparty to any such Derivative Agreement, a pledge, charge and lien upon (a) the money and Investment Obligations in the Project Fund (to the extent provided in Section 401), the Revenue Fund, the Senior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund, the TIFIA Debt Service Fund, the Insurance and Condemnation Award Fund and the General Reserve Fund under this Trust Agreement and Accounts established under the Supplemental Agreements relating to their issuance, except that the Senior Lien Parity Reserve Account shall be held solely for the benefit of the Senior Lien Parity Debt secured thereby notwithstanding the last paragraph of Section 213 hereof, the Subordinate Lien Parity Reserve Account shall be held solely for the benefit of the Subordinate Lien Parity Debt secured thereby, the TIFIA Debt Service Reserve Account shall be held solely for the benefit of the TIFIA Indebtedness and any fund or account created by a Supplemental Agreement to the extent such Supplemental Agreement expressly excludes such fund or account, (b) the Receipts, except upon the disbursement of Receipts for deposit or credit to NCDOT or for deposit or credit to the Operations and Maintenance Expense Fund, the Operating Reserve Fund or the Renewal and Replacement Fund, (c) unless otherwise provided in a Supplemental Agreement, the rights to the amounts payable to the Authority under any Credit Facility and (d) the rights to amounts payable to the Authority or the Trustee pursuant to any Derivative Agreement (collectively, the “Trust Estate”).

Any Receipts disbursed by the Trustee for deposit in the Operations and Maintenance Expense Fund, the Operating Reserve Fund or the Renewal and Replacement Fund, and any Receipts disbursed to NCDOT pursuant to the Trust Agreement, shall no longer constitute Receipts within the meaning of this Trust Agreement and shall no longer be subject to the pledge, charge and lien upon the Trust Estate created by this Trust Agreement.

The pledge, charge and lien upon the Trust Estate shall be effective and operate immediately, without any recording or filing of any financing statement or other notice, and the Trustee shall have the right to collect and receive the Receipts in accordance with the provisions hereof at all times during the period from and after the date of delivery of the Series 2009 Bonds issued hereunder until all Bonds, Parity Debt, Senior Lien Derivative Agreement Regularly Scheduled Payments, Subordinate Lien Derivative Agreement Regularly Scheduled Payments and TIFIA Indebtedness have been fully paid and discharged, including, without limitation, at all times after the institution and during the pendency of bankruptcy or similar proceedings.

The aforementioned pledge, charge and lien upon the Trust Estate shall not inhibit the sale or disposition of any portion of the Triangle Expressway System in accordance with this

Trust Agreement and shall not impair or restrict the ability of the Authority to invest in securities and other forms of investment, subject to the provisions of this Trust Agreement.

The pledge, charge and lien upon the Trust Estate shall be (1) first for the security for the payment of the Owners or Holder of Senior Lien Indebtedness, including the interest thereon, and the payment of any Senior Lien Derivative Agreement Regularly Scheduled Payments, (2) second for the security for the payment of the Subordinate Lien Bonds and Subordinate Lien Parity Debt, including the interest thereon, and the payment of all Subordinate Lien Derivative Agreement Regularly Scheduled Payments, for which such pledge, charge and lien upon the Trust Estate is junior and subordinate to the pledge charge and lien upon the Trust Estate securing the Senior Lien Bonds, the Senior Lien Parity Debt and the Senior Lien Derivative Agreement Regularly Scheduled Payments and (3) third, for the security for the payment of the TIFIA Indebtedness, including the interest thereon, which (other than during any period where such TIFIA Indebtedness shall become Senior Lien Bonds pursuant to Section 213 hereof) is junior and subordinate to the pledge charge and lien upon the Trust Estate securing the Senior Lien Bonds, the Senior Lien Parity Debt, the Senior Lien Derivative Agreement Regularly Scheduled Payments, the Subordinate Lien Bonds, the Subordinate Lien Parity Debt and the Subordinate Lien Derivative Agreement Regularly Scheduled Payments.

Section 519. Use of Available Funds. Nothing in this Trust Agreement shall be construed to prevent the Authority from (a) paying all or any part of the Operating Expenses, (b) depositing in any fund or account created under, or subaccount created pursuant to, the provisions of this Trust Agreement, any Supplemental Agreement or any Parity Debt Resolution, (c) paying the principal of, premium, if any, and interest on Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness or (d) from making any payment required by a Derivative Agreement from any moneys available to the Authority for such purpose, except to the extent the Authority is prohibited from making such deposit by this Trust Agreement, any Senior Lien Resolution, any Subordinate Lien Resolution, TIFIA Loan Agreement or otherwise.

## ARTICLE VI

### DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS, INVESTMENT OF FUNDS AND COVENANT AS TO ARBITRAGE

Section 601. Security for Deposits. Any and all money received by the Authority under the provisions of this Trust Agreement shall be deposited as received with the Trustee or one or more other Depositaries as provided in this Trust Agreement, and all money so deposited with the Trustee shall be trust funds under the terms hereof, and, to the extent permitted by law in the case of the Project Fund, shall not be subject to any lien or attachment by any creditor of the Authority.

All money deposited with the Trustee or any Depositary hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured, for the benefit of the Authority and the Owners and Holders of Bonds and Senior Lien Parity Debt, either (a) by lodging with a bank or trust company chosen by the Trustee or Depositary or, if then permitted by law, by setting aside under control of the trust department of the bank or trust company holding such deposit, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States or applicable State law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Trustee or any Depositary to give security for the deposit of any money with it for the payment of the principal of or the redemption premium or the interest on any Bonds, or for the Trustee or any Depositary to give security for any money that shall be represented by Investment Obligations purchased under the provisions of this Article as an investment of such money.

All money deposited with the Trustee or any Depositary shall be credited to the particular fund, account or subaccount to which such money belongs.

Section 602. Investment of Money. Money held for the credit of all funds, accounts and subaccounts shall be continuously invested and reinvested by the Trustee or the Depositaries, whichever is applicable, in Investment Obligations or held as cash to the extent investment or reinvestment in Investment Obligations is not practicable. Except as hereinafter provided in this Section with respect to the disposition of investment income, the particular investments to be made and other related matters in respect of investments may, as to each Series of Bonds, be provided in the applicable Supplemental Agreement.

Except as hereinafter provided in this Section with respect to the Senior Lien Parity Reserve Account, Subordinate Lien Parity Reserve Account and TIFIA Debt Service Reserve Account, Investment Obligations shall mature or be redeemable at the option of the holder thereof not later than the respective dates when the money held for the credit of such funds, accounts and subaccounts will be required for the purposes intended.

Investment Obligations in the Senior Lien Parity Reserve Account, Subordinate Lien Parity Reserve Account or TIFIA Debt Service Reserve Account shall (a) mature or (b) be redeemable at the option of the holder of such Investment Obligation so that all such Investment Obligations shall have an average life of not more than ten (10) years after the date of such investment.

Notwithstanding the forgoing, no Investment Obligations pertaining to any Series in any fund, account or subaccount shall mature on a date beyond the latest maturity date of the respective Series of Bonds Outstanding at the time such Investment Obligations are deposited. For purposes of this Section, the maturity date of any repurchase agreement shall be deemed to be the stated maturity date of such agreement and not the maturity dates of the underlying obligations.

An Authorized Officer or his designee shall give to the Trustee or any Depositary written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article, and the Trustee or such Depositary shall then invest such money as so directed. The Trustee or any Depositary may request additional direction or authorization from the Authorized Officer or his designee in writing with respect to the proposed investment of money under the provisions of this Trust Agreement. Upon receipt of such directions, the Trustee or any Depositary shall invest, subject to the provisions of this Article, such money in accordance with such directions. If no such directions are given, then any uninvested funds shall be invested by the Trustee in Government Obligations having the shortest maturity available, but in no event exceeding a maturity of thirty (30) days from the date of investment in the case of funds held in the Project Fund, and the date funds are required to be used to pay debt service on Bonds or TIFIA Indebtedness in the case of funds held in the Senior Lien Debt Service Fund, the Subordinate Lien Debt Service Fund or the TIFIA Debt Service Fund. The Trustee or any Depositary shall have no liability for investments made in accordance with this Section.

Investment Obligations acquired with money in or credited to any fund, account or subaccount established under this Trust Agreement shall be deemed at all times to be part of such fund, account or subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such funds, accounts or subaccounts. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations shall be credited to the particular fund, account or subaccount to which such Investment Obligation relates (and, if such account is part of the Trust Estate, shall be subject to the pledge of the Trust Estate in accordance with Section 518) except as follows:

Any investment earnings received on amounts deposited in the Senior Lien Debt Service Fund (including the Senior Lien Parity Reserve Account, to the extent that the amount on deposit in the Senior Lien Parity Reserve Account is equal to the Senior Lien Parity Reserve Account Requirement), shall be transferred to the Interest Account of the Senior Lien Debt Service Fund. Any investment earnings received on amounts deposited in the Subordinate Lien Parity Reserve Account, to the extent that the amount on deposit in the Subordinate Lien Parity Reserve Account is equal to the Subordinate Lien Parity Reserve Account Requirement, shall be transferred to the Revenue Fund. Any investment earnings received on amounts deposited in the

TIFIA Debt Service Reserve Account, to the extent that the amount on deposit in the TIFIA Debt Service Reserve Account is equal to the TIFIA Debt Service Reserve Account Requirement, shall be transferred to the Revenue Fund. Any investment earnings on any Special Reserve Account shall be transferred or deposited in the manner specified in the Supplemental Agreement or Parity Debt Resolution establishing such Special Reserve Account.

Any such interest accruing and any such profit realized shall not be credited or transferred to any other fund, account or subaccount unless there shall be no deficiency in the respective fund, account or subaccount. If there shall be a deficiency in any fund, account or subaccount, any such interest or profit shall remain in such fund, account or subaccount until such deficiency has been made up.

Any such interest accruing and any such profit realized that is required to be transferred to any other fund, account or subaccount shall be transferred upon the receipt thereof by the Depositories or the Trustee, as the case may be, pursuant to the provisions of this Trust Agreement.

The Trustee shall sell or reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary to do so to provide money to make any payment from any such fund, account or subaccount in accordance with the provisions of this Trust Agreement. The Trustee shall not be liable or responsible for any loss resulting from any such action.

Whenever a transfer of money between two or more of the funds, accounts or subaccounts established under this Trust Agreement is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value determined at the time of such transfer in accordance with this Article, provided that the Investment Obligations transferred are those in which money of the receiving fund, account or subaccount could be invested at the date of such transfer.

For purposes of making any investment hereunder, the Trustee or any Depository may consolidate money held by it in any fund, account or subaccount with money in any other fund, account or subaccount. Transfers from any fund, account or subaccount to the credit of any other fund, account or subaccount provided for in this Trust Agreement may be effectuated on the books and records of the Trustee, the Authority or any Depository without any actual transfer of funds or liquidation of investments. Investment Obligations purchased with consolidated funds shall be allocated to each fund, account or subaccount on a pro rata basis in accordance with the initial amount so invested from each such fund, account or subaccount.

Unless otherwise directed by the Authority, Investment Obligations may be purchased by the Trustee or any Depository through its own investment division or other bank facilities established for such purpose.

Section 603. Valuation. For the purpose of determining the amount on deposit in any fund, account or subaccount, Investment Obligations in which money in such fund, account or subaccount is invested shall be valued by the Trustee (a) at face value if such Investment Obligations mature within twelve (12) months from the date of valuation thereof and (b) if such Investment Obligations mature more than twelve (12) months after the date of valuation thereof,



at the price at which such Investment Obligations are redeemable by the holder at its option, if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Investment Obligations minus the amortization of any premium or plus the amortization of any discount thereon and (ii) the market value of such Investment Obligations.

All Investment Obligations in all of the funds, accounts and subaccounts created hereunder, except the Renewal and Replacement Fund, the Operating Reserve Fund, the Operations and Maintenance Expense Fund and the General Reserve Fund, shall be valued as of the last day of each Fiscal Year. When a valuation is made by the Trustee, the Trustee shall report the result of such valuation to the Authority within thirty (30) days after such valuation. In addition, Investment Obligations shall be valued at any time requested by the Authority on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee shall not be required to value Investment Obligations more than once in any calendar month.

Whenever, following a valuation on the last day of each Fiscal Year as described above, the value of the cash and Investment Obligations in the Senior Lien Parity Reserve Account held by the Trustee, plus accrued interest to the date of valuation, is less than 90% of the Senior Lien Parity Reserve Account Requirement, the Trustee shall compute the amount by which the Senior Lien Parity Reserve Account Requirement exceeds the balance in the Senior Lien Parity Reserve Account and shall immediately give the Authority notice of such deficiency and the amount necessary to cure the same in accordance with Section 507.

Whenever the value of the cash and Investment Obligations in the Senior Lien Parity Reserve Account held by the Trustee, plus accrued interest to the date of valuation, is greater than the Senior Lien Parity Reserve Account Requirement, the Trustee shall compute the amount by which the balance in the Senior Lien Parity Reserve Account exceeds the Senior Lien Parity Reserve Account Requirement, and the Authority shall be entitled to transfer such excess to the credit of the Interest Account of the Senior Lien Debt Service Fund or to pay interest on Senior Lien Bonds or Senior Lien Parity Debt secured by the Senior Lien Parity Reserve Account in the manner directed by the Authority in an Officer's Certificate filed with the Trustee; provided, however, that nothing herein shall require the Authority to liquidate or sell any Investment Obligation held in the Senior Lien Parity Reserve Account for purposes of making such transfer.

Whenever the value of the cash and Investment Obligations in the Subordinate Lien Parity Reserve Account held by the Trustee, plus accrued interest to the date of valuation, is greater than the Subordinate Lien Parity Reserve Account Requirement, the Trustee shall compute the amount by which the balance in the Subordinate Lien Parity Reserve Account exceeds the Subordinate Lien Parity Reserve Account Requirement, and the Authority shall be entitled to transfer such excess to the credit of the Interest Account of the Subordinate Lien Debt Service Fund or to pay interest on Subordinate Lien Bonds or Subordinate Lien Parity Debt secured by the Subordinate Lien Parity Reserve Account in the manner directed by the Authority in an Officer's Certificate filed with the Trustee; provided, however, that nothing herein shall require the Authority to liquidate or sell any Investment Obligation held in the Subordinate Lien Parity Reserve Account for purposes of making such transfer.

Section 604. Covenant as to Arbitrage. The Authority covenants that so long as any of the Bonds remain Outstanding, money on deposit in any fund, account or subaccount maintained in connection with the Bonds, regardless of whether such money was derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner that would cause any of the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable regulations promulgated from time to time thereunder, except for moneys on deposit in such funds, accounts or subaccounts with respect to any Series of Bonds not intended to be tax-exempt under the provisions of the Code. The Authority further covenants and agrees to comply with the requirements of Section 148 of the Code and applicable regulations promulgated from time to time thereunder with respect to any Series of Bonds intended to be tax-exempt under the provisions of the Code.

## ARTICLE VII

### GENERAL COVENANTS AND REPRESENTATIONS

Section 701. Payment of Principal, Interest, Premium and Other Amounts. The Authority shall cause to be paid, when due, the principal of (whether at maturity, by redemption or otherwise) and the premium, if any, and interest on the Bonds, Parity Debt and TIFIA Indebtedness and the Derivative Agreement Regularly Scheduled Payments at the places, on the dates and in the manner provided herein and in the Bonds, Parity Debt and TIFIA Indebtedness and the documentation authorizing and securing such Bonds, Parity Debt and TIFIA Indebtedness and in any Derivative Agreement, according to the true intent and meaning thereof.

The Bonds, Parity Debt and TIFIA Indebtedness are special obligations of the Authority payable solely from the Receipts, the Authority's right to receive the same, and money, Investment Obligations and Reserve Alternative Instruments held in the applicable funds, accounts and subaccounts created hereunder for each such Series of Bonds and the income from Investment Obligations in such funds, accounts and subaccounts. The Bonds, Parity Debt and TIFIA Indebtedness shall be secured as provided in Section 517. The Bonds, Parity Debt and TIFIA Indebtedness shall not be deemed to a debt, liability or obligation of the State or of any other public body in the State secured by a pledge of the faith and credit of the State or of any other public body in the State, respectively, but shall be payable solely from the Receipts and other income or assets pledged under this Trust Agreement. The Authority shall not be obligated to pay the principal of, premium, if any, or interest on the Bonds, Parity Debt and TIFIA Indebtedness except from the Receipts and other income or assets pledged under this Trust Agreement, and neither the faith and credit nor the taxing power of the State or of any other public body in the State, including the Authority, is pledged for the payment of the principal of, premium, if any, or interest on the Bonds, Parity Debt and TIFIA Indebtedness. The Authority has no taxing power.

Section 702. Acquisition, Construction and Equipping of the Initial Project and Additional Projects. The Authority shall acquire, construct and equip the Initial Project and any Additional Project for which Bonds, Parity Debt or TIFIA Indebtedness are issued or for which money repayable from the proceeds of Bonds, Parity Debt or TIFIA Indebtedness are advanced by the Authority for such purpose. The Authority covenants to acquire, construct, equip and complete the Initial Project and any Additional Project in conformity with applicable law and all other requirements of all governmental authorities having jurisdiction thereover, and that the Authority will complete the acquisition, construction and equipping of the Initial Project and any Additional Project with all expedition practicable.

The Authority shall require each person, firm or corporation with whom it may contract for such construction to (a) furnish a payment and performance bond in the full amount of any contract or (b) deposit with an Authorized Officer marketable securities that are eligible as security for the deposit of trust funds as provided in Section 601 in the full amount of any contract. The proceeds of any such payment or performance bond or securities shall be deposited in the applicable account or subaccount of the Project Fund and applied toward the completion of the Initial Project or Additional Project in connection with which such payment or

performance bond or securities are furnished. The Authority shall diligently exercise its rights for the enforcement of any such payment and performance bond.

Section 703. Maintenance of Existence; Operation of the Triangle Expressway System.

(a) The Authority shall take all actions within its power to maintain its existence as a body corporate and politic and public instrumentality under the laws of the State.

(b) The Authority shall establish and enforce reasonable rules and regulations governing the operation and use of the Triangle Expressway System, operate the Triangle Expressway System in an efficient and economical manner, maintain the properties constituting the Triangle Expressway System in good repair and in sound operating condition for so long as the same are necessary for the operation of the Triangle Expressway System, and comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body that are applicable to the Triangle Expressway System. The Authority's obligation to maintain and operate the Triangle Expressway System is an obligation only upon Receipts, and no Owner or Holder of Indebtedness has the right to compel the exercise of the taxing power by the State or any other public body in the State, including the Authority, or the forfeiture of any of their respective property in connection with any such obligation except as herein provided. The Authority also covenants to take all action reasonably necessary to enforce the Authority's rights to receive Operating Advances from NCDOT pursuant to the O&M Guaranty Agreement and advances from NCDOT under the Construction and Renewal and Replacement Agreement.

(c) The Authority covenants that it will serve as the exclusive procuring agent for the acquisition, installation, operation and maintenance of all property, plant and equipment designed to calculate the tolls to be charged to users of the Initial Project and any Additional Project and that it will institute such administrative procedures and enter into such agreements with third party service providers as shall be necessary to assure that the tolls so charged are collected to the extent reasonably practicable. Notwithstanding the foregoing, in selecting the toll identification and collection technology to be utilized, the equipment and service vendors to utilize, the technology hardware and software to be utilized, including all processes used for revenue collection, the Authority may take into consideration such factors as the Authority shall determine to be necessary, such as compatibility of the systems used for the Initial Project and Additional Projects with the systems used elsewhere by the Authority and other toll road operators, emerging technologies and the adaptability of the systems utilized to emerging technologies, customer costs associated with the systems selected, the accuracy of the systems selected in computing and assessing tolls and such other factors and the Authority shall determine relevant.

Section 704. Rate Covenant. (a) The Authority covenants to fix, charge and collect tolls, fees, rentals and other charges for the use of and for services furnished or to be furnished by the Triangle Expressway System, and that from time to time and as often as it shall appear necessary, to revise such tolls, fees, rentals and other charges as may be necessary or appropriate, in order that for each Fiscal Year, beginning with the first full Fiscal Year in which the Initial Project is in operation, the Revenues in such Fiscal Year will not be less than 130% of the Long-Term Debt Service Requirement for Senior Lien Indebtedness only for such Fiscal Year.

(b) The Authority covenants to fix, charge and collect tolls, fees, rentals and other charges for the use of and for services furnished or to be furnished by the Triangle Expressway System, and that from time to time and as often as it shall appear necessary, to revise such tolls, fees, rentals and other charges as may be necessary or appropriate, in order that for each Fiscal Year, beginning with the first full Fiscal Year in which the Initial Project is in operation, the Revenues in such Fiscal Year will not be less than 110% of (x) the Long-Term Debt Service Requirement for Senior Lien Indebtedness, Subordinate Lien Indebtedness and TIFIA Indebtedness for such Fiscal Year and (y) the deposits to be made to the Senior Lien Parity Reserve Account and Subordinate Lien Parity Reserve Account and the TIFIA Debt Service Reserve Account for such Fiscal Year.

(c) The Authority covenants to fix, charge and collect tolls, fees, rentals and other charges for the use of and for services furnished or to be furnished by the Triangle Expressway System, and that from time to time and as often as it shall appear necessary, to revise such tolls, fees, rentals and other charges as may be necessary or appropriate, in order that for each Fiscal Year, beginning with the first full Fiscal Year in which the Initial Project is in operation, the Loan Life Coverage Ratio will be not less than 130%.

(d) In addition to the covenants set forth in subsections (a), (b) and (c) of this Section, the Authority also covenants to fix, charge and collect tolls, fees, rentals and other charges for the use of and for services furnished or to be furnished by the Triangle Expressway System, and that from time to time and as often as it shall appear necessary, to revise such tolls, fees, rentals and other charges as may be necessary or appropriate, in order that the Receipts will be sufficient in each Fiscal Year to make all of the deposits required by Section 503(a) through (h), inclusive.

(e) The Authority covenants that all users will pay for use of and services furnished by the Triangle Expressway System at the tolls, rates, fees and charges established by the Authority from time to time in accordance with the Authority's customary tolling and billing practices and policies.

(f) If the Authority fails to comply with the covenants set forth in subsections (a), (b), (c) and (d) above, it shall, within thirty (30) days of the receipt by the Authority of the audit report required by Section 706, request a Traffic Consultant to make its recommendations, if any, as to a revision of the Authority's tolls, fees, rentals and charges, its Operating Expenses or the method of operation of the Triangle Expressway System in order to satisfy the foregoing requirements of this Section. Copies of such request and of the recommendations of the Traffic Consultant, if any, shall be filed by the Authority with the Trustee. Promptly upon its receipt of the recommendations of the Traffic Consultant, the Authority shall, after giving due consideration to the recommendations, revise its tolls, fees, rentals and charges or its Operating Expenses or alter its methods of operation, which revisions or alterations need not comply with the Traffic Consultant's recommendations but which are projected by the Authority to result in compliance with the covenants set forth in subsections (a), (b), (c) and (d) of this Section. The Authority and the Traffic Consultant shall advise the Trustee of the actions taken by the Authority with respect to the recommendations of the Traffic Consultant. If the Authority shall comply with all of the recommendations of the Traffic Consultant, failure to comply with the provisions of subsections (a), (b), (c) and (d) above shall not constitute an Event of Default under the provisions of clause (g) of Section 802. Compliance with all of the recommendations of the

Traffic Consultant shall have no effect on any Event of Default other than an Event of Default under the provisions of clause (g) of Section 802. In the event of any failure to comply with the provisions of subsections (a), (b), (c) and (d) above and the failure of the Authority to comply with all of the recommendations of the Traffic Consultant, and in addition to the remedies elsewhere provided in this Trust Agreement, the Trustee or the Owners or Holders of not less than 25% in aggregate principal amount of the Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness then Outstanding may, and the Trustee shall, upon the request of the Owners or Holders of not less than 25% in aggregate principal amount of the Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness then Outstanding and upon being indemnified to its satisfaction, institute and prosecute in a court of competent jurisdiction an appropriate action to compel the Authority to comply with all of the recommendations of the Traffic Consultant in order to satisfy the foregoing requirements of this Section. The Authority covenants that it will adopt and charge tolls, fees, rentals and charges and revise its Operating Expenses or the method of operation of the Triangle Expressway System in compliance with any final order, decree or judgment entered in any such proceeding or modification thereof.

(g) Subject to the provisions of Section 714, the Authority may enter into contracts or agreements or amend or rescind existing contracts or agreements for the use of the Triangle Expressway System on such terms and for such periods of time as the Authority shall determine to be proper.

(h) The Authority also covenants to fix and charge tolls, fees, rentals and charges for each component of the Triangle Expressway System which tolls, fees, rentals and charges shall be reasonable and non-discriminatory.

(i) Nothing contained in this Section shall obligate the Authority to take any action in violation of any applicable requirements imposed by law.

Section 705. Budgets and Covenant as to Operating Expenses. The Authority shall adopt an Annual Budget for the Triangle Expressway System for each Fiscal Year. To the extent possible, the Authority shall prepare its Annual Budget so that it will be possible to determine from such Annual Budget (a) the amount of State Appropriated Revenues budgeted for deposit in the Revenue Fund during such Fiscal Year, (b) the amount of Receipts budgeted for deposit in the Revenue Fund during such year, (c) the amounts to be deposited or paid under Section 503, including the Operating Expenses, (d) the amount of Operating Expenses budgeted to be paid from NCDOT pursuant to the O&M Guaranty Agreement, (e) the amount of any deposits to be made to the Renewal and Replacement Fund from Receipts and (f) the amount of any deposits to be made to the Renewal and Replacement Fund pursuant to the Construction and Renewal and Replacement Agreement. In preparing its Annual Budget, the Authority shall give due consideration to the provisions of Section 704.

The Authority shall also adopt a Capital Improvements Budget for the Triangle Expressway System for each Fiscal Year which will show, in addition to such other matters as the Authority may determine to include, (a) the amounts, if any, to be expended during such Fiscal Year from moneys, if any, deposited to the credit of the Project Fund, the Renewal and Replacement Fund or the General Reserve Fund, together with a statement of the purposes for

which such amounts are to be expended in each case and (b) the amount estimated by the Authority to be necessary for the renovation, extension, improvement, enlargement, renewal or replacement of the Triangle Expressway System, whether the same are to be commenced, continued or completed during such Fiscal Year or thereafter. The Capital Improvements Budget may be part of the Annual Budget. The Authority shall file copies of any Capital Improvements Budget and its Annual Budget promptly upon availability with the Trustee and together with such budgets the Authority shall provide the Trustee with calculations for any required deposits pursuant to Section 503(i), (j) and (k).

In connection with the preparation of the Annual Budget, the Authority shall determine (based on recommendations of a Traffic Consultant) whether the percentage specified in Section 503(g) is sufficient to ensure payment in full of all of the principal and interest on the Outstanding TIFIA Indebtedness prior to its final stated maturity date. If such percentage is determined to be insufficient for such purpose, the Authority shall increase such percentage in an amount determined by the Authority (based on such recommendations of the Traffic Consultant) to be necessary to ensure payment in full of all of the principal and interest on the Outstanding TIFIA Indebtedness prior to its final stated maturity date. Such percentage may be adjusted annually by the Authority (based on recommendations by a Traffic Consultant); provided, however, that such percentage shall not be reduced below 45%.

Section 706. Records, Accounts and Audits. The Authority shall keep the funds, accounts, subaccounts, money and investments of the Triangle Expressway System separate from all other funds, accounts, money and investments, if any, of the Authority and shall keep accurate records and accounts of all items of costs and of all expenditures relating to the Triangle Expressway System and of the revenues collected and the application of such revenues. Such records and accounts shall be open to the inspection of the Trustee.

The Authority shall cause its accountant, which may be the State Auditor, to prepare and deliver to the Authority within 180 days after the close of each Fiscal Year an audit of the Authority's books and accounts relating to the Triangle Expressway System. Reports of each such audit shall be filed with the Trustee, the Local Government Commission and the USDOT, and copies of each such report shall be mailed by the Authority to any person requesting the same in writing and shall be made available for inspection at the office of the Chief Financial Officer. Each such audit report shall be accompanied by an opinion of the accountant stating that the examination of the financial statements was conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly the financial position of the Triangle Expressway System and the results of its operations and a statement of cash flows for the period covered by such audit report in conformity with generally accepted accounting principles applied on a consistent basis.

If for any reason beyond its control, the Authority is unable to obtain the foregoing opinion as to compliance with generally accepted accounting principles, the Authority shall be deemed to be in compliance with this Section if it is taking all reasonable and feasible action to obtain such opinion in subsequent Fiscal Years, and if, in lieu of a statement as to compliance and conformity, such opinion states the reasons for such noncompliance or non-conformity.

Each audit report shall contain data setting forth in respect of said Fiscal Year a calculation to determine compliance with Section 704.

There shall also be filed with the Trustee within sixty (60) days after the end of each Fiscal Year an Officer's Certificate stating to the best of such person's knowledge, (i) whether there existed at the end of the Fiscal Year, any violation of any covenants or agreements herein contained and (ii) whether at any time during the Fiscal Year, any Default occurred, and if so, the nature of such Default.

There shall also be filed with the Trustee a copy of each financial plan prepared by the Authority and delivered to the USDOT pursuant to Section 21 of the TIFIA Loan Agreement, including the information setting forth the Base Case Projections.

Section 707. Insurance. (a) The Authority covenants that it will maintain or cause to be maintained a practical insurance program, with reasonable terms, conditions, provisions and costs, which the Authority determines (i) will afford adequate protection against loss caused by damage to or destruction of the Triangle Expressway System or any part thereof and (ii) will provide the Authority reasonable protection from liability for bodily injury and property damage resulting from the construction or operation of the Triangle Expressway System. Furthermore, the Authority covenants that it will maintain use and occupancy insurance covering loss of Receipts by reason of necessary interruption, total or partial, in the use of the facilities of the Triangle Expressway System, due to loss or damage to any such facility in such amount as an Insurance Consultant determines will provide income during a period of interruption of not less than six months and computed on the basis of Revenues for the preceding Fiscal Year (or the estimated Revenues for the current Fiscal Year as estimated by the Insurance Consultant if the Triangle Expressway System was not in operation during the preceding Fiscal Year.

All insurance policies shall be carried by a responsible insurance company or companies, whose claims paying ability is rated at least "A" by S&P, authorized and qualified to assume the risks thereof, or by the North Carolina Department of Insurance. The Authority may also participate in self-insurance programs (except with respect to use and occupancy insurance) so long as the types and levels of such self-insurance programs are determined in writing by an Insurance Consultant to be adequate coverage for the Authority.

(b) Any insurance coverage pursuant to this Section may be subject to such deductible limitations as the Authority shall deem appropriate, or may be pursuant to a program whereby the Authority self-insures against certain losses up to a stated loss amount, and retains excess coverage from an insurer meeting the requirements of this Section.

(c) All such policies shall be for the benefit of the Authority, shall be made payable to the Authority and shall remain with the Authority, and the Authority shall have the sole right to receive the proceeds of such insurance and to collect and receipt for claims thereunder. Net Insurance Proceeds shall be applied as provided in Section 709.

(d) Within sixty (60) days of the end of each Fiscal Year, an Authorized Officer shall file with the Trustee a report listing the policies of insurance, State insurance programs or self-insurance programs currently in force, the names of any companies issuing such insurance, the



amounts and expiration date or dates of such insurance, the risks covered thereby, that such insurance complies with the provisions of this Section, whether an Insurance Consultant was employed during such Fiscal Year and a copy of all such reports filed by the Insurance Consultant. Any such report may be relied upon by the Trustee as conclusive.

(e) Notwithstanding any of the foregoing provisions of this Section, the Authority shall not be required to amend or otherwise change any of the insurance provisions of its contracts, leases and other agreements in effect on the date of the issuance of the Series 2009 Bonds for the purpose of complying with the provisions of this Section and, with respect to any contract, lease or other agreement entered into by the Authority after the date of the issuance of the Series 2009 Bonds, the Authority may provide for policies which are payable to the parties of such contract, lease or other agreement as their interests may appear and may provide that the proceeds be applied in such manner as the Authority, in its opinion, believes to be in the best interest of the Authority. The Authority may require evidence of the existence of such policies and notice of cancellation in lieu of the possession of such policies.

Section 708. Notice of Taking; Cooperation of Parties. If any public authority or entity attempts to take all or any part of the Triangle Expressway System through Eminent Domain proceedings, the Authority shall take prompt and appropriate measures to protect and enforce its rights and interests and those of the Trustee and the Owners and Holders of Bonds, Parity Debt and TIFIA Indebtedness and in connection with such proceedings. Upon receiving notice of the institution of Eminent Domain proceedings by any public instrumentality, body, agency or officer, the Authority shall deliver written notice thereof to the Trustee.

The Net Eminent Domain Proceeds shall be applied in accordance with the provisions of Section 709.

Section 709. Insurance and Eminent Domain Proceeds. (a) If, as a result of any casualty occurring to any part of the Triangle Expressway System or as a result of any taking by Eminent Domain of any part of the Triangle Expressway System, the revenue-producing capabilities of the Triangle Expressway System will, in the opinion of an Authorized Officer of the Authority, be materially impaired for a period in excess of one hundred twenty (120) consecutive days, all Net Insurance Proceeds received by the Authority and all Net Eminent Domain Proceeds received by the Authority, as the case may be, shall be delivered to the Trustee for deposit in the Insurance and Condemnation Award Fund and shall be applied, to the extent permitted by law, at the election of the Authority:

(1) to replace, repair, rebuild or restore the Triangle Expressway System to substantially the same condition as that which existed prior to such damage, destruction or taking, with such alterations and additions as the Authority may determine and as will not impair or otherwise adversely affect the revenue-producing capability of the Triangle Expressway System, provided that prior to the commencement of such replacement, repair, rebuilding or restoration, the Authority shall deliver to the Trustee a report of a licensed architect or engineer employed by the Authority setting forth (A) an estimate of the total cost of the same, (B) the estimated date upon which such replacement, repair, rebuilding or restoration will be substantially completed, and (C) a statement to the effect that Net Insurance Proceeds or Net Eminent Domain Proceeds, as the case may be,

together with other funds made available or to be made available by the Authority, are projected to be sufficient to pay the costs of the replacement, repair, rebuilding or restoration of the Triangle Expressway System; or

(2) first, to the redemption or prepayment of Senior Lien Indebtedness, if any, pro rata to the extent practicable in the manner provided in the Senior Lien Resolutions; second, to the redemption or prepayment of Subordinate Lien Indebtedness, if any, pro rata to the extent practicable in the manner provided in the Subordinate Lien Resolutions; and third, to the redemption or prepayment of TIFIA Indebtedness, if any, pro rata to the extent practicable in the manner provided in the TIFIA Loan Agreement; provided, however, that that Senior Lien Indebtedness, Subordinate Lien Indebtedness and TIFIA Indebtedness may be redeemed or prepaid only if (A) the Triangle Expressway System have not been restored to substantially the same condition as prior to such damage, destruction or taking or (B) the licensed architect or engineer employed by the Authority has been unable to make the statement required by subsection (a)(1)(C) of this Section; or

(3) to transfer to any fund or account designated by the Authority if the Triangle Expressway System, as evidenced by a report of a licensed architect or engineer employed by the Authority, have been restored to substantially the same condition as prior to such damage, destruction or taking with other funds of the Authority or made available to the Authority which were not subject to the lien in favor of the Owners and Holders of Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness..

(b) All Net Insurance Proceeds and all Net Eminent Domain Proceeds which the Authority is not required to pay to the Trustee pursuant to the foregoing provisions of this Section shall be applied in such manner as the Authority believes to be in the best interests of the Authority.

If the Authority elects to apply Net Insurance Proceeds or Net Eminent Domain Proceeds, or cause them to be applied, to replace, repair, rebuild, or restore the Triangle Expressway System, as provided in subsection (a)(1) above, the Authority shall cause the Trustee to make disbursements from the Insurance and Condemnation Award Fund, to the extent practicable, in accordance with the procedures and requirements set forth in Section 404 for requisitions from the Project Fund. However, to the extent such Net Insurance Proceeds or Net Eminent Domain Proceeds exceed the cost of such replacement, repair, rebuilding or restoration, the same shall be transferred to any fund or account designated by the Authority.

If the Authority elects to redeem Bonds, the Authority shall direct the Trustee to redeem Bonds in accordance with Article III of this Trust Agreement and the Supplemental Agreement for any such Bonds and to transfer from the Insurance and Condemnation Award Fund to the applicable subaccounts of the Redemption Account an amount sufficient to pay the Redemption Price of the Bonds to be redeemed and to the applicable subaccounts of the respective Interest Accounts an amount that, together with amounts then on deposit therein, is sufficient to pay interest accruing on the Bonds to be redeemed to the date fixed for redemption. If the Authority elects to redeem or prepay Parity Debt or TIFIA Indebtedness, the Authority shall follow the

requirements for such redemption or prepayment as set forth in the applicable Parity Debt Resolution or TIFIA Loan Agreement for such Parity Debt or TIFIA Indebtedness.

Section 710. Compliance with Applicable Law. So long as any Bond, Parity Debt or TIFIA Indebtedness is Outstanding, the Authority shall comply or cause there to be compliance with all applicable laws, orders, rules, regulations and requirements of any municipal or other governmental authority relating to the construction, use and operation of the Triangle Expressway System. Nothing contained in this Section shall prevent the Authority from contesting in good faith the applicability or validity of any law, ordinance, order, rules regulation, or requirement so long as its failure to comply with the same during the period of such contest will not materially impair the operation or revenue-producing capability of the Triangle Expressway System.

Section 711. Payment of Charges and Covenant Against Encumbrances. Except as otherwise provided in this Trust Agreement, the Authority shall not create or suffer to be created any lien or charge upon the Triangle Expressway System or any part thereof, or on the Receipts, except for Permitted Encumbrances. The Authority shall discharge or cause to be discharged, or shall make adequate provision to satisfy and discharge, within sixty (60) days after the same become due and payable, all lawful costs, expenses, liabilities and charges relating to the maintenance, repair, replacement or improvement of the properties constituting the Triangle Expressway System and the operation of the Triangle Expressway System and lawful claims and demands for labor, materials, supplies or other objects that might by law become a lien upon the Triangle Expressway System or Receipts if unpaid. Nothing contained in this Section shall require the Authority to pay or cause to be discharged, or make provision for the payment, satisfaction and discharge of, any lien, charge, cost, liability, claim or demand so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 712. Covenant Against Sale or Disposition and Exceptions Thereto. The Authority covenants that, except as permitted in this Section or Section 714, it will not sell, exchange or otherwise dispose of the Triangle Expressway System or any part thereof.

The Authority may from time to time sell, exchange or otherwise dispose of any equipment, motor vehicles, machinery, fixtures, apparatus, tools, instruments or other movable property if it determines that such articles are no longer needed or are no longer useful in connection with the Triangle Expressway System, and the proceeds thereof may be used for any lawful purpose determined by the Authority.

The Authority may from time to time sell, exchange or otherwise dispose of (but not lease, contract or agree for the use thereof except as permitted under Section 714) any other property of the Triangle Expressway System if it determines by resolution:

(a) that the sale, exchange or other disposition thereof would not materially adversely affect the operating efficiency of the Triangle Expressway System and would not materially reduce Receipts; or

(b) that the sale, exchange or other disposition thereof would not materially adversely affect the ability of the Authority to comply with the rate covenant set forth in Section 704 for the current and next succeeding Fiscal Year.

If the fair market value of any item of real or personal property to be sold, exchanged or otherwise disposed of in any Fiscal Year in accordance with the provisions of this Section shall be in excess of 3% of net property, plant and equipment of the Triangle Expressway System calculated in accordance with generally accepted accounting principles, or if the fair market value of any such item together with the fair market value of all other such items so disposed of in such Fiscal Year shall aggregate in excess of 3% of net property, plant and equipment of the Triangle Expressway System calculated in accordance with generally accepted accounting principles, then no such disposal shall be effected without first obtaining the written approval of a Traffic Consultant of the determinations to be made by the Authority with respect to such disposition under the provisions of this Section.

Section 713. Additional Projects; Additions to the Triangle Expressway System. All buildings, structures and items of personal property that are constructed, placed or installed in or upon the properties constituting the Triangle Expressway System as an addition or improvement to, as a substitute for, or in renewal, replacement or alteration of, any buildings, structures, and personal property constituting part of the Triangle Expressway System, and all real property acquired as an addition to, in replacement of, or as a substitute for real property constituting a part of the Triangle Expressway System shall thereupon become part of the Triangle Expressway System.

Section 714. Contracts, Leases and Other Agreements. The Authority may lease, as lessor, all or any part of the Triangle Expressway System, or contract or agree for the performance by others, of operations or services on or in connection with the Triangle Expressway System or any part thereof, for any lawful purpose, provided, that:

(a) the Authority shall remain fully obligated and responsible under this Trust Agreement to the same extent as if such lease, contract or agreement, or any amendment or rescission thereof, had not been executed, and

(b) the obligation of the Authority under such lease, contract or agreement shall not impair the performance of the Authority's obligations under this Trust Agreement.

Section 715. Financing of Non-System Projects, Addition of Non-System Projects to the Triangle Expressway System. Nothing in this Trust Agreement expressed or implied shall be construed as prohibiting the Authority, if then authorized or permitted by law, from financing the acquisition or construction of any Non-System Project in accordance with the provisions of this Section.

No Non-System Projects shall be financed by the Authority unless there shall be filed with the Authority and the Trustee:

(a) an opinion of counsel to the Authority to the effect that the Non-System Project or the indebtedness or other obligations incurred to finance such Non-System Project are not, directly or indirectly, secured by or payable from Receipts or issued under or secured by the provisions

of this Trust Agreement and that the financing of the Non-System Project will not materially conflict with or constitute on the part of the Authority a breach of or default under any of the covenants or provisions of this Trust Agreement,

(b) a statement, signed by a Traffic Consultant, to the effect that in its opinion the acquisition or construction of such Non-System Project will not materially adversely affect the Receipts or Revenues or impair the operating efficiency of the Triangle Expressway System, and

(c) a statement, signed by a Traffic Consultant, to the effect that in its opinion the estimated gross revenues to be received from the operation of the Non-System Project will be sufficient to pay the estimated operating and maintenance expenses of such Non-System Project, any debt service or reserve requirements with respect thereto and any other necessary related costs and expenses.

If Non-System Projects are financed by the Authority, the Authority shall put in place necessary measures in order to account for, and keep separate and apart from Receipts and Operating Expenses, the gross revenues received from the operation of such Non-System Projects, as well as the operating and maintenance expenses of such Non-System Projects, any debt service or reserve requirements with respect thereto and any other necessary related costs and expenses.

Upon compliance with the following conditions, the Authority may determine that a Non-System Project shall be redesignated as an Additional Project within the meaning of this Trust Agreement upon which such Non-System Project shall become a part of the Triangle Expressway System:

(i) the Authority Board shall adopt a resolution redesignating such Non-System Project as an Additional Project and a part of the Triangle Expressway System;

(ii) there shall be filed with the Trustee a certificate or report of a Traffic Consultant stating that for the last succeeding Fiscal Year for which audited financial statements are available, the revenues received by the Authority with respect to such Non-System Project (to the extent that such revenues would have constituted Revenues if such Non-System Project were part of the Triangle Expressway System) equaled or exceeded for such period the sum of (A) the operating expenses paid by the Authority with respect to such Non-System Project (to the extent that such operating expenses would have constituted Current Expenses if such Non-System Project were part of the Triangle Expressway System), (B) any additional Current Expenses that would have been incurred by the Authority if such Non-System Project had been a part of the Triangle Expressway System (as estimated by the Traffic Consultant) and (C) a reasonable renewal and replacement reserve deposit with respect to such Non-System Project, as determined by such Traffic Consultant; and

(iii) an Officer's Certificate stating that any outstanding indebtedness relating to such Non-System Project has been duly paid or defeased; provided, however, that the Authority may incur Senior Lien Indebtedness or Subordinate Lien Indebtedness for the purpose of refinancing

any outstanding indebtedness incurred to finance a Non-System Project upon compliance with the provisions of Section 716 or Section 717, as applicable.

Section 716. Limitation on Senior Lien Indebtedness. Subject to the conditions hereinafter provided, the Authority shall have the right to incur Senior Lien Indebtedness, subsequent to the issuance of the Series 2009 Bonds and the TIFIA Series 2009 Bond, for any purpose for which Bonds may be issued under Section 208, as provided in this Section.

(a) Long-Term Indebtedness constituting Senior Lien Indebtedness may be incurred if prior to incurrence there is delivered to the Trustee:

(i) an Officer's Certificate certifying that the Authority was in compliance with the covenants set forth in Section 704(a), (b), (c) and (d) for the most recent Fiscal Year for which audited financial statements are available;

(ii) a report of a Traffic Consultant stating that for each Fiscal Year next succeeding the date on which such Long-Term Indebtedness is incurred through the final maturity date of any Long-Term Indebtedness, the forecasted Revenues in each such Fiscal Year is at least 140% of the Long-Term Debt Service Requirement with respect to all Outstanding Long-Term Indebtedness constituting Senior Lien Indebtedness (excluding any Long-Term Indebtedness constituting Senior Lien Indebtedness to be refunded by the Long-Term Indebtedness to be incurred) and the Long-Term Indebtedness proposed to be incurred;

(iii) a report of a Traffic Consultant stating that (x) for each Fiscal Year next succeeding the date on which such Long-Term Indebtedness is incurred through the final maturity date of any Long-Term Indebtedness, the forecasted Revenues is at least 130% of the sum of (1) the Long-Term Debt Service Requirement with respect to all Outstanding Senior Lien Indebtedness, Subordinate Lien Indebtedness and TIFIA Indebtedness (excluding any Long-Term Indebtedness to be refunded by the Long-Term Indebtedness to be incurred) and the Long-Term Indebtedness to be incurred and (2) the amounts to be deposited in such Fiscal Year to the Senior Lien Parity Reserve Account, the Subordinate Lien Parity Reserve Account and the TIFIA Debt Service Reserve Account, and (y) the Loan Life Coverage Ratio is at least 130%;

(iv) a report of a Traffic Consultant showing that (1) for each Fiscal Year next succeeding the date on which such Long-Term Indebtedness is incurred through the final maturity date of any Long-Term Indebtedness, the forecasted Receipts in each Fiscal Year will be sufficient to make all of the deposits in each such Fiscal Year required by clauses (a) through (h) of Section 503 and (2) that all Outstanding TIFIA Indebtedness will be fully retired by its final maturity date; and

(v) evidence that such Senior Lien Indebtedness will be rated at an investment grade rating by Fitch, Moody's or S&P.

(b) Completion Indebtedness constituting Senior Lien Indebtedness may be incurred in an amount not exceeding 5% of the aggregate principal amount of the Long-Term Indebtedness constituting Senior Lien Indebtedness originally incurred by the Authority to finance the costs of

the Initial Project or any Additional Project; provided, however, that prior to the incurrence of such Completion Indebtedness, the Authority shall furnish to the Trustee (i) a certificate of a licensed architect or engineer estimating the costs of completing the facilities for which such Completion Indebtedness is to be incurred and (ii) an Officer's Certificate certifying that the amount of such Completion Indebtedness to be incurred will be sufficient, together with other funds, if applicable, to complete construction of the facilities as estimated by the architect or engineer in respect of which such Completion Indebtedness is to be incurred and (iii) evidence that such Senior Lien Indebtedness will be rated at an investment grade rating by such credit rating agency.

(c) Long-Term Indebtedness constituting Senior Lien Indebtedness may be incurred for the purpose of refunding all or any part of any Outstanding Long-Term Indebtedness constituting Senior Lien Indebtedness so as to render it no longer Outstanding if prior to incurrence thereof, an Officer's Certificate is delivered to the Trustee (i) stating that the proceeds of such Long-Term Indebtedness, together with interest earnings on the Defeasance Obligations to be acquired and other available funds, will be sufficient to pay the principal of and interest and any premium on the Long-Term Indebtedness to be refunded to the redemption or maturity date or dates and the expenses incident to the refunding, and (ii) stating that either (A) the Long-Term Debt Service Requirement for any Fiscal Year thereafter on account of all Long-Term Indebtedness constituting Senior Lien Indebtedness to be Outstanding after the incurrence of such Long-Term Indebtedness to accomplish the refunding and after the refunding of such Long-Term Indebtedness will not be greater than (1) for Fiscal Years ending prior to the maturity of all TIFIA Indebtedness, the Long-Term Debt Service Requirement on account of all Long-Term Indebtedness constituting Senior Lien Indebtedness Outstanding immediately prior to the incurrence of such Long-Term Indebtedness to accomplish such refunding, including the Long-Term Indebtedness to be refunded and (2) for Fiscal Years ending after the maturity of all TIFIA Indebtedness, 110% of the Long-Term Debt Service Requirement on account of all Long-Term Indebtedness constituting Senior Lien Indebtedness Outstanding immediately prior to the incurrence of such Long-Term Indebtedness to accomplish such refunding, including the Long-Term Indebtedness to be refunded, provided that there is no limit for Fiscal Years beginning after the final maturity date of all Long-Term Indebtedness Outstanding prior to the proposed refunding or (B) the incurrence of such Long-Term Indebtedness to accomplish the refunding will satisfy the requirements of subsection (a) of this Section and (iii) evidence that such Senior Lien Indebtedness will be rated at an investment grade rating by at least one nationally recognized securities credit rating agency.

(d) Short-Term Indebtedness constituting Senior Lien Indebtedness may be incurred if, (i) immediately after the incurrence of such Short-Term Indebtedness, the Outstanding principal amount of all Short-Term Indebtedness constituting Senior Lien Indebtedness does not exceed \$5,000,000; provided, however, that for a period of twenty (20) consecutive calendar days in each Fiscal Year, no such Short-Term Indebtedness shall be Outstanding, (ii) the proceeds of the Short-Term Indebtedness are to be used to pay Operating Expenses, (iii) the Authority is then current in the payment of all debt service then due with respect to all TIFIA Indebtedness and (iv) evidence that such Senior Lien Indebtedness will be rated at an investment grade rating by Fitch, Moody's or S&P nationally recognized securities credit rating agency.

(e) Put Indebtedness constituting Senior Lien Indebtedness may be incurred if prior to the incurrence of such Put Indebtedness (i) the conditions described in subsections (a), (b) or (c) of this Section are met and (ii) a Credit Facility exists to provide financing sufficient to pay the purchase price or principal of such Put Indebtedness on any date on which the Owner or Holder of such Put Indebtedness may demand payment thereof pursuant to the terms of such Put Indebtedness.

Whenever subsection (a) requires a certification for the most recent Fiscal Year preceding the date of incurrence of the Senior Lien Indebtedness in question for which audited financial statements are available, the Authority may, in its discretion, provide a certificate, opinion or report of an independent accountant, in lieu of the audit for such Fiscal Year, on financial statements covering twelve (12) consecutive calendar months of the eighteen (18) full consecutive calendar months preceding the date of incurrence of the Senior Lien Indebtedness in question.

The Authority may enter into Derivative Agreements with respect to Derivative Indebtedness constituting Senior Lien Indebtedness and providing for Derivative Agreement Regularly Scheduled Payments to be made as Senior Lien Derivative Agreement Regularly Scheduled Payments without compliance with any of the provisions of this Section 716.

Section 717. Limitation on Subordinate Lien Indebtedness. Subject to the conditions hereinafter provided, the Authority shall have the right to incur Subordinate Lien Indebtedness, subsequent to the issuance of the Series 2009 Bonds and the TIFIA Series 2009 Bond, for any purpose for which Bonds may be issued under Section 208, as provided in this Section.

(a) Long-Term Indebtedness constituting Subordinate Lien Indebtedness may be incurred if prior to incurrence there is delivered to the Trustee:

(i) an Officer's Certificate certifying that the Authority was in compliance with the covenants set forth in Section 704(a), (b), (c) and (d) for the most recent Fiscal Year for which audited financial statements are available;

(ii) a report of a Traffic Consultant stating that for each Fiscal Year next succeeding the date on which such Long-Term Indebtedness is incurred through the final maturity date of any Long-Term Indebtedness, the forecasted Revenues in each such Fiscal Year is at least 120% the Long-Term Debt Service Requirement with respect to all Outstanding Senior Lien Indebtedness, Subordinate Lien Indebtedness and TIFIA Indebtedness (excluding any Long-Term Indebtedness to be refunded by the Long-Term Indebtedness to be incurred) and the Long-Term Indebtedness to be incurred and that the Loan Life Coverage Ratio is at least 130%; and

(iii) a report of a Traffic Consultant stating that (1) for each Fiscal Year next succeeding the date on which such Long-Term Indebtedness is incurred through the final maturity date of any Long-Term Indebtedness, the forecasted, the projected Receipts in each Fiscal Year will be sufficient to make all of the deposits in each such Fiscal Year required by clauses (a) through (h) of Section 503 and (2) that all Outstanding TIFIA Indebtedness will be fully retired by its final maturity date.



(b) Completion Indebtedness constituting Subordinate Lien Indebtedness may be incurred in an amount not exceeding 5% of the aggregate principal amount of the Long-Term Indebtedness constituting Subordinate Lien Indebtedness originally incurred by the Authority to finance the costs of the Initial Project or any Additional Project; provided, however, that prior to the incurrence of such Completion Indebtedness, the Authority shall furnish to the Trustee (i) a certificate of a licensed architect or engineer estimating the costs of completing the facilities for which such Completion Indebtedness is to be incurred and (ii) an Officer's Certificate certifying that the amount of such Completion Indebtedness to be incurred will be sufficient, together with other funds, if applicable, to complete construction of the facilities as estimated by the architect or engineer in respect of which such Completion Indebtedness is to be incurred.

(c) Long-Term Indebtedness constituting Subordinate Lien Indebtedness may be incurred for the purpose of refunding all or any part of any Outstanding Long-Term Indebtedness constituting Senior Lien Indebtedness or Subordinate Lien Indebtedness so as to render it no longer Outstanding if prior to incurrence thereof, an Officer's Certificate is delivered to the Trustee (i) determining that the proceeds of such Long-Term Indebtedness, together with interest earnings on the Defeasance Obligations to be acquired and other available funds, will be sufficient to pay the principal of and interest and any premium on the Long-Term Indebtedness to be refunded to the redemption or maturity date or dates and the expenses incident to the refunding, and (ii) stating that either (A) the Long-Term Debt Service Requirement for any Fiscal Year thereafter on account of all Long-Term Indebtedness to be Outstanding after the incurrence of such Long-Term Indebtedness to accomplish the refunding and after the refunding of such Long-Term Indebtedness will not be greater by more than 10% than the Long-Term Debt Service Requirement on account of all Long-Term Indebtedness Outstanding immediately prior to the incurrence of such Long-Term Indebtedness to accomplish such refunding, including the Long-Term Indebtedness to be refunded, or (B) the incurrence of such Long-Term Indebtedness to accomplish the refunding will satisfy the requirements of subsection (a) of this Section.

(d) Short-Term Indebtedness constituting Subordinate Lien Indebtedness may be incurred if, immediately after the incurrence of such Short-Term Indebtedness, the Outstanding principal amount of all Short-Term Indebtedness constituting Subordinate Lien Indebtedness does not exceed 25% of the General Reserve Fund balance at the end of the most recent Fiscal Year preceding the date of incurrence of such Short-Term Indebtedness for which audited financial statements are available; provided, however, that for a period of twenty (20) consecutive calendar days in each Fiscal Year, no such Short-Term Indebtedness shall be Outstanding.

(e) Put Indebtedness constituting Subordinate Lien Indebtedness may be incurred if prior to the incurrence of such Put Indebtedness (i) the conditions described in subsections (a), (b) or (c) of this Section are met and (ii) a Credit Facility exists to provide financing sufficient to pay the purchase price or principal of such Put Indebtedness on any date on which the Owner or Holder of such Put Indebtedness may demand payment thereof pursuant to the terms of such Put Indebtedness.

Whenever subsection (a) requires a certification for the most recent Fiscal Year preceding the date of incurrence of the Subordinate Lien Indebtedness in question for which audited financial statements are available, the Authority may, in its discretion, provide a certificate, opinion or report of an independent accountant, in lieu of the audit for such Fiscal Year, on

financial statements covering twelve (12) consecutive calendar months of the eighteen (18) full consecutive calendar months preceding the date of incurrence of the Subordinate Lien Indebtedness in question.

Notwithstanding the foregoing, the Authority may enter into Derivative Agreements with respect to Derivative Indebtedness constituting Subordinate Lien Indebtedness and providing for Derivative Agreement Regularly Scheduled Payments to be made as Subordinate Lien Derivative Agreement Regularly Scheduled Payments without compliance with any of the provisions of this Section.

Notwithstanding the foregoing, the TIFIA Series 2009 Bond may be issued by the Authority on or about the same time as the issuance of the Series 2009 Bonds to finance the Costs of the Initial Project with compliance with any of the requirements of this Section. Furthermore, the Authority agrees that it will not incur any Subordinate Lien Indebtedness while any TIFIA Indebtedness is Outstanding without the consent of the USDOT, except that (i) the Authority may issue Revenue Bond Anticipation Notes constituting Subordinate Lien Indebtedness pursuant to Section 211 in anticipation of repayment thereof from the proceeds of TIFIA Indebtedness and (ii) the Authority may issue Subordinate Lien Indebtedness without the consent of USDOT if the Indebtedness could have been issued as Senior Lien Indebtedness pursuant to the provisions of Section 716.

Section 718. Employment of Consultants. For the purpose of performing and carrying out the duties imposed upon an Insurance Consultant under this Trust Agreement, the Authority shall from time to time employ an Insurance Consultant. A signed copy of any reports of any Insurance Consultant required hereby shall be filed with the Authority and the Trustee. Except for any fees and expenses incurred under the provisions of Section 403, the cost of employing any Insurance Consultant shall be treated as an Operating Expense of the Triangle Expressway System.

For the purpose of causing to be performed and carried out the duties imposed on the Traffic Consultant or General Engineering Consultant under this Trust Agreement, the Authority will employ one or more such consultants having a favorable reputation for skill and experience for such work. Except for any fees and expenses incurred under the provisions of Section 403, the cost of employing any Traffic Consultant or General Engineering Consultant shall be treated as an Operating Expense of the Triangle Expressway System.

The Insurance Consultant, Traffic Consultant and General Engineering Consultant shall at all times have free access to all properties constituting the Triangle Expressway System for the purposes of inspection and examination, and the books, public records and accounts of the Authority relating to the Triangle Expressway System may be examined by such consultants at all reasonable times.

Section 719. Further Instruments and Actions. The Authority shall, from time to time, execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of this Trust Agreement.

Section 720. Use of Receipts and Inconsistent Actions. The Authority covenants and agrees that, so long as any of the Bonds, Parity Debt or TIFIA Indebtedness secured hereby are Outstanding or any Derivative Agreement relating to Bonds or Parity Debt is in effect, none of the Receipts will be used for any purpose other than as provided in this Trust Agreement, and that no contract or contracts will be entered into or any action taken by which the rights of Owners or Holder of Bonds, Parity Debt or TIFIA Indebtedness or the payee of any such Derivative Agreement Regularly Scheduled Payments might be impaired or diminished.

Section 721. State Appropriated Revenues. The Authority covenants that as part its preparation of the next fiscal year's Annual Budget it will budget, subject to receipt, for debt service on Indebtedness issued or incurred hereunder, the amount of the State Appropriated Revenues expected to be deposited to the Revenue Fund from the State Appropriation Revenue Bond Trust Agreement.

If the TIFIA Debt Service Reserve Account is funded at an amount equal to 10% of the amount of the Outstanding TIFIA Indebtedness as of June 30 of the previous Fiscal Year, then if a Traffic Consultant certifies that for each of the prior three consecutive Fiscal Years, Revenues exceeded the requirements of Section 704, then, to the extent permitted by law, the Authority may reduce the amount of State Appropriated Revenues subject to be deposited in the Revenue Fund so long as the Traffic Consultant also certifies that the annual amount of projected Revenues, taking into account the reduction in State Appropriated Revenues, are projected to be at least be equal to (1) 150% of the Long-Term Debt Service Requirement for Senior Lien Indebtedness for each future Fiscal Year, (2) 130% of the sum of the Long Term Debt Service Requirements for Senior Lien Indebtedness, Subordinate Lien Indebtedness and TIFIA Indebtedness for each Future Fiscal Year and (3) an amount such that the Loan Life Coverage Ratio is projected to be at least 130%, and all other requirements of Section 704 are expected to be met while any Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness is Outstanding.

## ARTICLE VIII

### REMEDIES

Section 801. Extension of Interest Payment. If the time for the payment of the interest on any Bond, Parity Debt or TIFIA Indebtedness is extended, whether or not such extension is by or with the consent of the Authority, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Trust Agreement and in such case the Owner of the Bond, Parity Debt or TIFIA Indebtedness for which the time for payment of interest was extended shall be entitled only to the payment in full of the principal of all Bonds, Parity Debt and TIFIA Indebtedness then Outstanding and of interest for which the time for payment shall not have been extended. The time for the payment of the interest on any Bond or Parity Debt shall not be extended in respect of any Bond or Parity Debt covered by a Bond Insurance Policy or Credit Facility without the consent of the Bond Insurer or the Credit Provider.

Section 802. Events of Default. Each of the following events is hereby declared an Event of Default:

(a) payment of the principal of and the redemption premium, if any, on any of the Bonds, is not made when the same are due and payable, either at maturity or by redemption or otherwise;

(b) payment of the interest on any of the Bonds is not made when the same is due and payable;

(c) final judgment for the payment of money in excess of \$1,000,000 is rendered against the Triangle Expressway System as a result of the ownership, control or operation of the Triangle Expressway System, and any such judgment is not discharged within one hundred twenty (120) days from the entry thereof or an appeal is not taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof;

(d) the occurrence of a Bankruptcy-Related Event;

(e) receipt by the Trustee of written notice from the Holder of any Parity Debt or TIFIA Indebtedness that any event of default has occurred and is continuing under such Parity Debt or Parity Debt Resolution or TIFIA Loan Agreement, including the failure to pay when due and payable the principal of, premium, if any, and interest on such Parity Debt or TIFIA Indebtedness;

(f) the failure of the State to appropriate the State Appropriation Revenues or a failure of NCDOT to pay a payment required to be paid by NCDOT under the O&M Guaranty Agreement or the Construction and Renewal and Replacement Agreement;

(g) receipt by the Trustee of written notice from the counterparty under any Derivative Agreement that the Authority has failed to make any Senior Lien Derivative Agreement

Regularly Scheduled Payment or Subordinate Lien Derivative Agreement Regularly Scheduled Payment when due; and

(h) the Authority defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or this Trust Agreement, including any Supplemental Agreement, and such default continues for thirty (30) days after receipt by the Authority of a written notice from the Trustee specifying such default and requesting that it be corrected, provided that if prior to the expiration of such 30-day period the Authority institutes action reasonably designed to cure such default, no “Event of Default” shall be deemed to have occurred upon the expiration of such 30-day period for so long as the Authority pursues such curative action with reasonable diligence.

Section 803. No Acceleration of Maturities. Notwithstanding anything in this Trust Agreement or in any Supplemental Agreement, Parity Debt Resolution or TIFIA Loan Agreement to the contrary, in no event shall there be any acceleration of payment of principal of or interest on any Bonds, Parity Debt or TIFIA Indebtedness as a result of the occurrence of any Event of Default under Section 802 or otherwise.

Section 804. Remedies. Upon the happening and continuance of any Event of Default specified in Section 802, then and in every such case the Trustee may, and upon the written request of the Owners or Holders of not less than 25% in aggregate principal amount of the Bonds, Parity Debt and TIFIA Indebtedness then Outstanding shall, proceed (subject to the provisions of Section 902) to protect and enforce its rights and the rights of the Owners or Holders of the Bonds, Parity Debt and TIFIA Indebtedness under applicable laws and under this Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, chosen by the Trustee, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming, and at any time remaining, due from the Authority for principal, interest or otherwise under any of the provisions of this Trust Agreement or of the Bonds, Parity Debt and TIFIA Indebtedness and unpaid, with interest on overdue payments of principal at the rate or rates of interest specified in such Bonds, Parity Debt and TIFIA Indebtedness, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, Parity Debt and TIFIA Indebtedness, without prejudice to any other right or remedy of the Trustee or of the Owners or Holders of the Bonds, Parity Debt and TIFIA Indebtedness (except to the extent provided in this Trust Agreement), and to recover and enforce any judgment or decree against the Authority, but solely as provided herein and in such Bonds, Parity Debt and TIFIA Indebtedness, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the funds and accounts pledged to secure the Bonds, Parity Debt and TIFIA Indebtedness under the provisions of this Trust Agreement and any Supplemental Agreement, Parity Debt Resolution or TIFIA Loan

Agreement and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

If an Event of Default shall occur and be continuing, then, unless the same shall then be prohibited under applicable law, a court of competent jurisdiction may appoint a receiver to administer and operate the Triangle Expressway System on behalf of the Authority, with full power to pay and to provide for the payment of principal of and interest on the Bonds, Parity Debt and TIFIA Indebtedness and Derivative Agreement Regularly Scheduled Payments as the same shall become due, whether at maturity, pursuant to mandatory sinking fund redemption or otherwise, out of the funds and accounts available therefor, and the Operating Expenses of the Triangle Expressway System, to apply Receipts derived from such operation in accordance with the provisions of this Trust Agreement and any Supplemental Agreement, Parity Debt Resolution, TIFIA Loan Agreement or Derivative Agreement, and to take such action to the extent permitted by law to cause to be remedied any Event of Default which shall occur or shall have occurred and be continuing; and with such other powers, subject to the direction of said court, as are accorded to receivers in general equity cases and under the applicable provisions of the laws of North Carolina; provided, that the power of such receiver to make provisions for the payment of principal of and interest on Bonds, Parity Debt, TIFIA Indebtedness and Derivative Agreement Regularly Scheduled Payments as aforesaid shall not be construed as including the power to pledge the general credit of the Authority to such payments. Any appointment of a receiver under the foregoing provision shall not, by itself, constitute a separate Event of Default under Section 802.

Section 805. Pro Rata Application of Funds. (a) Anything in this Trust Agreement to the contrary notwithstanding, if at any time the money in the Interest Account, the Principal Account and the Sinking Fund Account of the Senior Lien Debt Service Fund is not sufficient to pay the interest on or the principal of the Senior Lien Bonds as the same become due and payable, such money, together with any money then available or thereafter becoming available for such purposes (except for such money that has already been deposited in subaccounts of the Interest Account, Principal Account or Sinking Fund Account for a particular Series of Senior Lien Bonds pursuant to the provisions of Section 503), whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied, after payment of the reasonable fees and expenses of the Trustee in exercising its rights and remedies hereunder:

first: to the payment to the persons entitled thereto of all installments of interest on Senior Lien Bonds then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Senior Lien Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any Senior Lien Bonds that shall have become due and payable (other than Bonds deemed to have been paid pursuant to the provisions of Section 1201 of this Trust Agreement), in the order of their due dates, with interest on the overdue principal at a rate equal to the rate on such Senior Lien Bonds, and, if the amount available shall not be

sufficient to pay in full all of the amounts due on the Senior Lien Bonds on any date, together with such interest, then to the payment ratably according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference; and

third: to the payment of the interest on and the principal of Senior Lien Bonds, to the purchase and retirement of Senior Lien Bonds, and to the redemption of Senior Lien Bonds, all in accordance with the provisions of this Trust Agreement.

(b) Anything in this Trust Agreement to the contrary notwithstanding, if at any time the money in the Interest Account, the Principal Account and the Sinking Fund Account of the Subordinate Lien Debt Service Fund is not sufficient to pay the interest on or the principal of the Subordinate Lien Bonds as the same become due and payable, such money, together with any money then available or thereafter becoming available for such purposes (except for such money that has already been deposited in subaccounts of the Interest Account, Principal Account or Sinking Fund Account for a particular Series of Subordinate Lien Bonds pursuant to the provisions of Section 503), whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied, after payment of the reasonable fees and expenses of the Trustee in exercising its rights and remedies hereunder:

first: to the payment to the persons entitled thereto of all installments of interest on Subordinate Lien Bonds then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Subordinate Lien Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any Subordinate Lien Bonds that shall have become due and payable (other than Bonds deemed to have been paid pursuant to the provisions of Section 1201 of this Trust Agreement), in the order of their due dates, with interest on the overdue principal at a rate equal to the rate on such Subordinate Lien Bonds, and, if the amount available shall not be sufficient to pay in full all of the amounts due on the Subordinate Lien Bonds on any date, together with such interest, then to the payment ratably according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference; and

third: to the payment of the interest on and the principal of Subordinate Lien Bonds, to the purchase and retirement of Subordinate Lien Bonds, and to the redemption of Subordinate Lien Bonds, all in accordance with the provisions of this Trust Agreement.

(c) Anything in this Trust Agreement to the contrary notwithstanding, if at any time the money in the TIFIA Debt Service Fund is not sufficient to pay the interest on or the principal of all TIFIA Indebtedness as the same become due and payable, such money, together with any money then available or thereafter becoming available for such purposes, whether through the

exercise of the remedies provided for in this Article or otherwise, shall be applied, after payment of the reasonable fees and expenses of the Trustee in exercising its rights and remedies hereunder:

first: to the payment of all installments of interest on the TIFIA Indebtedness then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such TIFIA Indebtedness;

second: to the payment to the persons entitled thereto of the unpaid principal of any TIFIA Indebtedness that shall have become due and payable (other than TIFIA Indebtedness deemed to have been paid pursuant to the provisions of Section 1201 of this TIFIA Loan Agreement), in the order of their due dates, with interest on the overdue principal at a rate equal to the rate on such TIFIA Indebtedness, and, if the amount available shall not be sufficient to pay in full all of the amounts due on the TIFIA Indebtedness on any date, together with such interest, then to the payment ratably according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference.

(d) Whenever money is to be applied by the Trustee pursuant to the provisions of this Section 805, such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard for the amount of money available for such application and the likelihood of additional money becoming available for such application in the future, (b) setting aside such money as provided herein in trust for the proper purpose shall constitute proper application by the Trustee and (c) the Trustee shall incur no liability whatsoever to the Authority, to any Owner or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the Owner of any Bond until such Bond is surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 806. Effect of Discontinuance of Proceedings. If any proceeding taken by the Trustee or Owners or Holders of Bonds, Parity Debt or TIFIA Indebtedness on account of any Event of Default is discontinued or abandoned for any reason, then and in every such case, the Authority, the Trustee and the Owners and the Holders of Bonds, Parity Debt and TIFIA Indebtedness shall be restored to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceedings had been taken.



Section 807. Control of Proceedings. Anything in this Trust Agreement to the contrary notwithstanding, the Owners or Holders of a majority in aggregate principal amount of Bonds, Parity Debt and TIFIA Indebtedness at any time Outstanding shall have the right, subject to the provisions of Section 902, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall be in accordance with law and the provisions of this Trust Agreement.

Section 808. Restrictions Upon Action. Except as provided in Section 813, no Owner or Holder of Bonds, Parity Debt or TIFIA Indebtedness shall have any right to institute any suit, action or proceeding in equity or at law on any Bonds, Parity Debt or TIFIA Indebtedness or for the execution of any trust hereunder or for any other remedy hereunder unless such Owner or Holder of Bonds, Parity Debt or TIFIA Indebtedness previously shall (a) has given to the Trustee written notice of the Event of Default on account of which suit, action or proceeding is to be instituted, (b) has requested the Trustee to take action after the right to exercise such powers or right of action, as the case may be, shall have accrued, (c) has afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceedings in its or their name, and (d) has offered to the Trustee reasonable security and satisfactory indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Trust Agreement or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying therewith, the Owners or Holders of not less than 25% in aggregate principal amount of Bonds, Parity Debt and TIFIA Indebtedness then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Owners or Holders of Bonds, Parity Debt and TIFIA Indebtedness. It is understood and intended that, except as otherwise above provided, no one or more Owners or Holders of Bonds, Parity Debt or TIFIA Indebtedness shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of this Trust Agreement or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners and Holders of Bonds, Parity Debt and TIFIA Indebtedness and that any individual rights of action or other right given to one or more of such Owners or Holders by law are restricted by this Trust Agreement to the rights and remedies herein provided.

Section 809. Enforcement of Rights of Action. All rights of action (including the right to file proof of claim) under this Trust Agreement or under any Bonds, Parity Debt and TIFIA Indebtedness may be enforced by the Trustee without the possession of any Bonds, Parity Debt or TIFIA Indebtedness or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners or Holders of Bonds, Parity Debt or TIFIA Indebtedness, and any recovery of judgment shall be for the equal benefit of the Owners or Holders of Bonds, Parity Debt and TIFIA Indebtedness, subject to the provisions of this Trust Agreement.

Section 810. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners or Holders of Bonds, Parity Debt and TIFIA Indebtedness is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

Section 811. Delay Not a Waiver. No delay or omission by the Trustee or of any Owner or Holder of Bonds, Parity Debt or TIFIA Indebtedness in the exercise of any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein, and every power or remedy given by this Trust Agreement to the Trustee and to the Owners or Holders of Bonds, Parity Debt or TIFIA Indebtedness may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Owners or Holder of not less than a majority in principal amount of the Bonds, Parity Debt and TIFIA Indebtedness then Outstanding shall, waive any Event of Default which in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Trust Agreement or before the completion of the enforcement of any other remedies under this Trust Agreement, but no such waiver shall extend to or affect any other existing or subsequent Event of Default or impair any rights or remedies consequent thereon.

Section 812. Notice of Default. The Trustee shall mail to (a) all Owners of Bonds at their addresses as they appear on the registration books and (b) all Holders of Parity Debt or TIFIA Indebtedness and counterparties under Derivative Agreements providing for Derivative Agreement Regularly Scheduled Payments who shall have filed their name with the Trustee for such purpose, written notice of the occurrence of any Event of Default within thirty (30) days after the Trustee has notice of the same pursuant to the provisions of Section 908 that any such Event of Default shall have occurred; provided, however that, except upon the happening of an Event of Default specified in clauses (a) and (b) of Section 802 of this Trust Agreement, the Trustee may withhold such notice to the Owners, Holders and counterparties under Derivative Agreements if in its opinion such withholding is in the interest of such Owners, Holders and Derivative Agreement counterparties. The Trustee shall not be subject to any liability to any such Owner, Holder or Derivative Agreement counterparty by reason of its failure to mail any such notice.

Section 813. Right to Enforce Payment of Bonds Unimpaired. Nothing in this Article shall affect or impair the right of any Owner or Holder of Bonds, Parity Debt or TIFIA Indebtedness to enforce the payment of the principal of and interest on his Bond, Parity Debt or TIFIA Indebtedness or the obligation of the Authority to pay the principal of and interest on each Bond, Parity Debt or TIFIA Indebtedness to the Owner or Holder thereof at the time and place specified in said Bond Parity Debt or TIFIA Indebtedness.

## ARTICLE IX

### THE TRUSTEE AND BOND REGISTRARS

Section 901. Acceptance of Trusts. The Trustee by execution hereof accepts and agrees to fulfill the trusts imposed upon it by this Trust Agreement, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Trust Agreement, to all of which the Authority, the Trustee and the respective Owners of the Bonds and any Holders of Parity Debt or TIFIA Indebtedness and Derivative Agreement counterparties agree. Prior to the occurrence of any Event of Default and after the curing of all such Events of Default that may have occurred, the Trustee shall perform such duties and only such duties of the Trustee as are specifically set forth in this Trust Agreement. Upon the occurrence and during the continuation of any Event of Default, the Trustee shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

No provision of this Trust Agreement or any Indebtedness or Derivative Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(a) prior to any such Event of Default hereunder, and after the curing of any Event of Default that may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations of the Trustee as are specifically set forth in this Trust Agreement, and no implied covenants or obligations shall be read into this Trust Agreement against the Trustee and no permissive right of the Trustee under this Trust Agreement shall impose any duty on the Trustee to take such action, and

(ii) in the absence of willful misconduct on its part, the Trustee may conclusively rely, as to the accuracy of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to it conforming to the requirements of this Trust Agreement, but in the case of any such certificate or opinion by which any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not on its face it conforms to the requirements of this Trust Agreement; and

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(i) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, and

(ii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners and Holders of not less than 25% or a majority, as this Trust Agreement shall require, in aggregate principal amount of the Bonds, Parity Debt and TIFIA Indebtedness then Outstanding relating to the time,

method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any power conferred upon the Trustee under this Trust Agreement.

None of the provisions contained in this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Section 902. Indemnification of Trustee as Condition for Remedial Action. The Trustee shall be under no obligation to institute any suit or to take any remedial proceeding (including, but not limited to, the appointment of a receiver) or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. The Trustee nevertheless may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Authority, at the request of the Trustee, shall reimburse the Trustee from Receipts for all costs, expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Authority shall fail to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any Indebtedness Outstanding.

Section 903. Limitations on Obligations and Responsibilities of Trustee. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Authority, or to report, or make or file claims or proof of loss for, any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. Except as to the acceptance of the trusts under this Trust Agreement, the Trustee shall have no responsibility in respect of the validity or sufficiency of this Trust Agreement, or in respect of the validity of Bonds, Parity Debt and TIFIA Indebtedness or the due issuance or execution and delivery thereof. The Trustee shall be under no obligation to see that any duties herein imposed upon the Authority, any Bond Registrar, any consultant, any Depositary (other than a Depositary in which money shall have been deposited by the Trustee under the provisions of this Trust Agreement) or any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

Section 904. Trustee Not Liable for Failure of Authority to Act. The Trustee shall not be liable or responsible because of the failure of the Authority or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Authority or because of the loss of any money arising through the insolvency or the act or default or omission of any Depositary (other than the Trustee or a Depositary in which such money shall have been deposited by the Trustee under the provisions of this Trust Agreement). The Trustee shall not be responsible for the application of any of the proceeds of Bonds or any other money deposited with it and invested, paid out, withdrawn or transferred hereunder if such application, investment, payment, withdrawal or transfer shall be made in accordance with the provisions of

this Trust Agreement. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 905. Compensation and Indemnification of Trustee and Bond Registrar. Subject to the provisions of any contract between the Authority and the Trustee or any Bond Registrar relating to the compensation of the Trustee or such Bond Registrar, the Authority shall pay to the Trustee and each Bond Registrar from Receipts reasonable compensation for all services performed by them hereunder and also all their reasonable expenses, charges and other disbursements and those of their attorneys, agents and employees incurred in and about the administration and the performance of their powers and duties hereunder and, to the extent permitted by law, shall indemnify and save the Trustee and each Bond Registrar harmless against any liabilities that they may incur in the proper exercise and performance of their powers and duties hereunder. If the Authority shall fail to cause any payment required by this Section to be made, the Trustee and each Bond Registrar may make such payment from any money in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any Bonds, Parity Debt and TIFIA Indebtedness Outstanding hereunder. The Authority covenants that it shall promptly deposit or cause to be deposited to the credit of the respective fund or account the amount withdrawn therefrom by the Trustee to make any such payment.

Section 906. Monthly Statements from Trustee. It shall be the duty of the Trustee, on or before the 15th day of each month, to file with the Authority a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred by it and the amount deposited with it on account of each fund, account or subaccount held by it under the provisions of this Trust Agreement or any Supplemental Agreement,

(b) the amount on deposit with it at the end of such month in each such fund, account or subaccount,

(c) a brief description of all obligations held by it as an investment of money in each such fund, account or subaccount,

(d) the amount applied to the payment, purchase or redemption of Bonds, Parity Debt and TIFIA Indebtedness under the provisions of Article V and a description of the Bonds or portions thereof so paid, purchased or redeemed, and

(e) any other information that the Authority may reasonably request.

All records and files pertaining to Bonds, Parity Debt and TIFIA Indebtedness and the Triangle Expressway System in the custody of the Trustee not otherwise restricted or excluded from disclosure by the terms of this Trust Agreement, including, without limitation, Section 1002, shall be open at all reasonable times to the inspection of the Authority and its agents and representatives.

Section 907. Trustee May Rely on Certificates. If at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or

not taking any action or doing or not doing anything as such Trustee, and in any case in which this Trust Agreement provides for permitting or taking any action, the Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Trust Agreement, and any such certificate shall be evidence of such fact or protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do, in absence of willful misconduct, by reason of the supposed existence of such fact. Except as otherwise provided in this Trust Agreement, any request, notice, certificate or other instrument from the Authority to the Trustee shall be deemed to have been signed by the proper party or parties if signed by any Authorized Officer, and the Trustee may accept and rely upon a certificate signed by any Authorized Officer as to any action taken by the Authority.

Section 908. Notice of Default. Except upon the happening of any Event of Default specified in subsections (a), (b), (e) or (f) of Section 802 or the explicit report of an Event of Default pursuant to the penultimate clause of Section 706, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default under this Trust Agreement unless specifically notified in writing of such Event of Default by the Authority or the Owners and Holders of not less than 25% in aggregate principal amount of Bonds, Parity Debt and TIFIA Indebtedness then Outstanding.

Section 909. Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the Authority and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

Section 910. Trustee Protected in Relying on Certain Documents. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in absence of willful misconduct, reasonably and in according with the terms of this Trust Agreement, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Trustee shall not be under any obligation to see to the recording or filing of this Trust Agreement or otherwise to the giving to any person of notice of the provisions hereof.

Section 911. Trustee May Pay Taxes and Assessments. In case the Authority shall fail to pay or cause to be paid any lawful tax, assessment or governmental charge or other charge upon any part of the Authority to the extent, if any, that the Authority may be deemed by the Trustee liable for same, the Trustee may pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Trustee or the Owners or Holders of Bonds, Parity Debt and TIFIA Indebtedness arising in consequence of such failure; and any amount at any time so paid under this Section shall be repaid upon demand by the Trustee by the Authority, but the Trustee shall be under no obligation to make any such payment from sources provided in this Trust Agreement unless it shall have available or be provided with adequate funds for the purpose of such payment.

Section 912. Resignation and Removal of Trustee Subject to Appointment of Successor. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 915.

Section 913. Resignation of Trustee. Subject to the provisions of Section 912, the Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing given to the Authority, and mailed, postage prepaid, at the Trustee's expense, to each Owner and Holder of Bonds and Senior Lien Parity Debt, not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

Section 914. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, (i) executed by the Owners and Holders of not less than a majority in aggregate principal amount of Bonds, Parity Debt and TIFIA Indebtedness then Outstanding and filed with the Authority, or (ii) executed by an Authorized Officer, so long as no Event of Default shall have occurred and be continuing, in either case not less than sixty (60) days before such removal is to take effect as stated in said instrument of instruments. A photographic copy of any order, instrument or instruments filed with the Authority under the provisions of this paragraph, duly certified by the Authority Secretary as having been received by the Authority, shall be delivered promptly by the Authority Secretary to the Trustee.

The Trustee may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Authority or the Owners and Holders of not less than 25% in aggregate principal amount of Bonds, Parity Debt and TIFIA Indebtedness then Outstanding.

Section 915. Appointment of Successor Trustee. If at any time hereafter the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the positions of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any reason, the Authority shall appoint a Trustee to fill such vacancy. A successor Trustee shall not be required if the Trustee shall sell or assign substantially all of its trust business and the vendee or assignee shall continue in the trust business, or if a transfer of the trust department of the Trustee is required by operation of law, provided that such vendee, assignee or transferee is (i) a bank or trust company within or without the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing, and (iii) having a combined capital, surplus and undivided profits aggregating not less than One Hundred Million Dollars (\$100,000,000). The Authority shall mail notice of any such appointment made by it, postage prepaid, to all Owners and Holders of Bonds, Parity Debt and TIFIA Indebtedness.

At any time within sixty (60) days after any such vacancy shall have occurred, the Owners and Holders of not less than 25% in principal amount of Bonds, Parity Debt and TIFIA Indebtedness then Outstanding, by an instrument or concurrent instruments in writing, executed

by such Owners and filed with the Authority, may nominate a successor Trustee, which the Authority shall appoint and which shall supersede any Trustee theretofore appointed by the Authority. Photographic copies, duly certified by the Authority Secretary as having been received by the Authority, of each such instrument shall be delivered promptly by the Authority Secretary to the predecessor Trustee and to the Trustee so appointed by such Owners and Holders.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, any Owner or Holder of Bonds, Parity Debt or TIFIA Indebtedness or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any successor Trustee hereafter appointed shall be (i) a bank or trust company within or without the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing and (iii) having a combined capital, surplus and undivided profits aggregating not less than One Hundred Million Dollars (\$100,000,000).

Section 916. Vesting of Duties in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Authority, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor; but such predecessor shall nevertheless, on the written request of its successor or of the Authority and upon payment of the expenses, charges and other disbursements of such predecessor that are payable pursuant to the provisions of Section 905, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities and powers of such predecessor hereunder; and every predecessor Trustee shall deliver all property and money held by it hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Authority.

Section 917. Removal and Resignation of Bond Registrar. A Bond Registrar may be removed at anytime, with or without cause, by the Authority upon forty-five (45) days' written notice by the Authority to such Bond Registrar. A copy of such written notice shall be delivered promptly by the Authority to the Trustee. Upon receipt of such notice, the Trustee shall cause notice of such removal to be mailed, postage prepaid, to the Owners not less than thirty (30) days before such removal is to take effect. All costs in connection with such notice shall be borne by the Authority.

A Bond Registrar may resign and thereby become discharged from the duties, obligations and responsibilities of Bond Registrar under this Trust Agreement and the applicable Supplemental Agreement, by written notice delivered to the Authority and the Trustee. Upon receipt of such notice the Trustee shall cause notice of such resignation to be mailed, postage prepaid, at such Bond Registrar's expense, to the Owners not less than sixty (60) days before



such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Bond Registrar hereunder if such new Bond Registrar shall be appointed before the time limited by such notice and shall then accept the duties, obligations and responsibilities of Bond Registrar under this Trust Agreement and the applicable Supplemental Agreement. If at any time thereafter a Bond Registrar shall resign, be removed, be dissolved or otherwise become incapable of acting, or the entity acting as Bond Registrar shall be taken over by any governmental official, agency, department or board, the position of Bond registrar shall thereupon become vacant. If the position of Bond Registrar shall become vacant for any reason, the Authority shall appoint a Bond Registrar to fill such vacancy. A successor Bond Registrar shall not be required if a Bond Registrar shall sell or assign substantially all of its business and the vendee or assignee shall be qualified in the sole judgment of the Authority to carry out the duties, obligations and responsibilities of Bond Registrar under this Trust Agreement. The Authority shall promptly deliver written notice of any such appointment by it to the Trustee and mail such notice, postage prepaid, to all Owners of the applicable Bonds.

Section 918. Co-Trustee. At any time, but subject to compliance with all applicable regulations, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the trust estate may at the time be located, the Authority and the Trustee shall have power to appoint an additional institution or individual as a co-trustee or separate trustee, and upon the request of the Trustee or of 10% in aggregate principal amount of Bonds, Parity Debt and TIFIA Indebtedness then Outstanding the Authority shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint such institution or individual to act as co-trustee jointly with the Trustee or as a separate trustee of all or any part of the trust estate, and to vest in such person or institution, in such capacity, such title to the trust estate, or any part thereof, and such rights, powers, duties, trusts or obligations as the Authority and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

If the Authority shall not have made such appointment within 30 days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment.

The Trustee and the Authority shall execute, acknowledge and deliver all such instruments as may be reasonably required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) Bonds shall be authenticated and delivered, if applicable, and all rights, powers, trusts, duties and obligations by this Trust Agreement conferred upon the Trustee in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Trustee;

(b) all rights, powers, trusts, duties and obligations conferred or imposed upon the Trustee by this Trust Agreement shall be conferred or imposed upon or exercised or performed

by the Trustee, or by the Trustee and such co-trustee, or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or separate trustee;

(c) any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking or the refraining from taking of such action by such co-trustee or separate trustee;

(d) any co-trustee or separate trustee to the extent permitted by law may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(e) the Trustee at any time by an instrument in writing with the concurrence of the Authority may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section and in case an event of default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of or remove any such co-trustee or separate trustee without the concurrence of the Authority, and upon the request of the Trustee, the Authority shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section;

(f) no Trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Owners and Holders of Bonds and Senior Lien Parity Debt and delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee; and

(h) any money, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment, any such co-trustee or separate trustee shall be vested with such title to the trust estate or any part thereof, and with such rights, powers, duties, trusts or obligations as shall be specified in the instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms of this Trust Agreement. Every such acceptance shall be filed with the Trustee and the Authority.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the title to the trust estate and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

## ARTICLE X

### **EXECUTION OF INSTRUMENTS BY OWNERS AND HOLDERS, PROOF OF OWNERSHIP OF BONDS OR SENIOR LIEN PARITY DEBT, AND DETERMINATION OF CONCURRENCE OF OWNERS**

Section 1001. Execution of Instruments. Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by any Owners or Holders of Bonds, Parity Debt or TIFIA Indebtedness may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners or Holders or their attorneys or legal representatives or legal representative of his estate if the Owner or Holder is deceased. Proof of the execution of any such instrument and of the ownership of Bonds, Parity Debt and TIFIA Indebtedness shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee and the Authority with regard to any action taken by either under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification, by any officer in any jurisdiction who by the laws thereof has power to take affidavits within such jurisdictions, to the effect that such instrument was subscribed and sworn to before him or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 205. The ownership or holding of Parity Debt or TIFIA Indebtedness shall be proved as provided in the related Parity Debt Resolution or TIFIA Loan Agreement, as the case may be.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Owner or Holder of Bonds, Parity Debt or TIFIA Indebtedness shall bind every future Owner or Holder of the same Bonds, Parity Debt or TIFIA Indebtedness in respect of anything done by the Trustee in pursuance of such request or consent.

Notwithstanding any of the foregoing provisions of this Section, the Trustee shall not be required to recognize any person as an Owner or Holder of Bonds, Parity Debt or TIFIA Indebtedness or to take any action at such an Owner's or Holder's request unless such Bonds, Parity Debt or TIFIA Indebtedness shall be deposited with it.

Section 1002. Preservation of Information; Communications. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Owners received by the Trustee from the Bond Registrar.

(b) If an Owner which is a Securities Depository Nominee or three or more Owners which are not Securities Depository Nominees (hereinafter collectively referred to as "applicants") apply in writing to the Trustee and furnish reasonable proof that each such applicant has owned a Bond for a period of at least six months preceding the date of such

application, and such application states that the applicants desire to communicate with other Owners with respect to their rights under this Trust Agreement or under the Bonds and such application, at its election, either

(i) afford such applicants access to the information preserved at the time by the Trustee in accordance with subsection (a) of this Section, or

(ii) inform such applicants as to the approximate number of Owners whose names and addresses appear in the information preserved at the time by the Trustee in accordance with sub-section (a) of this Section , and as to the approximate cost of mailing to such Owners the form of communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Owner whose name and address appears in the information preserved at the time by the Trustee in accordance with subsection (a) of this Section a copy of the form of communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing.

(c) Every Owner, by receiving and holding one or more Bonds, agrees with the Authority and the Trustee that neither the Authority nor the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Owners in accordance with subsection (b) of this Section, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under such subsection.

## ARTICLE XI

### SUPPLEMENTAL TRUST AGREEMENTS

Section 1101. Supplemental Trust Agreement Without Consent. The Authority and the Trustee may, from time to time and at any time, execute and deliver supplemental trust agreements hereto (which supplemental trust agreements shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Trust Agreement and, in the opinion of the Trustee, who may rely upon a written opinion of legal counsel, shall not materially and adversely affect the interest of the Owners and Holders:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Trust Agreement, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Trust Agreement, or

(b) to grant or to confer upon the Trustee, for the benefit of the Owners or Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners, the Holders or the Trustee, or

(c) to add to the provisions of this Trust Agreement other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the Authority in this Trust Agreement other covenants and agreements thereafter to be observed by the Authority or to surrender any right or power herein reserved to or conferred upon the Authority, or

(e) to permit the qualification of this Trust Agreement under any federal statute now or hereafter in effect or under any state blue sky law, and, in connection therewith, if the Authority so determines, to add to this Trust Agreement or any supplemental trust agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or blue sky law.

At least thirty (30) days prior to the execution and delivery of any supplemental trust agreement for any of the purposes of this Section, the Trustee shall cause a notice of the proposed execution and delivery of such supplemental trust agreement to be mailed, postage prepaid, to all Owners of Bonds and Holders of Parity Debt and TIFIA Indebtedness. Such notice shall briefly set forth in the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners of Bonds and Holders of Parity Debt and TIFIA Indebtedness. A failure on the part of the Trustee to mail the notice required by this Section shall not affect the validity of such supplemental trust agreement.

Section 1102. Supplemental Trust Agreement with Consent. Subject to the terms and provisions contained in this Section, and not otherwise, the Owners and Holders of not less than a majority in aggregate principal amount of Senior Lien Indebtedness then Outstanding, the Owners and Holders of not less than a majority in aggregate principal amount of the Subordinate

Lien Indebtedness then Outstanding and the Owners and Holders of not less than a majority in aggregate principal amount of the TIFIA Indebtedness then Outstanding shall have the right, from time to time, anything contained in this Trust Agreement to the contrary notwithstanding, to consent to and approve the execution and delivery of such supplemental trust agreements as are deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement or in any supplemental trust agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness without the consent of the Owner or Holder of such Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness, (b) a reduction in the principal amount of any Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness or the redemption premium or the rate of interest on any Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness without the consent of the Owner or Holder of such Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness, (c) the creation of a pledge, charge and lien upon the Receipts other than the pledge, charge and lien created by this Trust Agreement without the consent of all of the Owners and Holders of Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness then Outstanding, (d) a preference or priority of any Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness over any other Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness except as expressly provided by this Trust Agreement without the consent of all of the Owners and Holders of Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness then Outstanding or (e) a reduction in the aggregate principal amount of the any Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness required for consent to such supplemental trust agreement without the consent of all of the Owners and Holders of Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness then Outstanding. For purposes of clauses (a) through (e) of this paragraph, notwithstanding any provisions herein or in any Supplemental Agreement or Parity Debt Resolution to the contrary, a Bond Insurer or Credit Provider shall not be deemed to be the Owner or Holder of Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness.

Nothing herein contained, however, shall be construed as making necessary the approval by Owners or Holders of Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness of the execution and delivery of any supplemental trust agreement as authorized in Section 1101. Furthermore, notwithstanding for the foregoing provisions of this Section, to the extent that the Holders or Owners of Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness, as the case may be, are not “affected” by the proposed supplemental trust agreement as provided in Section 1103, the consent of such Owners and Holders of not less than a majority in aggregate principal amount of Senior Lien Indebtedness, Subordinate Lien Indebtedness and TIFIA Indebtedness then Outstanding, as the case may be, shall not be required as provided in the preceding paragraph.

If at any time the Authority and the Trustee determines that it is necessary or desirable to execute and deliver any supplemental trust agreement for any of the purposes of this Section, the Trustee shall cause notice of the proposed supplemental trust agreement to be mailed, postage prepaid, to all Owners Bonds affected thereby at their addresses as they appear on the

registration books and to all Holders of Parity Debt and TIFIA Indebtedness affected thereby in accordance with the related Parity Debt Resolution or TIFIA Loan Agreement as of the date of mailing such notice. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all such Owners and Holders of Bonds, Parity Debt and TIFIA Indebtedness. The Trustee shall not, however, be subject to any liability to any Owner or Holder of Bonds, Parity Debt or TIFIA Indebtedness by reason of its failure to cause the notice required by this Section to be mailed, and any such failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such supplemental trust agreement when consented to and approved as provided in this Section.

Whenever, at any time within three (3) years after the date of the mailing of such notice, the Authority delivers to the Trustee an instrument or instruments in writing purporting to be executed by the Owners or Holders of not less than a majority in aggregate principal amount of Senior Lien Indebtedness, Subordinate Lien Indebtedness and TIFIA Indebtedness then Outstanding that are affected by a proposed supplemental trust agreement, which instrument or instruments shall refer to the proposed supplemental trust agreement described in such notice and shall specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Authority and the Trustee may execute and deliver such supplemental trust agreement in substantially such form, without liability or responsibility to any Owner or Holder of any Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness whether or not such Owner or Holder shall have consented thereto.

If the Owners or Holders of not less than a majority in aggregate principal amount of any Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness then Outstanding at the time of the execution and delivery of such supplemental trust agreement and that are affected, as defined in Section 1103, by a proposed supplemental trust agreement have consented to and approved the execution and delivery thereof as herein provided, to the extent permitted by law, no Owner or Holder of any Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness shall have any right to object to the execution and delivery of such supplemental trust agreement, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Authority and the Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

Section 1103. Senior Lien Indebtedness, Subordinate Lien Indebtedness and TIFIA Indebtedness Affected. For purposes of this Trust Agreement, Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness shall be deemed to be “affected” by a supplemental trust agreement if the same adversely affects or diminishes the rights of the Owners or Holders of such Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness against the Authority or the rights of such Owners or Holders in the security for such Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness. The Trustee who may rely upon a written opinion of legal counsel, may in its discretion determine whether any Senior Lien Indebtedness, Subordinate Lien Indebtedness or TIFIA Indebtedness would be affected by any supplemental trust agreement, and any such determination shall be conclusive upon the Owners and Holders of all Senior Lien Indebtedness, Subordinate Lien

Indebtedness or TIFIA Indebtedness, whether theretofore or thereafter issued or incurred. The Trustee shall not be liable for any such determination made in good faith.

Section 1104. Supplemental Trust Agreements Part of Trust Agreement. Any supplemental trust agreement executed and delivered in accordance with the provisions of this Article shall thereafter form a part of this Trust Agreement, and this Trust Agreement shall be and be deemed to be modified and amended in accordance therewith. Thereafter the respective rights, duties and obligations under the Trust Agreement of the Authority, the Trustee and all Owners of Bonds and Holders of Parity Debt and TIFIA Indebtedness then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Trust Agreement as so modified and amended. If any supplemental trust agreement is executed and delivered, Bonds issued thereafter and Parity Debt and TIFIA Indebtedness incurred thereafter may contain an express reference to such supplemental trust agreement, if deemed necessary or desirable by the Authority.

Section 1105. Not a Supplemental Trust Agreement. For purpose of this Article, a Supplemental Agreement, Parity Debt Resolution or TIFIA Loan Agreement that relates only to a particular Series of Bonds issued hereunder or Parity Debt incurred under a Parity Debt Resolution or TIFIA Indebtedness incurred under a TIFIA Loan Agreement and that does not purport to alter or amend the rights or security of any Owners of any Bonds of any other Series issued hereunder or any Holder of any other Parity Debt or TIFIA Indebtedness incurred hereunder shall not be deemed or considered to be a supplemental trust agreement for purposes of this Article.



## ARTICLE XII

### DEFEASANCE

Section 1201. Release of Trust Agreement. When:

(a) the Bonds, Parity Debt and TIFIA Indebtedness secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this Trust Agreement, and the whole amount of the principal and the interest and premium, if any, and other amounts so due and payable thereon shall be paid; and

(b) if the Bonds, Parity Debt and TIFIA Indebtedness shall not have become due and payable in accordance with their terms, the Trustee or any Bond Registrar shall hold, sufficient (i) money or (ii) Defeasance Obligations or a combination of (i) and (ii) of this clause (b), the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on all Bonds, Parity Debt and TIFIA Indebtedness then Outstanding to the maturity date or dates of such Bonds, Parity Debt and TIFIA Indebtedness or to the date or dates specified for the redemption thereof, as verified by a verification agent acceptable to the Trustee; and

(c) if Bonds, Parity Debt or TIFIA Indebtedness are to be called for redemption or prepayment, irrevocable instructions to call the Bonds, Parity Debt or TIFIA Indebtedness for redemption or prepayment shall have been given by the Authority to the Trustee; and

(d) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the Authority, including any Derivative Agreement Regularly Scheduled Payments;

then and in that case the right, title and interest of the Trustee in the funds, accounts and subaccounts mentioned in this Trust Agreement shall thereupon cease, determine and become void and, upon being furnished with an opinion, in form and substance satisfactory to the Trustee, of counsel approved by the Trustee, to the effect that all conditions precedent to the release of this Trust Agreement have been satisfied, the Trustee shall release this Trust Agreement and shall execute such documents to evidence such release as may be required by such counsel, and the Trustee shall turn over to the Authority any surplus in, and all balances remaining in, all funds, accounts and subaccounts other than money held for the redemption or payment of Bonds, Parity Debt or TIFIA Indebtedness. Otherwise, this Trust Agreement shall be, continue and remain in full force and effect; provided, however, that in the event Defeasance Obligations shall be deposited with and held by the Trustee or the Bond Registrar as hereinabove provided, (i) in addition to the requirements set forth in Article III, the Trustee, within thirty (30) days after such Defeasance Obligations shall have been deposited with it, shall cause a notice signed by the Trustee to be mailed, postage prepaid, to all Owners and to all Holders of Bonds, Parity Debt and TIFIA Indebtedness, setting forth (a) the date or dates, if any, designated for the redemption of the Bonds, Parity Debt or TIFIA Indebtedness, (b) a description of the Defeasance Obligations so held by it, and (c) that this Trust Agreement has been released in accordance with the provisions of this Section, and (ii) (a) the Trustee shall nevertheless retain such rights, powers and privileges under this Trust Agreement as may be necessary and convenient in respect

of the Bonds, Parity Debt and TIFIA Indebtedness for the payment of the principal, interest and any premium for which such Defeasance Obligations have been deposited and (b) each Bond Registrar shall retain such rights, powers and privileges under this Trust Agreement as may be necessary and convenient for the registration, transfer and exchange of Bonds; provided, however, that failure to mail such notice to any Owner or to the Owners, or to any such Holder or to such Holders, or any defect in such notice so mailed, shall not affect the validity of the release of this Trust Agreement.

All money and Defeasance Obligations held by the Trustee or any Bond Registrar pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

## ARTICLE XIII

### MISCELLANEOUS PROVISIONS

Section 1301. Successorship of Authority. In the event the Authority for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Trust Agreement by or on behalf of or for the benefit of the Authority shall bind or inure to the benefit of the successor or Authority from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the term “Authority” as used in this Trust Agreement shall include such successor or successors.

Section 1302. Successorship of Depository and Bond Registrar. Any bank or trust company with or into which a Depository or Bond Registrar may be merged or consolidated, or to which the assets and business of such Depository or Bond Registrar may be sold, shall be deemed the successor of such Depository or Bond Registrar for the purposes of this Trust Agreement. If the position of any Depository shall become vacant for any reason or the position of Bond Registrar shall become vacant for any reason not provided for by Section 917, the Authority shall appoint a bank or trust company to fill such vacancy within 30 days thereafter; provided, however, that if the Authority shall fail to appoint such Depository or Bond Registrar within such period, the Trustee shall make such appointment; provided, however, that the Trustee shall not be liable for the failure to make such appointment.

Section 1303. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the Authority or the Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

- (a) As to the Authority--

North Carolina Turnpike Authority  
5400 Glenwood Avenue, Suite 400  
Raleigh, North Carolina 27612  
Attention: Chief Financial Officer

- (b) As to the Trustee--

Wells Fargo Bank, N.A.  
7077 Bonneval Road, Suite 400  
Jacksonville, Florida 32216  
Attention: Corporate Trust Services  
Fax: (904) 281-2759  
Email: [Christopher.tracy@wellsfargo.com](mailto:Christopher.tracy@wellsfargo.com)

(c) As to the Local Government Commission--

North Carolina Local Government Commission  
325 Salisbury Street  
Raleigh, NC 27602  
Attention: Secretary

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered or certified mail, return receipt requested, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Trustee under the provisions of this Trust Agreement, or photographic copies thereof, shall be retained in its possession until this Trust Agreement shall be released under the provisions of Section 1201, subject at all reasonable times to the inspection of the Authority, any Owner and the agents and representatives thereof.

Section 1304. Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the Authority or the Trustee shall be unable to mail any notice required to be given by the provisions of this Trust Agreement, the Authority or the Trustee shall give notice in such other manner as in the judgment of the Authority or the Trustee shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Trust Agreement be deemed to be in compliance with the requirement for the mailing thereof.

Section 1305. Parties, Bond Registrar, Owners and Holders Alone Have Rights under Trust Agreement. Except as herein or in a Supplemental Agreement otherwise expressly provided, nothing in this Trust Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Trustee, each Bond Registrar, the Authority, the Owners of Bonds and the Holders of Parity Debt and TIFIA Indebtedness, each Bond Insurer and the providers of any Derivative Agreement (but only to the extent provided in Section 1313) any right, remedy or claim, legal or equitable, under or by reason of this Trust Agreement or any provision being intended to be and being for the sole and exclusive benefit of the Trustee, the Authority, each Bond Registrar, the Owners of Bonds and the Holders of Parity Debt and TIFIA Indebtedness and the providers of any Derivative Agreement (but only to the extent provided in Section 1313).

Section 1306. Effect of Partial Invalidity. In case any one or more of the provisions of this Trust Agreement, any Supplemental Agreement or any Parity Debt Resolution or TIFIA Loan Agreement, or any Bonds or any Parity Debt or TIFIA Indebtedness, shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Trust Agreement or such other documents or instruments, but this Trust Agreement and such other documents or instruments shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or

agreement contained in this Trust Agreement such other documents or instruments shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Authority to the full extent permitted by law.

Section 1307. Effect of Covenants; Governing Law. All covenants, stipulations, obligations and agreements of the Authority contained in this Trust Agreement, any Supplemental Agreement or any Parity Debt Resolution or TIFIA Loan Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent permitted by the Constitution and laws of the State. This Trust Agreement is executed and delivered with the intent that the laws of the State shall govern its construction.

Section 1308. No Recourse Against Members, Officers or Employees of Authority. No recourse under, or upon, any statement, obligation, covenant or agreement contained in this Trust Agreement, or in any Bond, Parity Debt or TIFIA Indebtedness hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Authority, or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee of the Authority, either directly or through the Authority for the payment for or to, the Authority or any receiver of the Authority, or for, or to, any Owner of Bonds or Holder of Parity Debt or TIFIA Indebtedness or otherwise, of any sum that may be due and unpaid upon any such Bond, Parity Debt or TIFIA Indebtedness. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the Authority or any receiver of the Authority, or for, or to, any Owner of Bonds or Holder of Parity Debt or TIFIA Indebtedness or otherwise, of any sum that may remain due and unpaid upon the Bonds or any Parity Debt or TIFIA Indebtedness hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the adoption of this Trust Agreement and the issuance of Bonds and the incurrence of Parity Debt or TIFIA Indebtedness.

Section 1309. Dealing in Bonds or Parity Debt. The Trustee and any Bond Registrar, and their directors, officers, employees or agents, and any officer, employee or agent of the Authority, may in good faith, buy, sell, own, hold and deal in any Bonds or Parity Debt and may join in any action which any Owner or Holder thereof may be entitled to take with like effects as if such Trustee were not a Trustee and such bank or trust company were not the Bond Registrar under this Trust Agreement or as if such officer, employee or agent of the Authority did not serve in such capacity.

Section 1310. Headings. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Trust Agreement, nor shall they affect its meaning, construction or effect.

Section 1311. Further Authority. The officers of the Authority, attorneys, engineers and other agents or employees of the Authority are hereby authorized to do all acts and things

required of them by this Trust Agreement for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Trust Agreement.

Section 1312. Payment Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Trust Agreement is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Trust Agreement.

Section 1313. Treatment of Derivative Agreements. Anything in this Trust Agreement to the contrary notwithstanding, the counterparty under any Derivative Agreement providing for Senior Lien Derivative Agreement Regularly Scheduled Payments, Subordinate Lien Derivative Agreement Regularly Scheduled Payments or otherwise shall have no rights under this Trust Agreement to direct the method and place of conducting any remedial proceedings to be taken by the Trustee hereunder and shall have no voting rights with respect thereto or for any other purpose under this Trust Agreement, but shall only have the right to enforce those specific rights granted to such counterparties under this Trust Agreement, including, without limitation, those rights with respect to Section 503.

Section 1314. Multiple Counterparts. This Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Trust Agreement to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

NORTH CAROLINA TURNPIKE AUTHORITY

[SEAL]

By:\_\_\_\_\_

Executive Director

By:\_\_\_\_\_

Chairman

Attest:

\_\_\_\_\_

Secretary

WELLS FARGO BANK, N.A.,  
as Trustee

[SEAL]

By:\_\_\_\_\_

Title:\_\_\_\_\_

Attest:

\_\_\_\_\_

Title:\_\_\_\_\_

Requisition No. \_\_\_\_\_

**FORM OF REQUISITION AND CERTIFICATE**

\_\_\_\_\_, 20\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

Dear Sir or Madam:

On behalf of the North Carolina Turnpike Authority (the "Authority"), in connection with \$\_\_\_\_\_ [Senior][Subordinate] Lien Turnpike Revenue Bonds (Triangle Expressway Project), Series \_\_\_\_ (the "Bonds") issued by the Authority, I hereby requisition from you funds held in the [Project Account][Series \_\_\_\_ Subaccount of the Additional Projects Account] of the North Carolina Turnpike Authority Project Fund (the "Project Fund") in accordance with the Trust Agreement, dated as of \_\_\_\_\_ 1, 2009 (the "Trust Agreement"), between the Authority and yourself, as trustee (the "Trustee") and the \_\_\_\_\_ Supplemental Trust Agreement, dated as of \_\_\_\_\_, 20\_\_ (the "Supplemental Agreement"), between the Authority and the Trustee, the sum of \$\_\_\_\_\_ payable to \_\_\_\_\_ for \_\_\_\_\_.

[ ] Check if requisition is to fund or reimburse the revolving fund authorized by Section 404 of the Trust Agreement.

I hereby certify that (a) the obligation to make such payment was incurred by the Authority in connection with the construction and equipping of the \_\_\_\_\_ Project (as defined in the Supplemental Agreement) or is a cost of issuance relating to the issuance of the Bonds, is presently due and payable, is a proper charge against the Project Fund and has not been the basis for any prior requisition which has been paid; (b) the Authority has not received written notice of any lien, right to lien or attachment upon, or claim affecting the right of such payee to receive payment of any of the money payable under this requisition to any of the persons, firms or corporations named herein, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been satisfied or discharged or will be satisfied or discharged upon payment of this requisition or provision made to adequately protect the Trustee and the Owners from incurring any loss as a result of the same; and (c) this requisition contains no items representing payment on account of any retainage which the Authority is entitled to retain at this date.

[Insert one of the two following paragraphs as applicable]



**[I hereby further certify that such requisition contains no items for the payment of the purchase price or cost of any lands, property, property rights, rights-of-way, easements, franchises or interests in or relating to lands, other than lands, property, property rights, rights-of-way, easements, franchises or interests already constituting a part of the Triangle Expressway System.**

**I hereby further certify that the land, property, property rights, rights of way, easements, franchises or other interest being acquired by the Authority in connection with this requisition are being acquired by the Authority in furtherance of the construction or acquisition of the \_\_\_\_\_ Project.]**

All capitalized terms not otherwise defined herein shall have the same meaning in the Trust Agreement.

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Authorized Officer

**[If such item of payment is directly related to the acquisition of interests in land, attach Authority Attorney opinion required by Section 405(b) of the Trust Agreement.]**