



NORTH CAROLINA TURNPIKE AUTHORITY

**Request for Proposals for
Tax-Exempt Forward Refunding Bank Term Loan**

June 20, 2017

PFM Financial Advisors LLC
300 S. Orange Ave
Suite 1170
Orlando, FL 32801



I. INTRODUCTION

A. Background and Objectives

PFM Financial Advisors LLC (“PFM”) on behalf of our client, the North Carolina Turnpike Authority (the “Authority”), is submitting this request for proposal (the “RFP”) for a term loan in the form of a Revenue Loan/Bond (the “Term Loan”) to refund a portion of the Authority’s outstanding Triangle Expressway System State Annual Appropriation Revenue Bonds, Series 2009B (“2009B Bonds”). The Authority is seeking to realize debt service savings to increase available cash flow to the System and give the NCTA Board maximum flexibility in the future.

The Series 2009B Bonds are currently outstanding in the par amount of \$349,305,000. The 2009B Bonds were issued in order to: (a) to pay the costs of land acquisition, design, construction and equipping of the Triangle Expressway System, (b) to provide funds to pay a portion of the interest on the Series 2009B Bonds until July 1, 2012, (c) to fund the Reserve Fund for the Series 2009B Bonds and (d) to pay the costs incurred in connection with the issuance of the Series 2009B Bonds. The structure included non-callable serial bonds maturing in the years 2017-2021 and two term bonds maturing in 2025 and 2039. The term bonds become callable on January 1, 2019 at par (100%).

The 2009B Bonds were issued as Federally Taxable, Build America Bonds and in order to avoid concerns of a reissuance eliminating the subsidy prior to the call date on the bonds to be refunded, the Authority is seeking the opportunity to lock in a fixed rate based on today’s market conditions for a loan that will be funded on January 1, 2019. To that end, the Authority is seeking the provision of a direct placement tax-exempt forward refunding loan.

Term Loan proposals should be based upon a tax-exempt fixed interest rate. The Authority will review all proposals, along with the option of waiting until the call date to take any action. The Authority in its sole discretion will decide if any proposal will be accepted.

The Authority has previously considered and decided against (1) a synthetic variable to fixed rate forward refunding using a forward starting swap or swaption structure, and (2) a crossover refunding. Any similar proposals will be rejected and not considered.

The Authority is not soliciting bond underwriting services for any advance or current refunding of the 2009B Bonds. The Authority reserves the right to solicit underwriting services separately.

B. Attachments and Additional Information

To assist in proposal preparation, the following has been provided as attachments to the original distribution of this RFP:

1. Official Statement relating to the Series 2009B Bonds
2. Trust Agreement and First Supplemental Agreement of Trust, both dated as of July 1, 2009, between the Authority and Wells Fargo Bank, N.A. as trustee, relating to the Series 2009B Bonds

C. Delivery of Proposals

Proposals should be delivered via email to the following no later than 12:00 p.m., Eastern Time, on Thursday, July 6, 2017:



David Roy, Finance Director
North Carolina Turnpike Authority
dwroy@ncdot.gov

with copy to:
PFM Financial Advisors LLC
Hope Davidson, Senior Managing Consultant
davidsonm@pfm.com

Each proposal shall be signed and dated by an official authorized to bind the firm. Unsigned proposals will not be considered. It is the sole responsibility of the proposing firm to assure that the Authority, prior to the time specified, receives the proposal. Any proposal received after the stated deadline will not be considered.

D. Evaluation and Selection Process

THE AUTHORITY RESERVES THE RIGHT TO REJECT ANY AND ALL PROPOSALS, TO WAIVE ANY INFORMALITIES OR IRREGULARITIES IN ANY PROPOSALS RECEIVED, OR TAKE ANY OTHER SUCH ACTIONS THAT MAY BE DEEMED TO BE IN THE BEST INTEREST OF THE AUTHORITY.

1. Proposal Response

Each proposal should be complete, reflect the most favorable terms available from the proposer, and specifically address all pertinent areas. Any conditions should be clearly stated.

The failure to disclose substantive terms, conditions and covenants may be considered cause for the proposer's proposal to be rejected by the Authority.

2. Questions, Additional Information

Proposers, their agents and associates, shall refrain from contacting or soliciting any official of the Authority or NC Department of Transportation, their respective Board of Directors or Bound Counsel regarding this RFP upon the release of the RFP. Failure to comply with the provision may result in disqualification of the proposer. Any inquiries, suggestions, or requests concerning clarification or solicitation for additional information must be submitted to the Authority's Financial Advisor: PFM Financial Advisors LLC in writing, via email, to davidsonm@pfm.com no later than 12:00 p.m., Eastern Time, on **June 26, 2017**.

3. Selection of Proposer and Award of Contract

Proposals will be evaluated according to completeness, content experience with similar transactions, ability of the proposer, and costs. Award of a contract to one offeror does not mean that the other proposals lacked merit, but that all factors considered, the selected proposal will be in the best interest of the Authority. **THE AUTHORITY RESERVES THE RIGHT TO AWARD THE CONTRACT TO A FIRM OTHER THAN THE LOWEST COST PROPOSER.**



The Authority reserves the unqualified right to accept or reject any and all bids, to waive any irregularities or informalities in any bid or in the bidding, and to accept or reject any items or combination of items.

4. Tentative Schedule

The Authority will attempt to adhere to the following schedule. The Authority reserves the right to alter scheduled dates if necessary.

June 20, 2017	RFP Issued
June 26, 2017	Deadline for Questions prior to 12:00 P.M. (EST)
July 6, 2017	Proposals due prior to 12:00 P.M. (EST)
July 13, 2017	Selection of Transaction Provider
August 1, 2017	Award of the Transaction by Authority
August 10, 2017	Approximate closing on Transaction

E. Security for Transaction

The Term Loan will be a special obligation of the Authority secured by and payable from Revenues, as defined in the Trust Agreement as the annual appropriation of \$25,000,000 to the Authority by the State of North Carolina (the "State") from the North Carolina Highway Trust Fund, a special fund of the State created for the purpose of funding highway construction, the Interest Subsidy Payments received from the United States Department of the Treasury with respect to the Series 2009B Bonds under the "Build America Bond" program and the investment income realized from the investment of amounts held under the Trust Agreement. The Term Loan will NOT be secured by a Reserve Fund or have any lien on the Reserve Fund created for the Series 2009B Bonds. In all other respects, excluding the Reserve Fund, the Term Loan will be on parity with the unrefunded Series 2009B Bonds.

F. Structure of the Financing

The following describes the Authority's requirements in establishing the transaction:

1. Amount: Not to exceed \$162 million. Should the proposal be for a term less than 15 years, the proposed amount of the loan may be reduced to reflect the reduction in par amount of bonds to be refunded. The Term Loan will be used to refund only those bonds maturing within the term of such loan or the mandatory sinking fund redemption amounts for later maturing term bonds which must be redeemed within the term of such loan.

Term	Final Maturity	Max Par	Principal Payment Years of 2009B Bonds to be Refunded
10 Years	1/1/2027	\$79,500,000	2022-2027
12 Years	1/1/2029	\$110,500,000	2022-2029
15 Years	1/1/2032	\$162,000,000	2022-2032

2. Term: The Authority is interested in Term Loans for 10 years to 15 years. Proposals for fixed rate bank term loan structures outside of that range will also be evaluated.
3. Amortization: The principal amount of the transaction will be payable annually on January 1 of each year through the final maturity of the transaction which shall not be later than the latest



maturity of bonds to be refunded, and such that the weighted average maturity of the transaction does not exceed the remaining weighted average maturity of the bonds to be refunded. The Authority prefers to structure for approximately level annual debt service savings. See current amortization schedule attached as Appendix A.

II. FORMAT AND CONTENT OF PROPOSAL

Proposals will be evaluated on the basis of cost and compliance with the proposed structure and terms of the Term Loan as outlined in this RFP.

A. Proposal Format for Term Loan

In order to assist the Authority in reviewing proposals, each proposal shall be prepared utilizing the following format and headings:

1. Contact Information - State the legal name of the financial institution or firm, current principal business address, contact person, telephone and facsimile numbers.
2. Bank long term credit ratings – Please provide long-term credit ratings currently maintained and indicate if any of your current ratings are under review by any credit rating agency.
3. Interest Rate - State the fixed rate being proposed based on the Repayment Provisions. Provide interest rate quotes that will either:
 - (i) be locked and set as of the actual date of the RFP response until closing; or
 - (ii) be locked when approved by the Authority. The indicative fixed rate shall be expressed as a function of the yield for the U.S. Government Treasury obligation, or other publically available and recognized index.

The Authority reserves the right to select the more advantageous rate as of the date of closing. The award of the contract does not obligate the Authority to close on the Term Loan and there will be no penalty for locking a rate until such time as the Authority has adopted a Resolution approving the issuance of the Term Loan based on certain refunding parameters.

Term	Non-callable Interest Rate	5-year Par Call Interest Rate	Callable at any time Interest Rate
10-Years			
12-Years			
15-Years			
Other Terms (please specify)			

4. Prepayment Provisions – Please provide pricing quotes that assume:
 - (i) a non-callable loan;
 - (ii) a loan with a 5-year par call and
 - (iii) a loan callable at any time without prepayment penalty.
5. Security & Financial Covenants – Detail the financial covenants that will be required and define any terms necessary to fully understand them. **Please note that the Authority has a strong preference to utilize only existing financial covenants with no additions.**



6. Yield Protection/Capital Adequacy/Tax Gross-Up – Provide the specific language proposed, if at all, related to potential additional amounts payable under the Term Loan that might result from changes in law or other regulatory matters – e.g. BASEL III – or other matters that could affect the return to the bank as the owner of the Term Loan, including potential tax gross-up provisions in the interest rate payable on the Term Loan in the case of (i) changes in the maximum marginal federal corporate income tax rate, or (ii) the occurrence of an event of taxability. **Also, provide an additional premium to waive any provision providing for a change in the interest rate in the event of a change to the maximum marginal federal income tax rate.**
7. Fees and Expenses – Describe in detail all fees and expenses which the Authority will be responsible to pay. The amounts stated in the proposal shall represent the maximum amounts payable to the proposer by the Authority. All fees and expenses in excess of those stated in the proposal shall be the sole responsibility of the proposer and will not be paid or reimbursed by the Authority.
8. Reporting Requirements – Explain any reporting requirements that would be required of the Authority.
9. Syndication – Explain whether the facility will be syndicated to other banks. No syndication or transfer except to institutional investors in principal amounts of \$250,000 or in excess thereof will be permitted.
10. Conditions – Provide a listing of all conditions, terms or restrictions, other than those specified in this RFP, which would be included in your commitment to provide the Term Loan. Please define any terms necessary to understand these conditions.

III. CONDITIONS AND LIMITATIONS

- A. Proposers shall thoroughly examine and be familiar with the bid specifications. Failure of any proposer to receive or examine this document shall in no way relieve any proposer of obligations pertaining to this bid or the subsequent contract.
- B. Any changes or modifications to the bid specifications can result in the rejection of the bid as not being responsive to this RFP.
- C. The responsibility for submitting the proposal to the Authority on or before the specified date and time will be solely and strictly the responsibility of the proposer. The Authority will in no way be responsible for delays caused by transmission of the proposal or a delay caused by any other occurrence.
- D. The response deadline shall be strictly observed. Under no circumstances will a proposal delivered after the time specified be considered.
- E. Any proposal may be withdrawn in writing prior to the date and time set for delivery of proposals. However, any proposal submitted and not withdrawn prior to the date and time set for delivery of proposals will be considered valid for a period of ninety (90) days after the opening time and date.
- F. The Authority reserves the right to reject the bid of any proposer who has previously failed in the proper performance of a contract or to deliver on time other contracts similar in nature, or who is not in a position to perform properly under this contract.



- G. The Authority reserves the right to inspect all facilities of the proposer in order to make a determination as to their capabilities.
- H. Federal, state, county and local laws, ordinances, rules and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the proposer will in no way be a cause for relief from responsibility.
- I. No successful proposer may assign any portion of the contractual agreement between the parties without prior written authorization by the Authority.
- J. Changes to the RFP may be made by and at the sole discretion of the Authority. If it becomes necessary to revise or amend any part of this RFP, notice of the revision will be given to all prospective proposers. No verbal or written information that is obtained other than by information in this document or addendum to this RFP shall be binding on the Authority. Any questions concerning this RFP should be submitted in writing and directed to Hope Davidson via email (davidsonm@pfm.com) by 12:00 p.m., Eastern Time, on June 26, 2017.
- K. Warranties - The proposer, in submission of its proposal, warrants to the Authority that it will comply with all applicable federal, state and local laws, regulations and orders in providing the services under the proposed documents.
- L. Collusion - The Proposer, by affixing its signature to this proposal, certifies that its proposal is made without previous understanding, agreement, or connection either with any previous firms or corporations offering a proposal for the same items, or with the Authority. The Proposer also certifies that its proposal is in all respects fair, without outside control, collusion, fraud or otherwise illegal action.
- M. Time is of the essence.
- N. Information submitted relative to this RFP will not be released by the Authority during the evaluation process or prior to contract award, unless the Authority is required to do so in accordance with state or federal law.
- O. The North Carolina Turnpike Authority is an equal opportunity Authority. All contracting and purchasing actions are made without regard to race, color, national origin, sex, religion, disability, age, and genetic information.

IV. OTHER INFORMATION

- A. In the event that the successful proposer does not execute a contract within a timeframe acceptable to the Authority, the Authority may give notice of intent to award the bid to the next most qualified proposer or to call for new bids and may proceed to act accordingly.
- B. Execution of the Term Loan by the Authority will be conditioned upon the concurrent delivery to it of an opinion of Bond Counsel to the effect interest thereon (a) will not be includable in gross income of the lender for federal income tax purposes, (b) will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed by the Code on corporations and other taxpayers, and (c) will be exempt from all State of North Carolina income taxes.



APPENDIX A: SERIES 2009B CURRENT AMORTIZATION

Maturity		Coupon	Par Amount
TERM25	2022	6.00%	11,855,000
	2023	6.00%	12,325,000
	2024	6.00%	12,815,000
	2025	6.00%	13,325,000
TERM39	2026	6.70%	13,885,000
	2027	6.70%	14,505,000
	2028	6.70%	15,150,000
	2029	6.70%	15,825,000
	2030	6.70%	16,530,000
	2031	6.70%	17,265,000
	2032	6.70%	18,035,000
	2033	6.70%	18,840,000
	2034	6.70%	19,675,000
	2035	6.70%	20,555,000
	2036	6.70%	21,470,000
	2037	6.70%	22,425,000
	2038	6.70%	23,420,000
	2039	6.70%	24,465,000

Ratings: See "RATINGS" herein.

NEW ISSUE

This Official Statement has been prepared by the North Carolina Turnpike Authority and the North Carolina Local Government Commission to provide information on the Series 2009B Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Series 2009B Bonds, a prospective investor should read this Official Statement in its entirety. Unless indicated, capitalized terms used on this cover page have the meanings given in the Official Statement.

\$352,675,000
North Carolina Turnpike Authority
Triangle Expressway System
State Annual Appropriation Revenue Bonds, Series 2009B
(Federally Taxable - Issuer Subsidy - Build America Bonds)

Dated: Date of Delivery

Due: as shown on inside front cover

<i>Tax Treatment</i>	In the opinion of Bond Counsel, interest on the Series 2009B Bonds is <u>not</u> excluded from the gross income of the owners thereof for purposes of federal income taxation. In the opinion of Bond Counsel, which is based on existing law, interest on the Series 2009B Bonds will be exempt from all State of North Carolina income taxes. See "LEGAL MATTERS--TAX TREATMENT."
<i>Redemption</i>	The Series 2009B Bonds are subject to optional redemption, mandatory sinking fund redemption and extraordinary optional redemption at the times and at the redemption prices described herein. See "THE SERIES 2009B BONDS—Redemption Provisions."
<i>Security</i>	The Series 2009B Bonds will be special obligations of the Authority, secured by and payable from the Revenues pledged therefor as herein described, under certain circumstances, the proceeds of the Series 2009B Bonds, and a Reserve Fund created for the Series 2009B Bonds and any other Bonds issued under the Trust Agreement that are "Build America Bonds." <i>Neither the credit nor the taxing power of the State of North Carolina (the "State") or any of the State's political subdivisions is pledged for the payment of principal of, premium, if any, or interest on the Series 2009B Bonds, and no Owner of the Series 2009B Bonds has the right to compel the exercise of the taxing power of the State or any of the State's political subdivisions or the forfeiture of any of their respective properties other than the funds pledged therefor in connection with any default on the Series 2009B Bonds.</i>
<i>Interest Payment Dates</i>	Interest on the Series 2009B Bonds will be paid on January 1 and July 1, commencing January 1, 2010.
<i>Method of Ownership</i>	Book-entry Only
<i>Closing/Settlement</i>	July 29, 2009
<i>Bond Counsel</i>	Womble Carlyle Sandridge & Rice, PLLC, Raleigh, North Carolina
<i>Co-Underwriters' Counsel</i>	Bode, Call & Stroupe, L.L.P., Raleigh, North Carolina and Rand & Gregory, PA, Fayetteville, North Carolina
<i>Trustee and Paying Agent</i>	Wells Fargo Bank, N.A., Jacksonville, Florida

The Series 2009B Bonds are offered, when, as and if issued and received by the Underwriters, subject to prior sale and the opinion of Bond Counsel as to the validity, the tax treatment of interest on the Series 2009B Bonds and certain other matters.

Merrill Lynch & Co.

Banc of America Securities LLC

BB&T Capital Markets

Citi

J.P. Morgan

Loop Capital Markets, LLC

RBC Capital Markets

Siebert Brandford Shank & Co., LLC

Wachovia Securities

Southwest Securities, Inc.

The date of this Official Statement is July 15, 2009.

\$352,675,000
North Carolina Turnpike Authority
Triangle Expressway System
State Annual Appropriation Revenue Bonds, Series 2009B
(Federally Taxable - Issuer Subsidy - Build America Bonds)

Maturity Schedule

\$40,310,000 Serial Bonds

<u>Due</u> <u>January 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Approximate</u> <u>Yield</u>	<u>CUSIP</u>
2017	\$ 3,370,000	4.800%	99.835%	4.826%	65830TAA3
2018	7,115,000	4.900	99.818	4.926	65830TAB1
2019	9,615,000	5.000	99.802	5.026	65830TAC9
2020	9,935,000	5.125	99.987	5.126	65830TAD7
2021	10,275,000	5.200	99.774	5.226	65830TAE5

\$50,320,000 6.00% Term Bonds Due January 1, 2025, Price 99.735%, Approximate Yield 6.026% CUSIP 65830TAF2
\$262,045,000 6.70% Term Bonds Due January 1, 2039, Price 99.763%, Approximate Yield 6.718% CUSIP 65830TAG0

NORTH CAROLINA TURNPIKE AUTHORITY

AUTHORITY MEMBERS

Eugene A. Conti, Jr.	Chairman
Lanny Wilson	Vice Chairman
Perry R. Safran	Secretary/Treasurer
Anthony Fox	Member
Sang J. Hamilton, Sr.	Member
William C. Lackey, Jr.	Member
Robert L. Spencer, Jr.	Member
Robert D. Teer, Jr.	Member
E. David Redwine	Member

MANAGEMENT STAFF

David W. Joyner	Executive Director
James J. Eden	Chief Operating Officer
R. Grady Rankin	Chief Financial Officer
Steven D. DeWitt	Chief Engineer
Carolyn D. Johnson	General Counsel
Reid Simons	Director of Government and Public Affairs

FINANCIAL ADVISOR

Public Financial Management, Inc. - Orlando, Florida

BOND COUNSEL

Womble Carlyle Sandridge & Rice, PLLC - Raleigh, North Carolina

TRAFFIC CONSULTANT

Wilbur Smith Associates

GENERAL ENGINEERING CONSULTANT

HNTB Corporation

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Series 2009B Bonds offered hereby, nor shall there be any offer or solicitation of such offer or sale of the Series 2009B Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the Series 2009B Bonds implies that the information herein is correct as of any date subsequent to the date thereof.

The information contained herein has been obtained from the Authority and other sources believed to be reliable. The information contained herein is subject to change after the date of this Official Statement, and this Official Statement speaks only as of its date.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2009B BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE AUTHORITY	3
STATE OF NORTH CAROLINA.....	4
General.....	4
Recent Developments	4
THE SERIES 2009B BONDS	5
Authorization	5
General.....	5
Book-Entry Only	5
Redemption Provisions.....	6
PLAN OF FINANCE.....	9
ESTIMATED SOURCES AND USES OF FUNDS	10
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009B BONDS	10
General.....	10
State Appropriated Revenues	11
Interest Subsidy Payments.....	12
Application of Revenues.....	13
Reserve Fund for Series 2009B Bonds.....	14
Additional Bonds.....	15
PROJECTED CASH FLOW	16
Table of State Appropriated Revenues, Interest Subsidy Payments; Other Revenues, Debt Service and Transfer to General Revenue Bond Trust Agreement.....	16
CONTINUING DISCLOSURE.....	17
LITIGATION.....	19
LEGAL MATTERS.....	19
TAX TREATMENT	19
General.....	19
Opinion of Bond Counsel.....	19
Market Discount	19
Sale or Redemption of Series 2009B Bonds.....	20
ERISA.....	20
IRS Circular 230 Disclosure.....	21
LEGALITY FOR INVESTMENT.....	21
RATINGS	21
UNDERWRITING	21
MISCELLANEOUS	23
APPENDIX A	State of North Carolina
APPENDIX B	Definitions of Certain Terms and Summaries of the Trust Agreement
APPENDIX C	Proposed Form of Opinion of Bond Counsel
APPENDIX D	DTC’s Book-Entry-Only System

State of North Carolina
Department of State Treasurer

JANET COWELL
Treasurer

*State and Local Government Finance Division
and the Local Government Commission*

T. VANCE HOLLOMAN
Deputy Treasurer

Official Statement
of the North Carolina Local Government Commission
Concerning
\$352,675,000
NORTH CAROLINA TURNPIKE AUTHORITY
Triangle Expressway System
State Annual Appropriation Revenue Bonds, Series 2009B
(Federally Taxable-Issuer Subsidy-Build America Bonds)

INTRODUCTION

The purpose of this Official Statement, which includes the appendices, is to provide certain information in connection with the issuance by the North Carolina Turnpike Authority (the "Authority") of \$352,675,000 Triangle Expressway System State Appropriation Revenue Bonds, Series 2009B (Federally Taxable-Issuer Subsidy-Build America Bonds) (the "Series 2009B Bonds"). The Series 2009B Bonds will be issued pursuant to applicable provisions of law, a bond order adopted by the Authority on November 20, 2008, as amended on April 15, 2009 and May 7, 2009, and a Trust Agreement, dated as of July 1, 2009 (the "Trust Agreement"), between the Authority and Wells Fargo Bank, N.A., as trustee (the "Trustee").

The Series 2009B Bonds are the first issue of Bonds by the Authority under the Trust Agreement.*

This introduction provides certain limited information to serve as a guide to the Official Statement and is expressly qualified by the Official Statement as a whole. Investors should make a full review of the entire Official Statement and the documents summarized or described herein.

For the definition of certain terms used herein and a summary of certain provisions of the Trust Agreement, see APPENDIX B hereto. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Agreement unless otherwise indicated.

Authorization. The Series 2009B Bonds are being issued pursuant to The Public Toll Roads and Bridges Act, Article 6H of Chapter 136 of the North Carolina General Statutes, as amended (the "Authority Act") and The State and Local Government Revenue Bond Act, Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended (the "Revenue Bond Act"), an order adopted by the Authority on November 20, 2008 as amended on April 15, 2009 and May 7, 2009, and the Trust Agreement.

* The Preliminary Official Statement, dated July 1, 2009, provided for the issuance of a second series of Bonds to be designated the "Series 2009A Bonds." The Authority has determined not to issue any Series 2009A Bonds, but has left the designation of the Bonds described herein as the "Series 2009B Bonds."

Security. The Series 2009B Bonds will be special obligations of the Authority, secured by and payable from the Revenues (hereinafter defined) and, under certain circumstances, the proceeds of the Series 2009B Bonds. As defined in the Trust Agreement, “Revenues” consist of an annual appropriation of \$25,000,000 to the Authority by the State of North Carolina (the “State”) from the North Carolina Highway Trust Fund, a special fund of the State created for the purpose of funding highway construction, the Interest Subsidy Payments received from the United States Department of the Treasury with respect to the Series 2009B Bonds under the “Build America Bond” program, as described below under “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2009B BONDS” and the investment income realized from the investment of amounts held under the Trust Agreement. Additionally, the Series 2009B Bonds will be secured by a Reserve Fund created for the Series 2009B Bonds and any other Bonds issued under the Trust Agreement that are “Build America Bonds.” The Series 2009B Bonds will be additionally secured by certain funds, accounts and subaccounts held by the Trustee under the Trust Agreement.

See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009B BONDS” herein.

Purpose and Plan of Finance. The Series 2009B Bonds are being issued for the purpose of providing funds, together with other available funds, (a) to pay the costs of land acquisition, design, construction and equipping of the Triangle Expressway System, a 19-mile toll road facility to be built in Durham and Wake Counties, North Carolina (the “Triangle Expressway System”), (b) to provide funds to pay a portion of the interest on the Series 2009B Bonds until July 1, 2012, (c) to fund the Reserve Fund for the Series 2009B Bonds and (d) to pay the costs incurred in connection with the issuance of the Series 2009B Bonds.

Costs of the Triangle Expressway System will be financed with the proceeds of the Series 2009B Bonds, proceeds of the Authority’s Triangle Expressway System Senior Lien Revenue Bonds, Series 2009 in the amount of \$270,083,108.85 (the “General Revenue Bonds”), being issued currently with the issuance of the Series 2009B Bonds, disbursements to the Authority from the United States Department of Transportation (“USDOT”) under a loan being made by USDOT under the Transportation Infrastructure Finance and Innovation Act (the “TIFIA Loan”) and interest earnings on proceeds of the Series 2009B Bonds and the General Revenue Bonds. In addition, certain design and engineering costs, development costs, right-of-way and roadway which will comprise a portion of the Triangle Expressway System and environmental mitigation costs are being provided to the Authority by the NCDOT. The General Revenue Bonds are being issued and the TIFIA Loan is being incurred under a separate Trust Agreement, dated as of June 1, 2009 (the “General Revenue Bond Trust Agreement”) between the Authority and Wells Fargo Bank, N.A., as trustee (in such capacity, the “Revenue Bond Trustee”).

The Authority. See “THE AUTHORITY” herein for certain information regarding the Authority.

State of North Carolina. Appendix A hereto includes certain information regarding the State that was prepared for inclusion in the Official Statement of the State used in connection with a recent offering of Limited Obligation Bonds of the State. See “STATE OF NORTH CAROLINA” for certain additional information that supplements the information set forth in Appendix A. The Comprehensive Annual Financial Report for the State of North Carolina for the fiscal year ended June 30, 2008 (the “CAFR”), including the State’s basic financial statements for such fiscal year, is available at the website of the Office of the State Controller at www.osc.nc.gov and printed copies of the CAFR may be obtained from the Office of the State Controller at 3512 Bush Street; Raleigh, NC 27609. Copies of the CAFR are also available from the municipal securities information repositories to which the State has undertaken to provide continuing disclosure information in certain of the State’s bond offerings. The CAFR is hereby incorporated by reference in this Official Statement.

Designation of Series 2009B Bonds as “Build America Bonds.” The Authority intends to elect to treat the Series 2009B Bonds as “Build America Bonds” for purposes of the American Recovery and Reinvestment Tax Act of 2009 (the “Recovery Act”) and the provisions of the Internal Revenue Code of 1986, as amended (the “Code”) enacted by the Recovery Act and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act and the Code, the Authority will receive cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the Series 2009B Bonds.

Details of Bonds. The Series 2009B Bonds will be dated the date of delivery thereof. Interest on the Series 2009B Bonds will be payable on January 1 and July 1, beginning January 1, 2010, at the rates shown on the inside front cover. Principal of the Series 2009B Bonds will be payable, subject to prior redemption as described herein, on January 1 in the years and amounts shown on the inside front cover.

The Series 2009B Bonds will be issued as fully registered bonds in book-entry-only form, without physical delivery of bond certificates to the beneficial owners of the Series 2009B Bonds. The Bond Registrar will make payment of principal of and interest on the Series 2009B Bonds to The Depository Trust Company, New York, New York (“DTC”), which will in turn remit such payment to its participants for subsequent distribution to the beneficial owners of the Series 2009B Bonds. Individual purchases of the Series 2009B Bonds by the beneficial owners will be made in denominations of \$5,000 or whole multiples thereof. See APPENDIX D hereto for more information regarding DTC and the book-entry-only system.

Tax Status. See “TAX TREATMENT” herein.

Professionals. The Underwriters set forth on the cover page of this Official Statement (the “Underwriters”), are underwriting the Series 2009B Bonds. Womble, Carlyle Sandridge & Rice, PLLC, Raleigh North Carolina, is serving as Bond Counsel. Bode, Call and Stroupe, L.L.P., Raleigh, North Carolina and Rand & Gregory, PA, Fayetteville, North Carolina, are serving as co-counsel to the Underwriters. Carolyn Johnson, Esq., Raleigh, North Carolina, is the Authority Attorney. Wells Fargo Bank, N.A., Jacksonville, Florida, is serving as the Trustee and Bond Registrar. Public Financial Management, Inc., Orlando, Florida, is acting as financial advisor to the Authority in connection with the issuance of the Series 2009B Bonds.

THE AUTHORITY

The Authority is a body politic and corporate and a public agency of the State created pursuant to the Authority Act. The Authority is empowered by the Authority Act to design, establish, purchase, construct, operate and maintain the turnpike projects within the State specifically authorized by the North Carolina General Assembly. At present, five potential toll facilities have been identified by the General Assembly for development by the Authority as turnpike projects.

The Authority is governed by a nine member Authority Board, consisting of four members appointed by the General Assembly of North Carolina (two members appointed by the President Pro-Tempore of the Senate and two members appointed by the Speaker of the House of Representatives), four members appointed by the Governor of the State, and the North Carolina Secretary of Transportation. The Chair of the Authority is selected by the Authority Board. Currently, Eugene A. Conti, Jr., the North Carolina Secretary of Transportation, serves as the Chair of the Authority Board. The Authority Board appoints the Executive Director of the Authority, who is the Chief Administrative Officer of the Authority, responsible for the daily administration of the toll projects undertaken by the Authority.

STATE OF NORTH CAROLINA

General

Appendix A hereto includes certain information regarding the State that was prepared for inclusion in the Official Statement, dated April 16, 2009, of the State used in connection with a recent offering of \$400,000,000 Capital Improvement Limited Obligation Bonds, Series 2009B of the State.

The Comprehensive Annual Financial Report for the State of North Carolina for the fiscal year ended June 30, 2008 (the "CAFR"), including the State's basic financial statements for such fiscal year, is available at the website of the Office of the State Controller at www.osc.nc.gov and printed copies of the CAFR may be obtained from the Office of the State Controller at 3512 Bush Street; Raleigh, NC 27609. Copies of the CAFR are also available from the municipal securities information repositories to which the State has undertaken to provide continuing disclosure information in certain of the State's bond offerings. The CAFR is hereby incorporated by reference in this Official Statement.

Recent Developments

As the information set forth in Appendix A indicates, the State, like many states, is experiencing the effects of the national recession in the State's economy and the financial performance of the State.

On May 14, 2009, the Office of State Controller of the State released the State's General Fund Monthly Financial Report for the period ended April 30, 2009. Such report indicates that for the fiscal year, when compared to the prior fiscal year through April 30, actual net tax and non-tax revenues decreased by \$1.15 billion, or 6.9%, and that tax revenues through April 2009 declined by \$1.72 billion, or 10.8%, and non-tax revenues increased by \$566.6 million, or 71.0%. During April 2009, Governor Perdue issued an Executive Order that transferred \$139.6 million from special fund and trust fund accounts for the purpose of providing cash flow to meet the State's obligations.

On April 28, 2009, the State's Budget Director stated that the shortfall in General Fund Revenue collections for the fiscal year ending June 30, 2009 could be more than \$3 billion below the budgeted amount of \$20.45 billion. At that time, in order to ensure a balanced budget, Governor Perdue, by Executive Order, directed that all State employees participate in a flexible furlough program, under which State employees were directed to take unpaid time off. Earlier in April 2009, the State's Budget Director issued a memorandum to all State Department Heads and Chief Fiscal Officers announcing other budget management restrictions imposed by Governor Perdue to ensure a balanced budget for the fiscal year. Among other provisions, such restrictions directed that for the balance of the fiscal year ending June 30, 2009, expenditures of State funds would be approved only for mandatory obligations, purchase orders for goods or services that require expenditure of General Fund monies should be suspended if such expenditures are not necessary, most travel by State employees should be suspended and that vacant positions should not be filled. These budgetary restrictions are in addition to those imposed earlier in the fiscal year and described in Appendix A.

As of May 31, 2009, the State's General Fund unreserved fund balance had a negative balance of \$344.8 million, as compared to a negative \$284.7 million at the end of April, and as compared to \$638.3 million at the end of May 2008. During May 2009, the General Fund continued to experience lower tax and non-tax receipts. Tax revenues, net of refunds, declined by \$14.6 million, or 1.4 percent for the month of May compared to the previous year. With lower cash balances, investment earnings declined by \$12.6 million for May as compared to the prior year. For the year to date through May, net tax revenues reflected a decline of \$1.7 billion, or 10 percent, with investment earnings down by \$111.2 million, or 49.6 percent. All pending income tax refunds for the 2008 tax year have been paid as of May 31, 2009.

In June 2009, the North Carolina Employment Security Commission announced that the State-wide unemployment rate had increased to 11.1% in May 2009.

A State budget for the fiscal year (and the biennium) beginning July 1, 2009 was not enacted by that date. On June 30, 2009, the General Assembly enacted legislation authorizing the Governor, as Director of the Budget, to expend State funds during the fiscal year beginning July 1, 2009 to continue State government. This legislation is a short-term measure to cover the period from the beginning of the new fiscal year until the budget for the new fiscal period is enacted. This legislation initially expired on July 15, 2009, but on July 15, 2009, the General Assembly enacted additional legislation extending the effective time of the legislation to July 31, 2009. While there can be no assurance that this expiration date would be extended if necessary, historically under these circumstances the General Assembly has enacted legislation to continue the expenditure of funds for periods not covered by an enacted budget.

THE SERIES 2009B BONDS

Authorization

The issuance of the Series 2009B Bonds received the required approval of the North Carolina Local Government Commission (the "LGC") on November 4, 2008 and April 7, 2009. The LGC is a division of the State Treasurer's office charged with general oversight of local government finance in North Carolina, as well as certain matters of finance by selected State Agencies. Its approval is required for the issuance of the Series 2009B Bonds by the Authority. In determining whether to allow bonds to be issued under the Revenue Bond Act, the LGC has been given wide statutory discretion to consider the need for and feasibility of the projects to be financed, the issuing unit's capability to repay the amount financed from the pledged revenue sources and the issuer's general compliance with State budget and finance laws. Under the Revenue Bond Act, the LGC is also responsible, with the Authority's approval, for selling bonds issued pursuant to the Revenue Bond Act.

General

The Series 2009B Bonds will be dated the date of delivery thereof, will bear interest from their date payable on each January 1 and July 1, beginning January 1, 2010, at the rates shown on the inside front cover and will mature, subject to prior redemption as described below, on January 1 in the years and amounts shown on the front cover. The Series 2009B Bonds will be issued as fully registered bonds and will be subject to the provisions of the book-entry-only system described below. Individual purchases of the Series 2009B Bonds by the beneficial owners will be made in denominations of \$5,000 or whole multiples thereof.

Book-Entry Only

The Series 2009B Bonds will be issued as fully registered bonds in book-entry-only form without physical delivery of bonds to the beneficial owners of the Series 2009B Bonds. The Trustee will make payments of principal of and interest on the Series 2009B Bonds to DTC, which will in turn remit such payments to DTC participants for subsequent distribution to the beneficial owners of the Series 2009B Bonds. See APPENDIX D hereto for more information regarding DTC and the book-entry-only system.

Redemption Provisions

Optional Redemption of the Series 2009B Bonds. The Series 2009B Bonds maturing on January 1, 2025 and 2039 are subject to redemption, at the option of the Authority, either in whole or in part on any date on or after January 1, 2019, at a redemption price equal to 100% of the principal of the Series 2009B Bonds to be redeemed, plus accrued interest to the redemption date.

“Make-Whole” Redemption of the Series 2009B Bonds. The Series 2009B Bonds maturing January 1, 2025 and 2039 are subject to redemption prior to January 1, 2019, and the Series 2009B Bonds maturing January 1, 2017 through 2021 (inclusive) are subject to redemption prior to their respective maturities at the option of the Authority, in whole or in part, on any Business Day, at the “Make-Whole Redemption Price” (as defined herein). The Make-Whole Redemption Price is the greater of (i) 100% of the principal amount of the Series 2009B Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2009B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009B Bonds are to be redeemed, discounted to the date on which the Series 2009B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the “Treasury Rate” (defined below) plus thirty basis points (.30%), plus, in each case, accrued and unpaid interest on the Series 2009B Bonds to be redeemed on the redemption date.

For purpose of determining the Make-Whole Redemption Price, the following definitions apply:

“Treasury Rate” means, with respect to any redemption date for a particular Series 2009B Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

“Comparable Treasury Issue” means, with respect to any redemption date for a particular Series 2009B Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the Series 2009B Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2009B Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date for a particular Series 2009B Bond, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

“Designated Investment Banker” means one of the Reference Treasury Dealers appointed by the Authority.

“Reference Treasury Dealer” means each of the four firms, specified by the Authority from time to time, that are primary United States Government securities dealers in the City of New York (each a “Primary Treasury Dealer”); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the Authority will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series 2009B Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, on the third Business Day preceding such redemption date.

Extraordinary Optional Redemption of the Series 2009B Bonds. The Series 2009B Bonds are subject to redemption at any time prior to their maturity at the option of the Authority, in whole or in part, upon the occurrence of an Extraordinary Event, at a redemption price (the “Extraordinary Optional Redemption Price”) equal to the greater of (i) 100% of the principal amount of the Series 2009B Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2009B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009B Bonds are to be redeemed, discounted to the date on which the Series 2009B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus one hundred basis points (1.00%); plus, in each case, accrued interest on the Series 2009B Bonds to be redeemed to the redemption date.

An “Extraordinary Event” will have occurred if a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act, pertaining to “Build America Bonds”) pursuant to which the Authority’s 35% cash subsidy payment from the United States Treasury is reduced or eliminated. At the request of the Trustee, the redemption price of the Series 2009B Bonds to be redeemed at the option of the Authority will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Authority at the Authority’s expense to calculate such redemption price. The Trustee and the Authority may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

For purposes of determining the Extraordinary Optional Redemption Price, “Treasury Rate,” shall have the meanings described above under the caption, “Make-Whole Redemption.”

Mandatory Sinking Fund Redemption. The Series 2009B Bonds maturing on January 1, 2025 are subject to mandatory sinking fund redemption, by lot and in such manner as the Trustee may determine, at a price equal to 100% of the principal amount of Series 2009B Bonds to be redeemed, plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Requirements</u>
January 1, 2022	\$11,855,000
January 1, 2023	12,325,000
January 1, 2024	12,815,000
January 1, 2025*	13,325,000

* Final Maturity

The Series 2009B Bonds maturing on January 1, 2039 are subject to mandatory sinking fund redemption, by lot and in such manner as the Trustee may determine, at a price equal to 100% of the principal amount of Series 2009B Bonds to be redeemed, plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Requirements</u>
January 1, 2026	\$13,885,000
January 1, 2027	14,505,000
January 1, 2028	15,150,000
January 1, 2029	15,825,000
January 1, 2030	16,530,000
January 1, 2031	17,265,000
January 1, 2032	18,035,000
January 1, 2033	18,840,000
January 1, 2034	19,675,000
January 1, 2035	20,555,000
January 1, 2036	21,470,000
January 1, 2037	22,425,000
January 1, 2038	23,420,000
January 1, 2039*	24,465,000

* Final Maturity

Other General Redemption Provisions. At least 30 days, but not more than 60 days, prior to the redemption date for Series 2009B Bonds, whether such redemption be in whole or in part, the Bond Registrar will cause a notice of redemption to be mailed first-class, postage prepaid, to all Owners of Series 2009B Bonds to be redeemed in whole or in part; provided, however, that notices to DTC will be sent by registered or certified mail or by other electronic means as may be required by the operation procedures of DTC. Failure to mail any such notice to any Owner or any defect in such notice will not affect the validity of any proceedings for such redemption as to any other Owner to whom such notice is properly given. The Bond Registrar will also cause such notice of redemption to be mailed, by registered or certified mail, to one securities depository and at least two national information services that disseminate redemption information; provided, however, that failure to give such notice or any defect therein will not affect the validity of any proceedings for such redemption.

If less than all of the Series 2009B Bonds are called for redemption, the Series 2009B Bonds or portions thereof to be redeemed will be selected by the Authority in its discretion. If less than all the Series 2009B Bonds of any one maturity are called for redemption, the Series 2009B Bonds of such maturity to be redeemed will be selected by the Bond Registrar by lot; provided, however that so long as the only Owner of the Series 2009B Bonds is DTC, such selection will be made by DTC by lot. The Series 2009B Bonds may be redeemed only in whole multiples of \$5,000, and in selecting the Series 2009B Bonds for redemption, each \$5,000 portion of principal of the Series 2009B Bonds shall be counted as one Series 2009B Bond for such purpose. If a portion of a Series 2009B Bond is called for redemption, a new Series 2009B Bond in principal amount equal to the unredeemed portion thereof will be issued to the Owner upon surrender thereof.

Upon giving notice and depositing funds or securities with the Trustee or the Bond Registrar as provided in the Trust Agreement, the Series 2009B Bonds or portions thereof so called for redemption shall become due and payable on the redemption date, and interest on such Series 2009B Bonds or portions thereof shall cease to accrue from and after such date.

Any notice of optional redemption 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 Series 2009B Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2009B Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Series 2009B Bonds are not received by the Trustee or Bond Registrar on or prior to the redemption date, the redemption will not be made and the Bond Registrar will 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.

PLAN OF FINANCE

Costs of the Triangle Expressway System will be financed with the proceeds of the Series 2009B Bonds, proceeds of the General Revenue Bonds, disbursements under the TIFIA Loan and interest earnings on proceeds of the Series 2009B Bonds and the General Revenue Bonds. In addition, certain design and engineering costs, development costs, right-of-way and roadway which will comprise a portion of the Triangle Expressway System and environmental mitigation costs are being provided to the Authority by the North Carolina Department of Transportation (“NCDOT”). The General Revenue Bonds are being issued and the TIFIA Loan is being incurred under the General Revenue Bond Trust Agreement.

The General Revenue Bonds and the TIFIA Loan will be secured by the tolls and other revenues of the Triangle Expressway System as provided in the General Revenue Bond Trust Agreement.

The Series 2009B Bonds are secured solely by the Revenues as herein described and certain funds provided in the Trust Agreement as described herein. **The Series 2009B Bonds will not be secured by the tolls or other revenues of the Triangle Expressway System or any funds held under the General Revenue Bond Trust Agreement.** Under the plan of finance, principal of and interest on the Series 2009B Bonds will be paid from the Revenues and certain investment earnings thereon. Revenues not needed in any fiscal year to make such payments will be withdrawn from the Trust Agreement and deposited to the Revenue Fund under the General Revenue Bond Trust Agreement. Upon such withdrawal from the Trust Agreement, the amounts so transferred shall be transferred free and clear of the lien on and pledge of the Revenues created under the Trust Agreement and such lien and pledge shall thereafter be of no force and effect upon the deposit of such amounts in the Revenue Fund under the General Revenue Bond Trust Agreement.

ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount of Series 2009B Bonds	\$352,675,000
Less original issue discount	<u>(816,455)</u>
Total Sources of Funds	<u>\$351,858,545</u>

Uses of Funds

Project Costs	\$305,784,924
Capitalized Interest	34,216,166
Reserve Fund for Series 2009B Bonds	7,913,790
Costs of Issuance(1)	<u>3,943,665</u>
Total Uses of Funds	<u>\$351,858,545</u>

(1) Includes underwriters' discount, initial fees and expenses of the Trustee and rating agency, legal, accounting and other fees and expenses of issuance.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009B BONDS

General

The Series 2009B Bonds will be special obligations of the Authority, secured by and payable from the Revenues and, under certain circumstances, the proceeds of the Series 2009B Bonds.

The Trust Agreement provides that the "Revenues" will consist of (a) the State Appropriated Revenues; (b) the Interest Subsidy Payments (except to the extent an Interest Subsidy Payment is to be applied to restore a deficiency in the Reserve Fund as described below under "Application of Revenues"); 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, the Debt Service Fund or the Reserve Fund. The Revenues are pledged to the payment of the Bonds to the extent and in the manner provided by the Trust Agreement. The Revenue Bond Act provides that the funds so pledged and then held or thereafter received by the Authority shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Authority, without regard to whether such parties have notice thereof.

The principal of and interest on the Series 2009B Bonds shall not be payable from the general funds of the Authority, nor shall they constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of its property or upon any of its income, receipts, or revenues, except the funds which are pledged under the bond order and the Trust Agreement. Neither the credit nor the taxing power of the State or any instrumentality thereof are pledged for the payment of the principal or interest of the Series 2009B Bonds, and no Owner of Series 2009B Bonds has the right

to compel the exercise of the taxing power by the State or any instrumentality thereof or the forfeiture of any of its property other than Revenues and other funds pledged under the Trust Agreement in connection with any default thereon.

State Appropriated Revenues

In July 2008, the General Assembly of North Carolina enacted legislation that included a provision creating a continuing annual appropriation to the Authority of \$25,000,000 for the Triangle Expressway System to service debt and fund required reserves in connection with bonds issued to finance the Triangle Expressway System. Pursuant to the legislation, amounts so appropriated may be used by the Authority to pay debt service or related financing costs and expenses on revenue bonds or notes issued by the Authority to finance the costs of Triangle Expressway System or to fund debt service reserves, operating reserves, and similar reserves in connection therewith. The annual appropriation for the Triangle Expressway System, beginning with the annual appropriation for the Authority's fiscal year ending June 30, 2010, is defined in the Trust Agreement and herein as the "State Appropriated Revenues." Pursuant to the Trust Agreement the Authority has provided that the State Appropriated Revenues and Interest Subsidy Payments and any investment income realized therefrom shall constitute "Revenues" under the Trust Agreement.

The legislation states that it is the intention of the General Assembly that the enactment of the annual appropriation and the issuance of bonds or notes by the Authority in reliance thereon shall not in any manner constitute a pledge of the faith and credit and taxing power of the State of North Carolina, and nothing contained therein shall prohibit the General Assembly from amending the appropriations to decrease or eliminate the amount annually appropriated to the Authority. Thus, the legislation creating the State Appropriated Revenues may be amended or repealed by the General Assembly of North Carolina in any future budget year. To the extent the appropriation legislation is not so repealed or amended, however, the amounts received by the Authority pursuant to the appropriation are pledged to secure the obligations of the Authority under the Trust Agreement.

The legislation providing for the annual appropriation provides that the appropriation is to be made to the Authority as a transfer from the North Carolina Highway Trust Fund. The North Carolina Highway Trust Fund is a separate fund of the State, separate from the State's General Fund and the State's Highway Fund. The North Carolina Highway Trust Fund was established in 1989 to provide a dedicated funding mechanism to meet highway construction needs for North Carolina. Taxes were increased for the specific purpose of improving identified primary transportation corridors within the State and for the completion of urban loops around seven major metropolitan areas. Additionally, the North Carolina Highway Trust Fund provides supplemental allocations for secondary road construction and supplemental assistance to municipalities for local street projects. The fund also makes transfers to the State's General Fund and the Highway Fund. Revenues for the Highway Trust Fund are generated by a 3% highway use tax on the retail value of motor vehicles purchased or titled in North Carolina, 25% of all motor fuel and alternative fuel tax revenues, a portion of a road use tax imposed on all motor carriers using the State's highways, a portion of certain fees shared for the issuance of certificates of title, other fee increases and certain investment earnings. For the fiscal years ended June 20, 2007 and 2008, total revenues of the Highway Trust Fund, excluding federal receipts, were \$1,116,192,516 and \$1,060,058,225, respectively.

The following table sets forth the major sources of revenue of the Highway Trust Fund for the fiscal year ended June 30, 2008:

<u>Source</u>	<u>Revenue</u> <u>(\$000)</u>
Motor Fuels and Alternative Fuels	387,776
Highway Use Tax	566,132
Fees, Licenses and Fines	103,884
Investment Earnings	2,592

The Authority has received the annual appropriation of \$25,000,000 for the Authority's fiscal year ending June 30, 2009 and such amount has been deposited with the Trustee under the General Revenue Bond Trust Agreement. This amount will be applied at the time of issuance of the Series 2009B Bonds to fund certain reserves required under the Trust Agreement and the General Revenue Bond Trust Agreement.

While the Series 2009B Bonds will be payable in part from the State Appropriated Revenues as described in this Official Statement, the Series 2009B Bonds are bonds of the Authority and are not bonds of the State. The Authority will be responsible for the collection of the State Appropriated Revenues from the State and the deposit of such amounts with the Trustee upon collection, and for oversight of the application of the State Appropriated Revenues for the purposes set forth in the Trust Agreement. The Department of State Treasurer of the State, which traditionally has had responsibility for the administration of bond issues and other financings by the State, will not be responsible for the administration of the Trust Agreement and the Series 2009B Bonds.

Interest Subsidy Payments

In February 2009, as part of the Recovery Act, Congress added Sections 54AA and 6431 to the Code. These provisions permit state or local governments to obtain certain tax advantages when bonds are issued to as "Build America Bonds." A Build America Bond is a qualified bond under Section 54AA(g) of the Code if it meets certain requirements of the Code and the related Treasury Regulations and the issuer has made an irrevocable election to have the special rule for qualified bonds apply. Interest on Build America Bonds is not excluded from gross income for purposes of the federal income taxation, and owners of Build America Bonds will not receive any tax credits as a result of ownership of such Build America Bonds when an issuer has elected to receive the Interest Subsidy Payment.

Under the Code, an issuer of a Build America Bond may apply to receive payments ("Interest Subsidy Payments") directly from the Secretary of the United States Treasury. The amount of an Interest Subsidy Payment is set in the Code at 35% of the corresponding interest payable on the related Build America Bond. To receive a Interest Subsidy Payment, under currently existing procedures, the issuer of the Build American Bond must file a tax return (now designated as Form 8038-CP) between 90 and 45 days prior to the corresponding bond interest payment date, with such issuer to receive the Interest Subsidy Payment contemporaneously with the interest payment date with respect to the Build America Bond. Depending on the timing of the filing and other factors, the Interest Subsidy Payment may be received before or after the corresponding interest payment date.

The Authority intends to elect to treat the Series 2009B Bonds as Build America Bonds and apply for Interest Subsidy Payments from the United States Treasury under the Build America Program." The Interest Subsidy Payments to be received by the Authority constitute Revenues under the Trust Agreement and are pledged under the Trust Agreement to the repayment of the Series 2009B Bonds. No assurances are provided that the Authority will receive the Interest Subsidy Payments. The amount of any

Interest Subsidy Payment is subject to legislative changes by Congress. Interest Subsidy Payments will only be paid if the Series 2009B Bonds are qualified under the federal program.

For the Series 2009B Bonds to be and remain qualified under the federal requirements, the Authority must comply with certain requirements and must establish certain facts and expectations with respect to the Series 2009B Bonds, the use and investment of proceeds thereof and the use of property financed thereby. There are currently no procedures for requesting a Interest Subsidy Payment after the 45th day prior to an interest payment date; therefore, if the Authority fails to file the necessary tax return in a timely fashion, it is possible that the Authority will never receive such Interest Subsidy Payment. In the Trust Agreement, the Authority has covenanted that so long as the Series 2009B Bonds remain Outstanding, it will comply with the procedures and requirements set forth in Sections 54AA(g) and 6431 of the Code and applicable regulations promulgated from time to time thereunder and any applicable guidance relating to Build America Bonds promulgated by the United States Department of the Treasury or Internal Revenue Service relating to Build America Bonds as necessary to allow the Authority to receive Interest Subsidy Payments with respect to the Build America Bonds. In particular, the Authority has covenanted to file IRS Form 8038-CP with the Internal Revenue Service no earlier than 90 days prior to the next Interest Payment Date for the Series 2009B Bonds and not later than 45 days before such Interest Payment Date. This covenant shall be modified as necessary to comply with future law or further guidance from the Treasury Department or Internal Revenue Service.

Interest Subsidy Payments are subject to offset against certain amounts that may, for unrelated reasons, be owed by the Authority to an agency of the United States of America.

The issuance of the Series 2009B Bonds is dependent on market conditions, and the Authority, in its sole discretion, may determine not to issue all or part of the Series 2009B Bonds and to instead issue the Series 2009B Bonds in an increased principal amount sufficient to fund the purposes for which both the Series 2009B Bonds and the Series 2009B Bonds would have been issued.

Application of Revenues

The Authority and NCDOT have made arrangements for the transfer of the State Appropriated Revenues to the Authority from the North Carolina Highway Trust Fund in four equal quarterly installments of \$6,250,000 to be made on each February 16, May 16, August 16 and November 16. The Trust Agreement provides that in the event that the transfer is not made as so arranged, the Authority will make prompt application to the NCDOT to make such transfer and, if the transfer is not then made, shall make application to the North Carolina Director of the Budget to direct that the transfer be made. In so requesting the transfer, the Authority shall provide such information to the NCDOT or the North Carolina Director of the Budget as shall be requested in order to show that the transfer to the Authority of the amounts so appropriated is necessary to enable the Authority to pay the debt service payments to be paid with respect to the Bonds. The Authority expects to receive the Interest Subsidy Payment immediately prior to each interest payment date on the Series 2009B Bonds.

The Trust Agreement provides that immediately upon each receipt of State Appropriated Revenues and the Interest Subsidy Payment, the Authority shall transfer the amount received to the Trustee, which is directed to transfer such amounts as follows, and in the following order of priority:

- (a) to the Interest Account of the Debt Service Fund created under the Trust Agreement an amount that, together with the amounts then on deposit in the Interest Account, and amounts in the Capitalized Interest Account available to pay such interest as described below, will be equal to the amount of interest payable on the Series 2009B Bonds on the next Interest Payment Date,

or the entire amount of the Revenues if less than the amount required payable on the next Interest Payment Date;

(b) to the Principal Account and the Sinking Fund Account of the Debt Service Fund created under the Trust Agreement an amount that, together with the amounts then on deposit in the Principal Account or the Sinking Fund Account, will be equal to the amount equal to the amount of principal payable on the Series 2009B Bonds on the next Principal Payment Date, or the entire amount of the Revenues if less than the amount required payable on the next Principal Payment Date; and

(c) the balance, following the transfers described in (a) and (b) shall be transferred from the Revenue Fund under the Trust Agreement to the Revenue Fund created under the General Revenue Bond Trust Agreement.

Notwithstanding the foregoing, if there is a transfer from the Reserve Fund to the Interest Account to pay interest on any Build America Bonds as described below under “Reserve Fund for Series 2009B Bonds” and thereafter the Authority receives the Interest Subsidy Payment related to such transfer, such Interest Subsidy Payment, to the extent not then required to pay principal and interest on the Bonds, will be transferred to the Reserve Fund to cure the deficiency therein resulting from the transfer to the Interest Account.

Upon the transfer described in (c), the amounts so transferred shall be free and clear of the lien on and pledge of the Revenues created under the Trust Agreement and such lien and pledge shall thereafter be of no force and effect upon the deposit of such amounts in the Revenue Fund under the General Revenue Bond Trust Agreement.

The Trust Agreement also creates a special account of the Debt Service Fund designated the “Capitalized Interest Account.” \$42,427,681.37, derived from the proceeds of the Series 2009B Bonds and a portion of the State Appropriation for the fiscal year ended June 30, 2009, will be deposited to the credit of the Capitalized Interest Account at the time of issuance thereof. On each Interest Payment Date, commencing January 1, 2010, the Trustee shall apply funds in the Capitalized Interest Account for payment of a portion of the interest due on the Series 2009B Bonds on such Interest Payment Date.

Reserve Fund for Series 2009B Bonds

The Trust Agreement also creates the Reserve Fund with respect to the Series 2009B Bonds and any other “Build America Bonds” issued pursuant to the Trust Agreement. The Trust Agreement establishes the Reserve Fund Requirement for the Reserve Fund to be the amount that is equal to the maximum Interest Subsidy Payments expected to be received in the current or any future fiscal year. In connection with the issuance of the Series 2009B Bonds, \$7,913,790 will be deposited to the credit of the Reserve Fund simultaneous with the issuance of the Series 2009B Bonds. If the Authority issues any other Build America Bonds under the Trust Agreement, the Authority shall fund, from the proceeds of such Build America Bonds or from any other available sources such amount as shall be necessary for the Reserve Fund to equal the Reserve Fund Requirement.

The Trustee is directed to use amounts in the Reserve Fund to make transfers to the Interest Account to remedy any deficiency therein arising from the failure of the Authority to receive the anticipated Interest Subsidy Payment as of two Business Days prior to any Interest Payment Date relating to the Authority’s Build America Bonds. Any deficiency in the Reserve Fund resulting from the withdrawal of moneys therein to pay interest on Build America Bonds shall be restored from future Interest Subsidy Payments received by the Authority. Amounts in the Reserve Fund in excess of the

Reserve Fund Requirement may be transferred from the Debt Service Fund to the Interest Account and used to pay interest on Build America Bonds.

Additional Bonds

The Trust Agreement provides that the Authority may issue additional Bonds under the Trust Agreement, which Bonds will be payable from the Revenues on a parity with the Series 2009B Bonds, for the purpose of refunding any Series 2009B Bonds or any such refunding Bonds and paying costs incurred in connection therewith. Additional Bonds may not be issued under the Trust Agreement for purposes of paying additional costs of the Triangle Expressway System.

[Remainder of page left intentionally blank]

PROJECTED CASH FLOW

Table of State Appropriated Revenues, Interest Subsidy Payments; Other Revenues, Debt Service and Transfer to General Revenue Bond Trust Agreement

The table below has been compiled by the Authority to show the projections for estimated Revenues, the debt service requirements for the Series 2009B Bonds and remaining deposits to the Revenue Fund under the General Revenue Bond Trust Agreement for each of the fiscal years ending June 30, 2010 through June 30, 2039.

Fiscal Year Ending June 30,	State Appropriated Revenues	Interest Subsidy Payments	Other Revenues ¹	Transfer From Capitalized Interest Account	Debt Service on Series 2009B Bonds	Transfer to Revenue Fund Under General Revenue Bond Trust Agreement
2010	\$25,000,000	\$7,298,273	\$ --	\$13,553,936	\$20,852,209	\$25,000,000
2011	25,000,000	7,913,790	--	14,697,039	22,610,829	25,000,000
2012	25,000,000	7,913,790	--	14,697,039	22,610,829	25,000,000
2013	25,000,000	7,913,790	178,060	--	22,610,829	10,481,022
2014	25,000,000	7,913,790	178,060	--	22,610,829	10,481,022
2015	25,000,000	7,913,790	178,060	--	22,610,829	10,481,022
2016	25,000,000	7,913,790	178,060	--	22,610,829	10,481,022
2017	25,000,000	7,885,482	178,060	--	25,899,949	7,163,594
2018	25,000,000	7,796,163	178,060	--	29,389,751	3,584,472
2019	25,000,000	7,651,021	178,060	--	31,475,059	1,354,022
2020	25,000,000	7,477,785	178,060	--	31,300,099	1,355,746
2021	25,000,000	7,295,178	178,060	--	31,118,365	1,354,873
2022	25,000,000	7,077,198	178,060	--	32,075,565	179,693
2023	25,000,000	6,823,308	178,060	--	31,820,165	181,203
2024	25,000,000	6,559,338	178,060	--	31,555,965	181,433
2025	25,000,000	6,284,868	178,060	--	31,281,765	181,163
2026	25,000,000	5,982,154	178,060	--	30,976,868	183,346
2027	25,000,000	5,649,281	178,060	--	30,645,803	181,539
2028	25,000,000	5,301,576	178,060	--	30,297,360	182,276
2029	25,000,000	4,938,394	178,060	--	29,934,698	181,757
2030	25,000,000	4,559,032	178,060	--	29,555,805	181,287
2031	25,000,000	4,162,785	178,060	--	29,158,673	182,173
2032	25,000,000	3,748,893	178,060	--	28,746,123	180,831
2033	25,000,000	3,316,534	178,060	--	28,315,810	178,784
2034	25,000,000	2,864,945	178,060	--	27,860,558	182,448
2035	25,000,000	2,393,248	178,060	--	27,392,853	178,456
2036	25,000,000	1,900,505	178,060	--	26,900,015	178,551
2037	25,000,000	1,385,836	178,060	--	26,384,533	179,364
2038	25,000,000	848,304	178,060	--	25,843,725	182,639
2039	25,000,000	286,852	178,060	--	25,284,578	180,335

¹ Includes projected investment earnings.

CONTINUING DISCLOSURE

In the Trust Agreement, the Authority will undertake, for the benefit of the beneficial owners of the Series 2009B Bonds, to provide to the Municipal Securities Rulemaking Board:

(a) by not later than seven months from the end of each Fiscal Year of the Authority, beginning with the Fiscal Year ending June 30, 2009, (1) the audited financial statements of the Authority for such Fiscal Year, if available, or, if such audited financial statements of the Authority are not available by seven months from the end of such Fiscal Year, unaudited financial statements of the Authority for such Fiscal Year to be replaced subsequently by audited financial statements of the Authority to be delivered within fifteen (15) days after such audited financial statements become available for distribution and (2) to the extent available to the Authority, the audited financial statements of the State for the State's most recent Fiscal Year, if available, or, if such audited financial statements of the State are not available, unaudited financial statements of the State for such Fiscal Year to be replaced subsequently by audited financial statements of the State to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each Fiscal Year of the Authority, beginning with the Fiscal Year ending June 30, 2009, the financial and statistical data as of the date not earlier than the end of the preceding Fiscal Year for the information included under the headings "Projected Revenues, Cash Flows and Debt Service" in this Official Statement to the extent such items are not included in the audited financial statements referred to in (a) above.

In a timely manner, notice of any of the following events with respect to the Series 2009B Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of any credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Series 2009B Bonds;
- (7) modification to rights of the beneficial owners of the Series 2009B Bonds;
- (8) redemption of any of the Series 2009B Bonds, except for mandatory sinking fund redemption;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Series 2009B Bonds; and
- (11) rating changes.

(d) in a timely manner, notice of a failure of the Authority to provide required annual financial information described in (a) or (b) above on or before the date specified.

At present, Section 159-34 of the General Statutes of North Carolina requires the Authority's financial statements to be prepared in accordance with generally accepted accounting principles and to be audited in accordance with generally accepted auditing standards.

The Trust Agreement will also provide that if the Authority fails to comply with the undertaking described above, the Trustee or any beneficial owner of the Series 2009B Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that the Authority's failure to comply with the undertaking will not constitute an Event of Default under the Trust Agreement. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Series 2009B Bonds.

Pursuant to the Trust Agreement, the Authority will reserve the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Authority, provided that any such modification will be done in a manner consistent with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as it may be amended from time to time ("Rule 15c2-12"), and provided further that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Authority;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of this Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners of the Series 2009B Bonds, as determined either by the Trustee or bond counsel, or by the approving vote of the Owners of a majority in principal amount of the Series 2009B Bonds pursuant to the terms of the Trust Agreement, as it may be amended from time to time, at the time of the amendment.

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The undertaking described above will terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Series 2009B Bonds.

LITIGATION

No litigation is now pending or, to the best of the Authority's knowledge, threatened against or affecting the Authority seeking to restrain or enjoin the authorization, execution or delivery of the Series 2009B Bonds, the Trust Agreement or contesting the validity or the authority or proceedings for the authorization, execution or delivery of the Series 2009B Bonds, the Trust Agreement or the Authority's creation, organization or corporate existence, or the title of any of the Authority's present officers to their respective offices, or the Authority's authority to carry out its obligations thereunder.

LEGAL MATTERS

Legal matters related to the authorization, execution, sale and delivery of the Series 2009B Bonds are subject to the approval of Womble Carlyle Sandridge & Rice, PLLC, Raleigh, North Carolina, Bond Counsel. Certain legal matters will be passed upon for the Authority by Carolyn Johnson, Esq., Raleigh, North Carolina, General Counsel to the Authority, and for the Underwriters by Bode Call & Stroupe, L.L.P., Raleigh, North Carolina and Rand & Gregory, PA, Fayetteville, North Carolina, co-counsel to the Underwriters.

TAX TREATMENT

General

The Authority will make an irrevocable election to treat the Series 2009B Bonds as Qualified Build America Bonds. As a result of this election, interest on the Series 2009B Bonds will be includable in gross income of the holders thereof for federal income tax purposes and the holders of the Series 2009B Bonds will not be entitled to any tax credits as a result of either ownership of the Series 2009B Bonds or receipt of any interest payments on the Series 2009B Bonds. Holders of the Series 2009B Bonds should consult their tax advisors with respect to the inclusion of interest on the Series 2009B Bonds in gross income for federal income tax purposes.

Opinion of Bond Counsel

In the opinion of Bond Counsel, interest on the Series 2009B Bonds will be included in gross income for federal income tax purposes and so will be fully subject to federal income taxation. Owners other than those who purchase Series 2009B Bonds in the initial offering at their principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such bonds. In general, interest paid on the Series 2009B Bonds and recovery of accrued market discount, if any, will be treated as ordinary income to an owner of Series 2009B Bonds and, after adjustment for the foregoing, principal payments will be treated as a return of capital.

Bond Counsel is also of the opinion, under existing law, that interest on the Series 2009B Bonds will be exempt from all State of North Carolina income taxes.

Market Discount

Any Owner who purchases a Series 2009B Bond at a price which includes market discount in excess of a prescribed de minimis amount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) will be required to recharacterize all or a portion of the gain as ordinary

income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such owner will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Series 2009B Bond as ordinary income to the extent of any remaining accrued market discount (under this caption) or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

An Owner who acquires a Series 2009B Bond at a market discount also may be required to defer, until the maturity date of such Series 2009B Bonds or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2009B Bond in excess of the aggregate amount of interest includable in such owner's gross income for the taxable year with respect to such Series 2009B Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2009B Bond for the days during the taxable year on which the owner held the Series 2009B Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2009B Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the Owner elects to include such market discount in income currently as described above.

Sale or Redemption of Series 2009B Bonds

An Owner's tax basis for a Series 2009B Bond is the price such owner pays for the Series 2009B Bond plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than "qualified periodic interest" payments) and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2009B Bond, measured by the difference between the amount realized and the Series 2009B Bond basis as so adjusted, will generally give rise to capital gain or loss if the Series 2009B Bond is held as a capital asset (except as discussed above under "Market Discount"). The legal defeasance of Series 2009B Bonds may result in a deemed sale or exchange of such Bonds under certain circumstances; owners of such Bonds should consult their tax advisors as to the Federal income tax consequences of such an event.

ERISA

The Employees Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. All fiduciaries of Plans should consult their own tax advisors with respect to the consequences of any investment in the Series 2009B Bonds.

IRS Circular 230 Disclosure

The advice under the caption “Tax Treatment” concerning certain income tax consequences of the acquisition, ownership and disposition of the Series 2009B Bonds and treatment of the Series 2009B Bonds as Build America Bonds was written to support the marketing of the Series 2009B Bonds. To ensure compliance with the requirements imposed by the Internal Revenue Service, prospective purchasers of the Series 2009B Bonds are advised that (i) any federal tax advice relating to the Series 2009B Bonds contained in this Official Statement (including any appendices) or in writings furnished by Bond Counsel to the Authority (including opinions of Bond Counsel to the Authority, the proposed form of which is included in Appendix C hereto) is not intended to be used, and cannot be used, by any owner of a Series 2009B Bond for the purpose of avoiding penalties that may be imposed on such owner under the Code, and (ii) such owner should seek advice based on such owner’s particular circumstances from an independent tax advisor.

LEGALITY FOR INVESTMENT

Section 159-140 of the General Statutes of North Carolina provides that the Series 2009B Bonds are securities in which all public officers and public bodies of the State of North Carolina and its political subdivisions and agencies and all insurance companies, trust companies, investment companies, banks, savings banks, building and loan associations, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State of North Carolina, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them, and the Series 2009B Bonds are securities which may properly and legally be deposited with and received by any State of North Carolina or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds, notes or obligations of the State is now or may hereafter be authorized by law.

RATINGS

Moody’s Investors Service (“Moody’s”), Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”), and Fitch Ratings (“Fitch”), have given the Series 2009B Bonds the respective ratings of “Aa2”, “AA” and “AA-”. Further explanation of the significance of such ratings may be obtained from Moody’s, S&P and Fitch. The Authority has provided to Moody’s, S&P and Fitch certain information that has not been included in this Official Statement. The ratings are not a recommendation to buy, sell or hold the Series 2009B Bonds and should be evaluated independently. There is no assurance that such ratings will not be withdrawn or revised downward by Moody’s, S&P or Fitch. Such action may have an adverse effect on the market price of the Series 2009B Bonds. Neither the Authority nor the Underwriters have undertaken any responsibility after the issuance of the Series 2009B Bonds to assure maintenance of the ratings or to oppose any such revision or withdrawal.

UNDERWRITING

The Underwriters have entered into a Bond Purchase Agreement to purchase all of the Series 2009B Bonds, if any of the Series 2009B Bonds are to be purchased, at a purchase price equal to 100% of the principal amount thereof, less an original issue discount of \$816,455.20 and less an underwriters’ discount of \$3,474,361.35. The obligation of the Underwriters to pay for the Series 2009B Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement.

The Underwriters may offer and sell the Series 2009B Bonds to certain dealers (including dealers depositing the Series 2009B Bonds into investment trusts) and others at prices lower than the initial public offering prices stated on the cover page hereof. The public offering prices may be changed from time to time by the Underwriters.

Wachovia Securities is a trade name under which Wells Fargo & Company conducts certain of its investment banking, capital markets and institutional securities business through Wachovia Capital Markets, LLC, member NYSE, FINRA, SIPC and through other bank, non-bank and broker-dealer subsidiaries of Wells Fargo & Company, including Wachovia Bank, National Association.

Citigroup Inc., parent company of Citigroup Global Markets Inc., an underwriter of the Series 2009B Bonds, has entered into a retail brokerage joint venture with Morgan Stanley. As part of the joint venture, Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2009B Bonds.

J.P. Morgan Securities Inc., one of the underwriters of the Series 2009B Bonds, has entered into an agreement (the "Distribution Agreement") with UBS Financial Services Inc. for the retail distribution of certain municipal securities offerings, including the Series 2009B Bonds, at the original issue prices. Pursuant to the Distribution Agreement (if applicable for this transaction), J.P. Morgan Securities Inc. will share a portion of its underwriting compensation with respect to the Series 2009B Bonds with UBS Financial Services Inc.

MISCELLANEOUS

Members of the LGC staff have participated in the preparation of this Official Statement and other documents related to the issuance of the Series 2009B Bonds, but the LGC and its staff assume no responsibility for the accuracy or completeness of any representation or statement in this Official Statement.

The LGC and the Authority have each duly authorized the execution and delivery of this Official Statement.

NORTH CAROLINA LOCAL GOVERNMENT
COMMISSION

By: /s/ T. Vance Holloman
Secretary

NORTH CAROLINA TURNPIKE AUTHORITY

By: /s/ Eugene A. Conti, Jr.
Chairman

APPENDIX A
STATE OF NORTH CAROLINA

APPENDIX B
DEFINITIONS OF CERTAIN TERMS AND SUMMARIES
OF THE TRUST AGREEMENT

**DEFINITIONS OF CERTAIN TERMS AND
SUMMARIES OF THE TRUST AGREEMENT**

DEFINITIONS

In addition to the defined terms set forth in the Official Statement to which this Appendix B is attached, the following is a summary of certain definitions set forth in the Trust Agreement and used in this Official Statement. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Agreement.

“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 the Trust Agreement whose name and specimen signature is filed pursuant to an Officer’s Certificate with the Trustee for such purpose.

“Bond” or “Bonds” means, collectively, the Series 2009B Bonds and any Bonds issued under and pursuant to the Trust Agreement.

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

“Build America Bond” means Bonds with respect to which, pursuant to Sections 54AA and 6431 of the Code, the Authority has made an irrevocable election to bear interest that is subject to federal income taxation of gross income and treat as “Build America Bonds” pursuant to Section 54AA of the Code, and that are eligible to receive the Interest Subsidy Payment directly from the Treasury Secretary in an amount equal to 35% of the corresponding interest payable on the related Build America Bond and for which the Authority has filed the required Internal Revenue Service forms. Initially, the Authority has elected to treat the Series 2009B Bonds as Build America Bonds.

“Capitalized Interest Account” means the account in the Debt Service Fund created and so designated by the Trust Agreement.

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

“Code” means the Internal Revenue Code of 1986, as amended.

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

“Debt Service Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Debt Service Fund by the Trust Agreement.

“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 Build America Bonds during such period.

“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 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.

“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 will 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, will 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 will 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 the Trust Agreement.

“Event of Default” means each of those events of default set forth in the Trust Agreement and described in “THE TRUST AGREEMENT – Events of Default” below.

“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 will be dissolved or liquidated or will no longer perform the functions of a securities rating agency, “Fitch” will be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“General Revenue Bond Trust Agreement” means the Trust Agreement, dated as of June 1, 2009, between the Authority and Wells Fargo Bank, N.A., as trustee, pursuant to which the Authority is issuing or incurring its Turnpike Revenue Bonds and Indebtedness (Triangle Expressway System) for the purpose of paying the costs of the Initial Project not being funded with proceeds of the Series 2009B Bonds, or if such instrument will be defeased by debt issued under a successor instrument, such successor instrument.

“General Revenue Bond Trust Agreement Revenue Fund” means the Revenue Fund created under the General Revenue Bond Trust Agreement.

“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.

“Interest Account” means the account in the Debt Service Fund created and so designated by the Trust Agreement.

“Interest Payment Date” means any January 1 or July 1, commencing January 1, 2010, notwithstanding that in respect of a Series 2009B Bond all of such interest will be paid upon maturity.

“Interest Subsidy Payment” means, with respect to any Build America Bond, payments provided directly from the Treasury Secretary in an amount equal to 35% of the corresponding interest payable on the related Build America Bond.

“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.

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

“Maximum Debt Service Requirement” means the highest 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 will be dissolved or liquidated or will no longer perform the functions of a securities rating agency, “Moody’s” will be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

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

“Outstanding” when used with reference to Bonds means, as of a particular date, all Bonds theretofore authenticated and delivered under the 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 the redemption provisions set forth in the Trust Agreement and described in this Official Statement;

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Trust Agreement; and

(d) Bonds deemed to have been paid in accordance with the Trust Agreement and described under “THE TRUST AGREEMENT – Defeasance” below.

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

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

“Principal Account” means the account in the Debt Service Fund created and so designated by the Trust Agreement.

“Principal Payment Date” means any date established under the Trust Agreement for the payment of principal of Bonds, whether at maturity pursuant to the Trust Agreement or pursuant to Sinking Fund Requirements or otherwise.

“Project Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Project Fund by the Trust Agreement.

“Redemption Account” means the account in the Debt Service Fund created and so designated by the Trust Agreement.

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

“Reserve Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Reserve Fund by the Trust Agreement.

“Revenue Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Revenue Fund by the Trust Agreement.

“Revenues” means:

- (a) the State Appropriated Revenues;
- (b) the Interest Subsidy Payments; provided, however, that any Interest Subsidy Payments required to restore a deficiency in the Revenue Fund pursuant to the Trust Agreement will not be deemed to be Revenues; 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, the Debt Service Fund or the Reserve Fund.

“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 will be dissolved or liquidated or will no longer perform the functions of a securities rating agency, “S&P” will 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 will 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 will 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.

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

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

“Sinking Fund Account” means the account in the Debt Service Fund created and so designated by the provisions of the Trust Agreement.

“Sinking Fund Requirement” means, with respect to the Term Bonds and for any Bond Year, the principal amount fixed or computed for retirement by purchase or redemption on or prior to January 1 of the following Bond Year.

The Sinking Fund Requirements for the Term Bonds will be initially the respective principal amounts of such Term Bonds for retirement on each January 1 as fixed in the Trust Agreement.

If during any Bond Year, the total principal amount of Term Bonds retired by purchase or redemption under the provisions of the Trust Agreement will be greater than the amount of the Sinking Fund Requirement for such Term Bonds, the subsequent Sinking Fund Requirements for such Term Bonds will be reduced in such amount aggregating the amount of such excess as will be specified in an Officer’s Certificate filed with the Trustee on or prior to January 15 of the next ensuing Bond Year.

“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 issued to finance the Triangle Expressway System or to fund debt service reserves, operating reserves or similar reserves. The initial State Appropriated Revenues are in the annual amount of \$25,000,000 pursuant to G.S. 136-176.

“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 the Trust Agreement prior to the issuance of any such Series.

“Term Bonds” means the Series 2009B Bonds maturing January 1, 2025 and 2039.

“Triangle Expressway System” means the “Triangle Expressway System” as defined in the General Revenue Bond Trust Agreement.

“Trust Agreement” means the Trust Agreement, dated as of July 1, 2009, between the Authority and the Trustee, and any supplements and amendments thereto permitted thereby; provided, however, that the Trust Agreement will 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 the Trust Agreement and described in “THE TRUST AGREEMENT – Supplemental Trust Agreements” below.

“Trust Estate” means (i) all Revenues (subject to the release provisions set forth in the Trust Agreement); (ii) all money and securities held by or on behalf of the Trustee in the Project Fund (to the extent provided in the Trust Agreement), the Revenue Fund and the Debt Service Fund established pursuant to the Trust Agreement, and (iii) solely with respect to Build America Bonds, all money and securities held by or on behalf of the Trustee in the Reserve Fund.

“Trustee” means the Trustee serving as such under the Trust Agreement, whether original or successor.

THE TRUST AGREEMENT

Project Fund

A special fund is established with the Trustee and designated the “North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Project Fund”. The proceeds of the Series 2009B Bonds to be used for payment of the Costs of the Project will be deposited by the Trustee in the Project Fund.

The money in the Project Fund will 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 Project, as the case may be, or transfer as provided in the Trust Agreement 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 Project and Outstanding under the Trust Agreement and will be held for the security of such Owners.

Establishment of Funds

In addition to the Project Fund, there are established under the Trust Agreement the following funds and accounts:

(a) North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Revenue Fund;

(b) North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Debt Service Fund, in which there are established five special accounts to be known as the Capitalized Interest Account, the Interest Account, the Principal Account, the Sinking Fund Account and the Redemption Account; and

(c) North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Reserve Fund, which will be for the sole benefit of the owners of Build America Bonds.

The Revenue Fund, the Debt Service Fund and the Reserve Fund will be established with and held by the Trustee. The money in all of the funds, accounts and subaccounts established pursuant to the Trust Agreement will be held in trust and applied as provided in the Trust Agreement and, pending such application, the money in the Debt Service Fund and any accounts and subaccounts therein will be subject to a pledge, charge and lien in favor of the Owners of the Bonds issued and Outstanding under the Trust Agreement and for the further security of such Owners, except as otherwise provided therein. The money in the Reserve Fund and any accounts therein will be subject to a pledge, charge and lien in favor of the Owners of the Build America Bonds issued and Outstanding under the Trust Agreement, except as otherwise provided therein.

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, the Trustee will withdraw from the Interest Account 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 will remit or otherwise set aside the amount due and payable to the Owners.

The Authority has caused to be deposited to the Capitalized Interest Account, the amount of \$42,427,681.37. On the Business Day prior to each Interest Payment Date, commencing January 1, 2010, the Trustee will apply such funds in the Capitalized Interest Account for payment of interest due on the Series 2009B Bonds on such Interest Payment Date.

If the Authority fails to deposit with the Trustee the amounts required to be deposited in the Interest Account as provided in the Trust Agreement, or if the balance in the Interest Account 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 will notify the Authority of the amount of the deficiency and request the Authority to immediately cure such deficiency.

Application of Money in Principal Account

Not later than 10:00 A.M. on each Principal Payment Date, the Trustee will withdraw from the Principal Account 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 will remit or otherwise set aside the amount due and payable to the Owners.

If on any date there is money in the Principal Account 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 will withdraw such money therefrom and will apply the same in the following order: (a) deposit into the Sinking Fund Account the amount then required to be paid thereto by the Authority pursuant to the Trust Agreement, and (b) otherwise make the deposits required by the Trust Agreement.

If the Authority fails to deposit with the Trustee the amounts required to be deposited in the Principal Account as provided in the Trust Agreement, or if the balance in the Principal Account 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 will notify the Authority of the amount of the deficiency and request the Authority to immediately cure such deficiency.

Application of Money in Sinking Fund Account

Money held for the credit of the Sinking Fund Account will be applied to the retirement, purchase, redemption or payment of Term Bonds.

(a) To the extent funds have been deposited to the Sinking Fund Account and are available, the Trustee will, at the request of the Authority, endeavor to purchase and cancel Term Bonds or portions thereof subject to redemption by operation of the Sinking Fund Account or maturing on the next ensuing January 1 at the direction of an Authorized Officer. The purchase price of each such Term Bond will not exceed par plus accrued interest to the date of purchase. The Trustee will pay the interest accrued on such Term Bonds to the date of settlement therefor from the Interest Account and the purchase price from the Sinking Fund Account. No such purchase will be made by the Trustee from money in the Sinking Fund Account within the period of forty-five (45) days immediately preceding any January 1 on which such Term Bonds are subject to redemption. If in any Bond Year the sum of the amount on deposit in the Sinking Fund Account for the payment of any Term Bonds and the principal amount of the Term Bonds that were purchased during such Bond Year pursuant to the provisions of the Trust Agreement described

in this paragraph (a) or delivered during such Bond Year to the Trustee by the Authority exceeds the Sinking Fund Requirement for the Outstanding Term Bonds for such Bond Year, the Trustee will endeavor to purchase Outstanding Term Bonds with such excess money.

(b) The Trustee will call for redemption on January 1 the Term Bonds then subject to redemption in a principal amount equal to the aggregate Sinking Fund Requirement for the Term Bonds for such Bond Year, less the principal amount of any such Term Bonds retired since the prior January 1 by purchase pursuant to the Trust Agreement as described in paragraph (a) above or delivered during such Bond Year to the Trustee by the Authority. If the amount available in the Sinking Fund Account on a January 1 is not equal to the Sinking Fund Requirement for the Term Bonds for the corresponding Bond Year less the principal amount of any such Term Bonds so delivered or purchased and retired, the Trustee will apply the amount available in the Sinking Fund Account to the redemption of Term Bonds then subject to redemption so as to exhaust, to the extent practicable, the amount available. On each redemption date the Trustee will withdraw from the Sinking Fund Account the amount required to pay the Redemption Price of the Term Bonds so called for redemption. The amount of interest on the Term Bonds so called for redemption will be paid from the Interest Account. If such date is the stated maturity date of any Term Bonds, the Trustee will not call those Term Bonds for redemption but, on such maturity, will withdraw the amount required for paying the principal of such Term Bonds when due and payable.

Upon execution by the Authority of the Trust Agreement, the provisions described under this clause will be deemed to be sufficient written notice required to be provided by the Authority to the Trustee pursuant to the Trust Agreement, for any and all redemptions pursuant to the provisions described under this clause.

If on any date there is money in the Sinking Fund Account and no Term Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of Term Bonds in accordance with the Sinking Fund Requirement therefor, the Trustee will withdraw such money therefrom and will apply the same as follows and in the following order: (a) deposit in the Interest Account and the Principal Account, the amounts, if any, required to be paid thereto in such month and (b) deposit all remaining amounts to the Revenue Fund.

If, in any Bond Year, by the application of money in the Sinking Fund Account, the Trustee should purchase or receive from the Authority and cancel Term Bonds in excess of the aggregate Sinking Fund Requirement for such Bond Year, the Trustee will file with the Authority not later than the twentieth (20th) day prior to the next January 1 on which Term Bonds are to be redeemed, a statement identifying the Term Bonds purchased or delivered during such Fiscal Year and the amount of such excess. The Authority will thereafter cause an Officer's Certificate to be filed with the Trustee not later than January 15 of the following Bond Year setting forth with respect to the amount of such excess the Fiscal Years in which the Sinking Fund Requirements with respect to Term Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

Upon the retirement of any Term Bonds by purchase and redemption pursuant to the provisions of the Trust Agreement, the Trustee will file with the Authority a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Term Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such Term Bonds will be paid by the Authority from the Revenue Fund or from any other available moneys.

If the Authority fails to deposit with the Trustee the amounts required to be deposited in the Sinking Fund Account as provided in the Trust Agreement, or if the balance in the Sinking Fund Account 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 will notify the Authority of the amount of the deficiency and request the Authority to immediately cure such deficiency.

Application of Money in the Redemption Account

The Trustee will apply money in the Redemption Account for the purchase or redemption of Bonds as follows:

(a) Subject to the provisions of the Trust Agreement described in paragraph (c) below, and if instructed to do so by an Authorized Officer, the Trustee will endeavor to purchase and cancel Bonds or portions thereof, whether or not such Bonds or portions thereof are then subject to redemption, at the direction of an Authorized Officer, provided that the purchase price of each Bond, plus accrued interest to the date of purchase, will not exceed the Redemption Price that would be payable on the next redemption date to the Owners of such Bonds 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 Redemption Account. The Trustee will pay the interest accrued on such Bonds or portions thereof to the date of settlement from the Interest Account and the purchase price from the Redemption Account, but no such purchase will be made by the Trustee from money in the 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 Redemption Account for the redemption of Bonds.

(b) Subject to the provisions of the Trust Agreement described in paragraph (c) below, the Trustee will call for redemption on a date permitted by the Trust Agreement such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust the moneys then held in the Redemption Account as nearly as may be; provided, however, that not less than Fifty Thousand Dollars (\$50,000) principal amount of Bonds will be called for redemption at any one time unless the Trustee is so instructed by the Authority. The Trustee will pay the accrued interest on the Bonds or portions thereof to be redeemed to the date of redemption from the Interest Account or any other available funds of the Authority and the Redemption Price of such Bonds or portions thereof from the Redemption Account. On or before the redemption date, the Trustee will withdraw from the 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 Redemption Account 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 such Bonds to be purchased or redeemed, (ii) setting forth the aggregate principal amount of Bonds to be purchased or redeemed, and (iii) designating the Bonds to be redeemed, 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.

Money held for the credit of the Redemption Account will be applied to the purchase or redemption of Bonds in the manner provided in the Trust Agreement.

Security

As security for the payment of the Bonds, the Authority grants to the Trustee for the benefit of the Owners of the Bonds, a pledge, charge and lien upon the Trust Estate.

The pledge, charge and lien upon the Trust Estate will be effective and operate immediately, and the Trustee will have the right to collect and receive the Revenues in accordance with the provisions of the Trust Agreement at all times during the period from and after the date of delivery of the Series 2009B Bonds issued thereunder until all Bonds 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 will not inhibit the sale or disposition of any portion of the Triangle Expressway System in accordance with the Trust Agreement and will not impair or restrict the ability of the Authority to invest in securities and other forms of investment, subject to the provisions of the Trust Agreement.

Security for Deposits

Any and all money received by the Authority under the provisions of the Trust Agreement will be deposited as received with the Trustee or one or more other Depositaries as provided in the Trust Agreement, and all money so deposited with the Trustee will be trust funds under the terms thereof, and, to the extent permitted by law in the case of the Project Fund, will not be subject to any lien or attachment by any creditor of the Authority.

All money deposited with the Trustee or any Depository will be credited to the particular fund, account or subaccount to which such money belongs.

Investment of Money

Money held for the credit of all funds, accounts and subaccounts will 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.

Investment Obligations will 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.

Notwithstanding the forgoing, no Investment Obligations pertaining to any Series in any fund, account or subaccount will 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 clause, the maturity date of any repurchase agreement will 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 will give to the Trustee or any Depository written directions respecting the investment of any money required to be invested under the Trust Agreement, subject, however, to the provisions of the Trust Agreement, and the Trustee or such Depository will then invest such money as so directed. The Trustee or any Depository 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 the Trust Agreement. Upon receipt of such directions, the Trustee or any Depository will invest, subject to the provisions of the Trust Agreement, such money in accordance with such directions. If no such directions are given, then any uninvested funds will 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 in the case of funds held in the Debt Service Fund. The Trustee or any Depository will have no liability for investments made in accordance with this clause.

Investment Obligations acquired with money in or credited to any fund, account or subaccount established under the Trust Agreement will 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 will 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 will be credited to the particular fund, account or subaccount to which such Investment Obligation relates.

The Trustee will upon written direction from the Authority sell or reduce to cash a sufficient amount as specified by the Authority 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. The Trustee will 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 the 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 the Trust Agreement, 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 under the Trust Agreement, 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 the 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 will 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.

Payment of Principal, Interest, Premium and Other Amounts

The Authority will 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 at the places, on the dates and in the manner provided in the Trust Agreement and in the Bonds and the documentation authorizing and securing such Bonds, according to the true intent and meaning thereof.

The Bonds are special obligations of the Authority payable solely from the Revenues, the Authority's right to receive the same, and money and Investment Obligations held in the applicable funds, accounts and subaccounts created under the Trust Agreement for the Bonds and the income from Investment Obligations in such funds, accounts and subaccounts. The Bonds will be secured as provided in the Trust Agreement and described in "THE TRUST AGREEMENT – Security" above. The Bonds will not be deemed to be 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 will be payable solely from the Revenues and other income or assets pledged under the Trust Agreement. The Authority will not be obligated to pay the principal of, premium, if any, or interest on the Bonds except from the Revenues and other income or assets pledged under the 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. The Authority has no taxing power.

Covenant as to Build America Bonds

In the Trust Agreement, the Authority covenants that so long as any Build America Bonds remain Outstanding, it will comply with the procedures and requirements set forth in the Code and applicable regulations promulgated from time to time thereunder and any applicable guidance relating to Build America Bonds promulgated by the United States Department of the Treasury or Internal Revenue Service relating to Build America Bonds as necessary to allow the Authority to receive Interest Subsidy Payments with respect to the Build America Bonds.

Extension of Interest Payment

If the time for the payment of the interest on any Bond is extended, whether or not such extension is by or with the consent of the Authority, such interest so extended will not be entitled in case of default under the Trust Agreement to the benefit or security of the Trust Agreement and in such case the Owner of the Bond for which the time for payment of interest was extended will be entitled only to the payment in full of the principal of all Bonds then Outstanding and of interest for which the time for payment will not have been extended. The time for the payment of the interest on any Bond will not be extended in respect of any Bond covered by a Bond Insurance Policy without the consent of the Bond Insurer.

Events of Default

Each of the following events is an Event of Default under the Trust Agreement:

(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 will 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; or

(d) the Authority defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or the Trust 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" will 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.

Acceleration

Notwithstanding anything in the Trust Agreement, in no event will there be any acceleration of payment of principal of or interest on any Bonds as a result of the occurrence of any Event of Default under the Trust Agreement or otherwise.

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding will, proceed (subject to the provisions of the Trust Agreement) to protect and enforce its rights and the rights of the Owners of the Bonds under applicable laws and under the 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 in the Trust Agreement or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, chosen by the Trustee, will deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Trust Agreement, the Trustee will 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 the Trust Agreement or of the Bonds and unpaid, with interest on overdue payments of principal at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings thereunder and under such Bonds without prejudice to any other right or remedy of the Trustee or of the Owners of the Bonds (except to the extent provided in the Trust Agreement), and to recover and enforce any judgment or decree against the Authority, but solely as provided therein and in such Bonds, 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 under the provisions of the Trust 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 will occur and be continuing, then, unless the same will then be prohibited under applicable law, a court of competent jurisdiction may appoint a receiver, with full power to pay and to provide for the payment of principal of and interest on the Bonds as the same will become due, whether at maturity, pursuant to mandatory sinking fund redemption or otherwise, out of the funds and accounts available therefor, to apply Revenues derived from such operation in accordance with the provisions of the Trust Agreement, and to take such action to the extent permitted by law to cause to be remedied any Event of Default which will occur or will 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 as aforesaid will 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 will not, by itself, constitute a separate Event of Default under the Trust Agreement.

Pro Rata Application of Funds

Anything in the 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 Debt Service Fund is not sufficient to pay the interest on or the principal of the 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 the Interest Account, Principal Account or Sinking Fund Account for a the Bonds pursuant to the provisions of the Trust Agreement), whether through the exercise of the remedies provided for in the Trust Agreement or otherwise, will be applied, after payment of the reasonable fees and expenses of the Trustee in exercising its rights and remedies thereunder:

first: to the payment to the persons entitled thereto of all installments of interest on Bonds then due and payable in the order in which such installments became due and payable and,

if the amount available will 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 Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any Bonds that will have become due and payable (other than Bonds deemed to have been paid pursuant to the provisions of the Trust Agreement described in “THE TRUST AGREEMENT – Defeasance” below), in the order of their due dates, with interest on the overdue principal at a rate equal to the rate on such Bonds, and, if the amount available will not be sufficient to pay in full all of the amounts due on the 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 Bonds, to the purchase and retirement of Bonds, and to the redemption of Bonds, all in accordance with the provisions of the Trust Agreement.

Whenever money is to be applied by the Trustee pursuant to the provisions of the Trust Agreement, (a) such money will be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion will 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 therein in trust for the proper purpose will constitute proper application by the Trustee and (c) the Trustee will 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 the 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 will fix the date (which will be an Interest Payment Date unless the Trustee will 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 will cease to accrue. The Trustee will give such notice as it may deem appropriate of the fixing of any such date and will 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.

Control of Proceedings; Restrictions Upon Action; Notice of Default

Anything in the Trust Agreement to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of Bonds at any time Outstanding will have the right, subject to the provisions of the Trust Agreement, 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 thereunder, provided that such direction will be in accordance with law and the provisions of the Trust Agreement.

Except as provided in the Trust Agreement, no Owner of Bonds will have any right to institute any suit, action or proceeding in equity or at law on any Bonds or for the execution of any trust thereunder or for any other remedy thereunder unless such Owner of Bonds previously (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, will have accrued, (c) has afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Trust Agreement 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 will have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Trust Agreement or to any other remedy under the Trust Agreement. Notwithstanding the foregoing provisions of the Trust Agreement and without complying therewith, the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Owners of Bonds. It is understood and intended that, except as otherwise above provided, no one or more Owners of Bonds will have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of the Trust Agreement or to enforce any right thereunder except in the manner provided, that all proceedings at law or in equity will be instituted, had and maintained in the manner provided in the Trust Agreement and for the benefit of all Owners of Bonds and that any individual rights of action or other right given to one or more of such Owners by law are restricted by the Trust Agreement to the rights and remedies therein provided.

The Trustee will mail to all Owners of Bonds at their addresses as they appear on the registration books 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 the Trust Agreement that any such Event of Default will have occurred; provided, however that, except upon the happening of an Event of Default described in clauses (a) and (b) of “THE TRUST AGREEMENT – Events of Default” above, the Trustee may withhold such notice to the Owners if in its opinion such withholding is in the interest of such Owners. The Trustee will not be subject to any liability to any such Owner by reason of its failure to mail any such notice.

Concerning the Trustee

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 will perform such duties and only such duties of the Trustee as are specifically set forth in the Trust Agreement. Upon the occurrence and during the continuation of any Event of Default, the Trustee will 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 the Trust Agreement will 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 under the Trust Agreement, and after the curing of any Event of Default that may have occurred:

(i) the duties and obligations of the Trustee will be determined solely by the express provisions of the Trust Agreement, and the Trustee will not be liable except for the performance of such duties and obligations of the Trustee as are specifically set forth in the Trust Agreement, and no implied covenants or obligations will be read into the Trust Agreement against the Trustee and no permissive right of the Trustee under the Trust Agreement will 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 the Trust Agreement, but in the case of any such certificate or opinion by which any provision thereof is specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not on its face it conforms to the requirements of the Trust Agreement; and

(b) at all times, regardless of whether or not any such Event of Default will exist:

(i) the Trustee will not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it will be proved that the Trustee was negligent in ascertaining the pertinent facts, and

(ii) the Trustee will not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than 25% or a majority, as the Trust Agreement will require, in aggregate principal amount of the Bonds 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 the Trust Agreement.

None of the provisions contained in the Trust Agreement will 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.

The Trustee will 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 created by the Trust Agreement or in the enforcement of any rights and powers thereunder, until it will 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, will reimburse the Trustee from Revenues for all costs, expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Authority fails to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the provisions of the Trust Agreement and will be entitled to a preference therefor over any Bonds Outstanding.

The Trustee will 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 the Trust Agreement, the Trustee will have no responsibility in respect of the validity or sufficiency of the Trust Agreement, or in respect of the validity of Bonds or the due issuance or execution and delivery thereof. The Trustee will be under no obligation to see that any duties imposed upon the Authority, any Bond Registrar, any consultant, any Depositary (other than a Depositary in which money will have been deposited by the Trustee under the provisions of the Trust Agreement) or any party other than itself, or any covenants therein contained on the part of any party other than itself to be performed, will be done or performed, and the Trustee will be under no obligation for failure to see that any such duties or covenants are so done or performed.

The Trustee will 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 in the Trust Agreement 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 will have been deposited by the Trustee under the provisions of the Trust Agreement). The Trustee will 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 under the Trust Agreement if such application, investment, payment, withdrawal or transfer will be made in accordance with the provisions of the Trust Agreement.

The immunities and exemptions from liability of the Trustee under the Trust Agreement will extend to its directors, officers, employees and agents.

Except upon the happening of any Event of Default specified in clauses (a) or (b) described in “THE TRUST AGREEMENT – Events of Default” above, the Trustee will not be obliged to take notice or be deemed to have notice of any Event of Default under the Trust Agreement unless specifically notified in writing of such Event of Default by the Authority or the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding.

Subject to the acceptance of appointment by a successor Trustee, the Trustee may resign and thereby become discharged from the trusts created by the Trust Agreement, by notice in writing given to the Authority, and mailed, postage prepaid, at the Trustee’s expense, to each Owner of Bonds, not less than sixty (60) days before such resignation is to take effect, but such resignation will take effect immediately upon the appointment of a new Trustee under the Trust Agreement if such new Trustee will be appointed before the time limited by such notice and will then accept the trusts under the Trust Agreement.

Supplemental Trust Agreements

The Authority and the Trustee may, from time to time and at any time, execute and deliver supplemental trust agreements (which supplemental trust agreements will thereafter form a part of the Trust Agreement) as will be substantially consistent with the terms and provisions of the Trust Agreement and, in the opinion of the Trustee, who may rely upon a written opinion of legal counsel, will not materially and adversely affect the interest of the Owners:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision in the Trust Agreement that may be inconsistent with any other provision therein, to make any other provisions with respect to matters or questions arising under the Trust Agreement, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in the Trust Agreement, or

(b) to grant or to confer upon the Trustee, for the benefit of the Owners, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee, or

(c) to add to the provisions of the Trust Agreement other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the Authority in the Trust Agreement other covenants and agreements thereafter to be observed by the Authority or to surrender any right or power therein reserved to or conferred upon the Authority, or

(e) to permit the qualification of the 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 the 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 set forth above, the Trustee will cause a notice of the proposed execution and delivery of such supplemental trust agreement to be mailed, postage prepaid, to all Owners of Bonds. Such notice will briefly set forth in the nature of the proposed supplemental trust agreement and will state

that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners of Bonds. A failure on the part of the Trustee to mail such notice will not affect the validity of such supplemental trust agreement.

The Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding will have the right, from time to time, anything contained in the 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 the Trust Agreement or in any supplemental trust agreement; provided, however, that nothing therein contained will permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bonds without the consent of the Owner of such Bonds, (b) a reduction in the principal amount of any Bonds or the redemption premium or the rate of interest on any Bonds without the consent of the Owner of such Bonds, (c) the creation of a pledge, charge and lien upon the Revenues other than the pledge, charge and lien created by the Trust Agreement without the consent of all of the Owners of the Bonds then Outstanding, (d) a preference or priority of any Bonds over any other Bonds except as expressly provided by the Trust Agreement without the consent of all of the Owners of the Bonds then Outstanding or (e) a reduction in the aggregate principal amount of the any Bonds required for consent to such supplemental trust agreement without the consent of all of the Owners of the Bonds then Outstanding. For purposes of clauses (a) through (e) of this paragraph, notwithstanding any provisions in the Trust Agreement to the contrary, a Bond Insurer will not be deemed to be the Owner of the Bonds.

Nothing contained in the Trust Agreement, however, will be construed as making necessary the approval by Owners of Bonds of the execution and delivery of any supplemental trust agreement as authorized in the Trust Agreement. Furthermore, notwithstanding the foregoing provisions, to the extent that the Owners of Bonds are not "affected" by the proposed supplemental trust agreement as provided in the Trust Agreement, the consent of such Owners of not less than a majority in aggregate principal amount of Bonds will 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 will cause notice of the proposed supplemental trust agreement to be mailed, postage prepaid, to all Owners of Bonds affected thereby at their addresses as they appear on the registration books. Such notice will briefly set forth the nature of the proposed supplemental trust agreement and will state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all such Owners of Bonds. The Trustee will not, however, be subject to any liability to any Owner of Bonds by reason of its failure to cause the notice required by the Trust Agreement to be mailed, and any such failure to cause such notice to be mailed and any such failure will not affect the validity of such supplemental trust agreement when consented to and approved as provided in the Trust Agreement.

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 of not less than a majority in aggregate principal amount of the Bonds then Outstanding that are affected by a proposed supplemental trust agreement, which instrument or instruments will refer to the proposed supplemental trust agreement described in such notice and will 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 of any Bonds whether or not such Owner will have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of any Bonds then Outstanding at the time of the execution and delivery of such supplemental trust agreement and that are affected by a proposed supplemental trust agreement have consented to and approved the execution and delivery thereof as provided in the Trust Agreement, to the extent permitted by law, no Owner of any Bonds will 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.

Defeasance

When:

(a) the Bonds secured under the Trust Agreement will have become due and payable in accordance with their terms or otherwise as provided in the Trust Agreement, and the whole amount of the principal and the interest and premium, if any, and other amounts so due and payable thereon will be paid; and

(b) if the Bonds will not have become due and payable in accordance with their terms, the Trustee or any Bond Registrar will 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 then Outstanding to the maturity date or dates of such Bonds 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 are to be called for redemption or prepayment, irrevocable instructions to call the Bonds for redemption or prepayment will have been given by the Authority to the Trustee; and

(d) sufficient funds will also have been provided or provision made for paying all other obligations payable under the Trust Agreement by the Authority;

then and in that case the right, title and interest of the Trustee in the funds, accounts and subaccounts mentioned in the Trust Agreement will 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 the Trust Agreement have been satisfied, the Trustee will release the Trust Agreement and will execute such documents to evidence such release as may be required by such counsel, and the Trustee will 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. Otherwise, the Trust Agreement will be, continue and remain in full force and effect; provided, however, that in the event Defeasance Obligations will be deposited with and held by the Trustee or the Bond Registrar as described above, (i) in addition to the requirements set forth in the Trust Agreement with respect to the redemption of Bonds, the Trustee, within thirty (30) days after such Defeasance Obligations will have been deposited with it, will cause a notice signed by the Trustee to be mailed, postage prepaid, to all Owners of Bonds, setting forth (a) the date or dates, if any, designated for the redemption of the Bonds, (b) a description of the Defeasance Obligations so held by it, and (c) that the Trust Agreement has been released in accordance with the provisions of the Trust Agreement, and (ii) (a) the Trustee will nevertheless retain such rights, powers and privileges under the Trust Agreement as may be necessary and convenient in respect of the Bonds for the payment of the principal, interest and any premium for which such Defeasance Obligations have been deposited and (b) each Bond Registrar will retain such rights, powers and privileges under the 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 any defect in such notice so mailed, will not affect the validity of the release of the Trust Agreement.

All money and Defeasance Obligations held by the Trustee or any Bond Registrar pursuant to the Trust Agreement will be held in trust and applied to the payment, when due, of the obligations payable therewith.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL



150 Fayetteville Street
Suite 2100
Raleigh, NC 27601

Telephone: (919) 755-2100
Fax: (919) 755-2150
www.wcsr.com

Appendix C

July __, 2009

Board of Directors of the
North Carolina Turnpike Authority

We have examined, as bond counsel to the North Carolina Turnpike Authority (the "Authority"), (i) the Constitution and laws of the State of North Carolina, including The State and Local Government Revenue Bond Act, as amended (the "Act"), (ii) certified copies of the proceedings of the Authority showing the adoption of an order authorizing the issuance by the Authority of its \$352,675,000 Triangle Expressway System State Appropriation Revenue Bonds, Series 2009B (Federally Taxable-Issuer Subsidy - Build America Bonds), dated July __, 2009 (the "Series 2009B Bonds") and (iii) other proofs submitted relative to the issuance and sale of the Series 2009B Bonds. The Series 2009B Bonds are being issued under and pursuant to a Trust Agreement, dated as of July 1, 2009 (the "Trust Agreement"), between the Authority and Wells Fargo Bank, N.A., as trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Agreement.

The Series 2009B Bonds bear interest from their date and mature, subject to redemption prior to their maturities, as provided in the Trust Agreement. Interest on the Series 2009B Bonds is payable on each January 1 and July 1, beginning January 1, 2010.

The Series 2009B Bonds are being issued to provide funds, together with other available funds, to (a) to pay the costs of land acquisition, design, construction and equipping of the Triangle Expressway System, an approximately 19-mile toll road facility to be built in Durham and Wake Counties, North Carolina (the "Project"), (b) to provide funds to pay a portion of the interest on the Series 2009B Bonds until July 1, 2012 and (c) to pay certain costs incurred in connection with the issuance of the Series 2009B Bonds.

The Trust Agreement provides for the issuance, under the conditions, limitations and restrictions therein set forth, of additional Bonds on a parity as to the pledge of Revenues with the Series 2009B Bonds, to provide funds for paying the cost (including financing costs) of refunding the Series 2009B Bonds or any such refunding bonds (the Series 2009B Bonds and any refunding bonds are herein collectively called the "Bonds"). The Trust Agreement also creates a Reserve Fund with respect to the Series 2009B Bonds and any other "Build America Bonds" issued pursuant to the Trust Agreement. The Series 2009B Bonds will be secured by the Reserve Fund.

As to matters of fact material to our opinion, we have relied upon the certified proceedings and other certificates of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on such examination, we are of the opinion, as of the date hereof and under existing law, that:

1. The Series 2009B Bonds have been duly authorized, executed and delivered.

2. The Trust Agreement has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the Trustee, is a valid and binding agreement enforceable against the Authority in accordance with their terms.

3. The Series 2009B Bonds and any other Bonds issued by the Authority under the Trust Agreement and any Senior Lien Parity Debt incurred by the Authority are, to the extent provided in the Trust Agreement, secured by a first priority pledge, charge and lien upon the Revenues.

4. The Series 2009B Bonds are valid and binding special obligations of the Authority secured by a pledge, charge and lien upon, and the principal of, and the premium, if any, and interest on which are payable from, the funds and the income from the investment thereof and in the Senior Lien Debt Service Fund. The Series 2009B Bonds are additionally secured by the Reserve Fund.

5. The Authority is not obligated to pay the principal of, premium, if any, or the interest on the Series 2009B Bonds except as provided in the Trust Agreement. The principal of and interest on the Series 2009B Bonds are not payable from the general funds of the Authority, nor do the Series 2009B Bonds constitute a legal or equitable pledge, charge, lien or encumbrance upon the income, receipts or revenues of the Authority except for the Revenues to the extent provided in the Trust Agreement. Neither the faith and credit nor the taxing power of the State of North Carolina or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Series 2009B Bonds, and no holder of the Series 2009B Bonds has the right to compel the exercise of the taxing power by the State of North Carolina or any political subdivision thereof, or the forfeiture of its property other than the Revenues, in connection with any default with respect to the Series 2009B Bonds. The Authority has no taxing power.

6. Interest on the Series 2009B Bonds is not excluded from gross income for Federal income tax purposes and will be fully subject to Federal income taxation. This opinion is not intended or provided by bond counsel to be used and cannot be used by an owner of the Series 2009B Bonds for the purpose of avoiding penalties that may be imposed on the owner of such Series 2009B Bonds. The opinion set forth in this paragraph is provided to support the promotion or marketing of the Series 2009B Bonds. Each owner of the Series 2009B Bonds should seek advice based on its particular circumstances from an independent tax advisor.

7. Interest on the Series 2009B Bonds (including any original issue discount properly allocable to an owner thereof) is exempt from all State of North Carolina income taxes.

The Code and other laws of taxation, including the laws of taxation of the State of North Carolina, of other states and of local jurisdictions, may contain other provisions that could result in tax consequences, upon which we render no opinion, as a result of the ownership or transfer of the Series 2009B Bonds or the inclusion in certain computations of interest that is exempt from North Carolina income taxation.

The rights of the owners of the Series 2009B Bonds and the enforceability thereof and of the Trust Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2009B Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

WOMBLE CARLYLE SANDRIDGE & RICE
A Professional Limited Liability Company

APPENDIX D

DTC'S BOOK-ENTRY-ONLY SYSTEM

DTC's Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2009B Bonds. The Series 2009B Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2009B Bond will be issued for each maturity of the Series 2009B Bonds, each in the aggregate principal amount of such maturity of such Series 2009B Bond, and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2009B BONDS, AS DTC'S PARTNERSHIP NOMINEE, REFERENCE HEREIN TO THE REGISTERED OWNERS OR OWNERS OF THE SERIES 2009B BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2009B BONDS.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2009B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2009B Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2009B Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2009B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2009B Bonds, except in the event that use of the book-entry system for the Series 2009B Bonds is discontinued.

To facilitate subsequent transfers, all Series 2009B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2009B Bonds with DTC and their

registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the Revenue Bond Actual Beneficial Owners of the Series 2009B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2009B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyances of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2009B Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2009B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2009B Bonds may wish to ascertain that the nominee holding the Series 2009B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2009B Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2009B Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2009B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2009B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority, the Trustee or the Bond Registrar on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or its nominee, the Trustee, the Bond Registrar or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, the Trustee and the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2009B Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2009B Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2009B Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, a source the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

The Authority, the Trustee and the Bond Registrar cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners of the Series 2009B Bonds (a) payments of principal of, premium, if any, and interest on the Series 2009B Bonds, (b) confirmations of their ownership interests in the Series 2009B Bonds or (c) prepayment or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Series 2009B Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

NEITHER THE AUTHORITY, THE TRUSTEE, NOR THE BOND REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2009B BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS OF THE SERIES 2009B BONDS UNDER THE TERMS OF THE TRUST AGREEMENT OR THE FIRST SUPPLEMENTAL TRUST AGREEMENT; AND (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC.

TRUST AGREEMENT

Dated as of July 1, 2009

Between

NORTH CAROLINA TURNPIKE AUTHORITY

and

WELLS FARGO BANK, N.A.
Trustee

Authorizing and Securing

Triangle Expressway System
State Appropriation Revenue Bonds

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS; FINDINGS AND DETERMINATIONS

Section 101 Meaning of Words and Terms4
Section 102 Rules of Construction11

ARTICLE II

DETAILS OF BONDS

Section 201 Limitation on Issuance of Bonds13
Section 202 Interest Payments on Bonds.....13
Section 203 Execution and Form of Bonds14
Section 204 Exchange of Bonds15
Section 205 Transfer and Registration of Transfer of Bonds15
Section 206 Authentication of Bonds16
Section 207 Authorization and Issuance of the Series 2009B Bonds.....16
Section 208 Terms and Conditions for Issuance of Refunding Bonds18

ARTICLE III

REDEMPTION

Section 301 Redemption of Series 2009B Bonds20
Section 302 Selection of Series 2009B Bonds for Redemption21
Section 303 Redemption Notice22
Section 304 Redemption of Refunding Bond22
Section 305 Effect of Calling for Redemption23
Section 306 Redemption of a Portion of Bonds.....24

ARTICLE IV

PROJECT FUND

Section 401 Project Fund25
Section 402 Payments from Project Fund.....25
Section 403 Cost of Project.....25
Section 404 Requisitions from Project Fund26
Section 405 Reliance upon Requisitions.....27
Section 406 Progress Reports27
Section 407 Completion of the Project and Disposition of Project Fund Balance27

ARTICLE V

REVENUES AND FUNDS

Section 501	Establishment of Funds.....	29
Section 502	Funds Received by the Authority	29
Section 503	Application of Money in Revenue Fund.....	30
Section 504	Application of Money in Interest Account and Capitalized Interest Accounts	31
Section 505	Application of Money in Principal Account.....	31
Section 506	Application of Money in Sinking Fund Account.....	32
Section 507	Application of Money in the Redemption Account.....	33
Section 508	Deposit and Application of Money in the Reserve Fund.....	34
Section 509	Escheat	34
Section 510	Cancellation of Bonds.....	35
Section 511	Disposition of Fund Balances	35
Section 512	Security	35

ARTICLE VI

**DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS,
INVESTMENT OF FUNDS AND COVENANTS AS TO ARBITRAGE**

Section 601	Security for Deposits.....	37
Section 602	Investment of Money	37
Section 603	Covenant as to Arbitrage	39

ARTICLE VII

GENERAL COVENANTS AND REPRESENTATIONS

Section 701	Payment of Principal, Interest, Premium and Other Accounts	40
Section 702	Acquisition, Construction and Equipping of the Project	40
Section 703	Budgets	40
Section 704	Records, Accounts and Audits	41
Section 705	Compliance with Applicable Law	41
Section 706	Employment of Consultants.....	41
Section 707	Further Instruments and Actions.....	41
Section 708	Use of Revenues and Inconsistent Actions.....	41
Section 709	Covenant as to Build America Bonds.....	41
Section 710	Continuing Disclosure	42

ARTICLE VIII

REMEDIES

Section 801 Extension of Interest Payment45
Section 802 Events of Default45
Section 803 No Acceleration of Maturities45
Section 804 Remedies.....45
Section 805 Pro Rata Application of Funds.....46
Section 806 Effect of Discontinuance of Proceedings.....47
Section 807 Control of Proceedings47
Section 808 Restrictions Upon Action.....48
Section 809 Enforcement of Rights of Action.....48
Section 810 No Remedy Exclusive.....48
Section 811 Delay Not a Waiver48
Section 812 Notice of Default.....49
Section 813 Right to Enforce Payment of Bonds Unimpaired49

ARTICLE IX

THE TRUSTEE AND BOND REGISTRARS

Section 901 Acceptance of Trusts.....50
Section 902 Indemnification of Trustee as Condition for Remedial Action51
Section 903 Limitations on Obligations and Responsibilities of Trustee.....51
Section 904 Trustee Not Liable for Failure of Authority to Act.....51
Section 905 Compensation and Indemnification of Trustee and Bond Registrar.....52
Section 906 Monthly Statements from Trustee52
Section 907 Trustee May Rely on Certificates52
Section 908 Notice of Default.....53
Section 909 Trustee Not Responsible for Recitals53
Section 910 Trustee Protected in Relying on Certain Documents.....53
Section 911 Trustee May Pay Taxes and Assessments53
Section 912 Resignation and Removal of Trustee Subject to Appointment of Successor53
Section 913 Resignation of Trustee54
Section 914 Removal of Trustee.....54
Section 915 Appointment of Successor Trustee54
Section 916 Vesting of Duties in Successor Trustee55
Section 917 Removal and Resignation of Bond Registrar.....55
Section 918 Co-Trustee.....56

ARTICLE X

**EXECUTION OF INSTRUMENTS BY OWNERS AND HOLDERS,
PROOF OF OWNERSHIP OF BONDS AND DETERMINATION
OF CONCURRENCE OF OWNERS**

Section 1001 Execution of Instruments58
Section 1002 Preservation of Information; Communications.....58

ARTICLE XI

SUPPLEMENTAL TRUST AGREEMENTS

Section 1101 Supplemental Trust Agreement Without Consent60
Section 1102 Supplemental Trust Agreement with Consent60
Section 1103 Bonds Affected62
Section 1104 Supplemental Trust Agreements Part of Trust Agreement.....62
Section 1105 Not a Supplemental Trust Agreement.....62

ARTICLE XII

DEFEASANCE

Section 1201 Release of Trust Agreement.....63

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301 Successorship of Authority65
Section 1302 Successorship of Depository and Bond Registrar.....65
Section 1303 Manner of Giving Notice65
Section 1304 Substitute Mailing.....66
Section 1305 Parties, Bond Registrar and Owners Alone Have Rights under Trust
Agreement.....66
Section 1306 Effect of Partial Invalidity66
Section 1307 Effect of Covenants; Governing Law66
Section 1308 No Recourse Against Members, Officers or Employees of Authority67
Section 1309 Dealing in Bonds.....67
Section 1310 Headings67
Section 1311 Further Authority67
Section 1312 Payment Due on Holidays67
Section 1313 Multiple Counterparts67

EXHIBIT A Form of Requisition and Certificate A-1
EXHIBIT B Form of Series 2009B Bond B-1

TRUST AGREEMENT

This TRUST AGREEMENT, dated as of July 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 pursuant to The State and Local Government Revenue Bond Act, Article 5 of Chapters 159 of the North Carolina General Statutes, as amended (the "Revenue Bond Act") for the purpose of financing and refinancing the cost of acquiring, constructing and equipping "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 Project (hereinafter defined);

WHEREAS, the American Reinvestment and Recovery Act of 2009 (the "Recovery Act") added Sections 54AA and 6431 to the Internal Revenue Code of 1986, as amended, which permit state or local governments to obtain certain tax advantages when issuing taxable obligations referred to as "Build America Bonds";

WHEREAS, the Recovery Act allows the Authority to make an irrevocable election to have certain of its bonds treated as "Build America Bonds" under a federal program under which a State or local government that intends to issue bonds, the interest on which is eligible for exclusion from the gross income of the owners thereof may elect to issue bonds bearing interest that is not so excluded, and will then receive payments (the "Interest Subsidy Payments") directly from the United States Treasury (the "Treasury Secretary") in an amount equal to 35% of the corresponding interest payable on the related Build America Bond;

WHEREAS, the Authority had determined that the Recovery Act constitutes an agreement of the United States of America to make the payments provided under the Build America Bond program in consideration of the Authority electing to forego the benefits of tax-exempt interest rates and otherwise complying with the requirements of the Build America Bond program;

WHEREAS, pursuant to G.S. 136-176 of the North Carolina General Statutes, as amended, the North Carolina General Assembly has provided for an annual appropriation to the Authority in the amount of \$25,000,000 to be used to pay debt service or related financing costs and expenses on revenue bonds issued by the Authority to finance the Project or to fund reserves in connection therewith and that such appropriation shall constitute "revenues" of the Authority within the meaning of the Revenue Bond Act;

WHEREAS, the Authority has deemed it advisable that the Interest Subsidy Payments additionally constitute "revenues" of the Authority with the meaning of the Revenue Bond Act;

WHEREAS, pursuant to the Act, the Authority is entering into this Trust Agreement for the purpose of authorizing the issuance of Bonds (as hereinafter defined) and securing the payment thereof by pledging and assigning its rights, title and interest in and to the Revenues 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 Bonds 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 Bonds, 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 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 defined hereinafter).

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, without preference, priority or

distinction as to lien or otherwise, except as may otherwise be provided for herein, of any Bonds, 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 Bonds and the interest and any redemption premium due or to become due thereon, at the times and in the manner mentioned 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 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, from time to time, of Bonds, 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.

“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 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.

“Bond” or “Bonds” means, collectively, the Series 2009B Bonds and any Bonds issued hereunder pursuant to Section 208.

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

“Business Day” means a day on which the Trustee, the applicable Bond Registrar and the New York Stock Exchange are open for the purpose of conducting their businesses.

“Build America Bond” means Bonds with respect to which, pursuant to Sections 54AA and 6431 of the Code, the Authority has made an irrevocable election to bear interest that is subject to federal income taxation of gross income and treat as “Build America Bonds” pursuant to Section 54AA of the Code, and that are eligible to receive the Interest Subsidy Payment directly from the Treasury Secretary in an amount equal to 35% of the corresponding interest payable on the related Build America Bond and for which the Authority has filed the required

Internal Revenue Service forms. Initially, the Authority has elected to treat the Series 2009B Bonds as Build America Bonds.

“Capitalized Interest Account” means the account in the 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.

“Comparable Treasury Issue” means, with respect to any redemption date for a particular Series 2009B Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the Series 2009B Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2009B Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date for a particular Series 2009B Bond, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

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

“Code” means the Internal Revenue Code of 1986, as amended.

“Cost,” as applied to the 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.

“Debt Service Fund” means the fund created and designated the North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Debt Service Fund by Section 501.

“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 Build America Bonds during such period.

“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.

“Designated Investment Banker” means one of the Reference Treasury Dealers appointed by the Authority.

“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.

“Extraordinary Event” means a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act, pertaining to “Build America Bonds” as described within the Recovery Act) pursuant to which the Authority’s 35% Interest Subsidy Payment from the United States Treasury is reduced or eliminated.

“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 Revenue Bond Trust Agreement” means the Trust Agreement, dated as of June 1, 2009, between the Authority and Wells Fargo Bank, N.A., as trustee, pursuant to which the Authority is issuing or incurring its Triangle Expressway System Senior Lien Revenue Bonds and Indebtedness (Triangle Expressway System) for the purpose of paying the costs of the Initial Project not being funded with proceeds of the Series 2009B Bonds, or if such instrument shall be defeased by debt issued under a successor instrument, such successor instrument

“General Revenue Bond Trust Agreement Revenue Fund” means the Revenue Fund created under the General Revenue Bond Trust Agreement.

“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.

“Initial Project” means the land, easements, rights of way, capital improvements and equipment financed with the proceeds of the Series 2009B Bonds the General Revenue Bonds and the TIFIA Loan, as defined in the General Revenue Bond Trust Agreement.

“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 account in the Debt Service Fund created and so designated by Section 501.

“Interest Payment Date” means any January 1 or July 1, commencing January 1, 2010.

“Interest Subsidy Payment” means, with respect to any Build America Bond, payments provided directly from the Treasury Secretary in an amount equal to 35% of the corresponding interest payable on the related Build America Bond.

“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.

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

“Maximum Debt Service Requirement” means the highest 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.

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

“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 Article III;

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Trust Agreement; and

(d) Bonds deemed to have been paid in accordance with Article XII.

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

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

“Principal Payment Date” means any date established hereunder for the payment of principal of Bonds, whether at maturity pursuant to Section 207 or pursuant to Sinking Fund Requirements or otherwise.

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

“Recovery Act” means the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (enacted February 17, 2009).

“Redemption Account” means the account in the Debt Service Fund created and so designated by Section 501.

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

“Reference Treasury Dealer” means each of the four firms, specified by the Authority from time to time, that are primary United States Government securities dealers in the City of New York (each a “Primary Treasury Dealer”); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the Authority will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series 2009B Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, on the third Business Day preceding such redemption date.

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

“Reserve Fund Requirement” means the amount, determined from time to time, that is equal to the maximum Interest Subsidy Payment expected to be received in the current or any future fiscal year to the extent such amount does not exceed the least of (i) the Maximum Debt Service Requirement for all Build America Bonds secured by the Reserve Fund, (ii) 125% of the average annual Debt Service Requirement for all Build America Bonds secured by the Reserve Fund and (iii) 10% of the stated principal amount of all Build America Bonds secured by the Reserve Fund; provided, however, that if any Series of Build America Bonds secured by the Reserve Fund 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. The Reserve Fund Requirement may be composed of cash or Investment Obligations, or any combination of the foregoing, as the Authority may determine.

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

“Revenues” means:

(a) the State Appropriated Revenues;

(b) the Interest Subsidy Payments; provided, however, that any Interest Subsidy Payments required to restore a deficiency in the Reserve Fund pursuant to Section 502 shall not be deemed to be Revenues; 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, the Debt Service Fund or the Reserve Fund.

“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.

“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 2009B Bonds” means the North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds, Series 2009B, issued pursuant to this Trust Agreement.

“Sinking Fund Account” means the account in the Debt Service Fund created and so designated by the provisions of Section 501.

“Sinking Fund Requirement” means, with respect to the Term Bonds and for any Bond Year, the principal amount fixed or computed for retirement by purchase or redemption on or prior to January 1 of the following Bond Year.

The Sinking Fund Requirements for the Term Bonds shall be initially the respective principal amounts of such Term Bonds for retirement on each January 1 as fixed in Section 301.

If during any Bond Year, the total principal amount of Term Bonds retired by purchase or redemption under the provisions of this Trust Agreement shall be greater than the amount of the Sinking Fund Requirement for such Term Bonds, the subsequent Sinking Fund Requirements for such Term Bonds shall be reduced in such amount aggregating the amount of such excess as shall be specified in an Officer’s Certificate filed with the Trustee on or prior to January 15 of the next ensuing Bond Year.

“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 issued to finance the Triangle Expressway System or to fund debt service reserves, operating reserves or similar reserves, beginning with the appropriation for the fiscal year ending June 30, 2010. The initial State Appropriated Revenues are in the annual amount of \$25,000,000 pursuant to G.S. 136-176.

“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.

“Term Bonds” means, with respect to the Series 2009 Bonds, the Series 2009B Bonds maturing January 1, 2025 and 2039, and means with respect to any additional Bonds issued pursuant to Section 208, any Bonds so designated as Term Bonds in the Supplemental Trust Agreement.

“Treasury Rate” means, with respect to any redemption date for a particular Series 2009B Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

“Triangle Expressway System” means the “Triangle Expressway System” as defined in the General Revenue Bond Trust Agreement.

“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 512.

“Trustee” means the Trustee serving as such under this Trust Agreement, whether original or successor.

Section 102. 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 the calling of Bonds for redemption do not mean or include the payment of Bonds 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. All covenants, agreements and provisions of this Trust Agreement shall be for the benefit and security of all present and future Owners of Bonds without preference, priority or distinction as to lien or otherwise of any Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 202. Interest Payments on 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.

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 Revenues, 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.

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 hereby or 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. 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 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. 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.

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 206. Authentication of Bonds. Only such Bonds as have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit B hereto, or if such Bond is issued pursuant to a Supplemental Agreement, in the form set forth in the Supplemental Agreement pursuant to which such Bonds are issued, duly executed as provided herein or 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, 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 of the Bond Registrar 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 207. Authorization and Issuance of the Series 2009B Bonds. (a) For the purpose of providing funds, together with any other available funds, to (1) to pay the costs of land acquisition, design, construction and equipping of the Triangle Expressway System, (2) to provide funds to pay a portion of the interest on the Series 2009B Bonds until July 1, 2012, (3) to fund the Reserve Fund for the Series 2009B Bonds and (4) to pay the costs incurred in connection with the issuance of the Series 2009B Bonds, there shall be issued, under and pursuant to the Constitution and the laws of the State, including the Act and this Trust Agreement, a Series of Bonds of the Authority designated "Triangle Expressway System State Appropriation Revenue Bonds, Series 2009B (Federally Taxable – Issuer Subsidy – Build America Bonds)" in the aggregate principal amount of \$352,675,000.

The Authority has made an irrevocable election to treat the Series 2009B Bonds as Build America Bonds. As a result of this election, interest on the Series 2009B Bonds will be includable in gross income of the holders thereof for federal income tax purposes and the Owners of the Series 2009B Bonds will not be entitled to any tax credits as a result of either ownership of the Series 2009B Bonds or receipt of any interest payments on the Series 2009B Bonds. The Authority intends to apply for Interest Subsidy Payments from the Secretary under the "Build America Program" pursuant to Section 6431 of the Code. Such payments are Revenues hereunder, pledged to the repayment of the Series 2009B Bonds.

The definitive Series 2009B Bonds are issuable in fully registered form in denominations of \$5,000 or any whole multiple thereof, shall be lettered "R-" and shall be numbered from 1 consecutively upward. The definitive Series 2009B Bonds shall be substantially in the form set forth in Exhibit C attached.

The Series 2009B Bonds shall be dated the date of delivery thereof, shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) until their payment such interest to the maturity thereof being payable semiannually on each January 1 and July 1, beginning January 1, 2010, and shall be stated to mature on January 1 (subject to the right of prior redemption), as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2017	\$ 3,370,000	4.80 %
2018	7,115,000	4.90
2019	9,615,000	5.00
2020	9,935,000	5.125
2021	10,275,000	5.20
2025	50,320,000	6.00
2039	262,045,000	6.70

(b) Wells Fargo Bank, N.A. is hereby appointed Bond Registrar for the Series 2009B Bonds. The Series 2009B Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2009B Bonds are stated to mature, in the aggregate principal amount of the Series 2009B Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2009B Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of and any redemption premium on each Series 2009B Bond and interest with respect thereto shall be payable to Cede & Co. or any other person appearing on the registration books of the Authority as the registered owner of such Series 2009B Bond or its registered assigns or legal representatives. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Series 2009B Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Authority, the Bond Registrar and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as Securities Depository for the Series 2009B Bonds or (b) the Authority determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2009B Bonds would adversely affect the interests of the beneficial owners of the Series 2009B Bonds, the Authority will discontinue the book-entry system with DTC. If the Authority identifies another qualified Securities Depository to replace DTC, the Authority will make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for

the outstanding Series 2009B Bonds, and the references to DTC or Cede & Co. in this Supplemental Agreement shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the Authority fails to identify another qualified Securities Depository to replace DTC, the Authority will deliver replacement bonds in the form of fully registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Series 2009B Bonds as required by DTC and others.

The Series 2009B Bonds shall be executed substantially in the form set forth in Exhibit B hereto and in the manner herein set forth and shall be deposited with the Bond Registrar for authentication and delivery to the State Treasurer for redelivery to the purchasers thereof, but only upon the deposit with the Trustee of the purchase price of the Series 2009B Bonds and the accrued interest thereon.

Simultaneously with the issuance of the Series 2009B Bonds and the deposit of the proceeds of the Series 2009B Bonds with the Trustee, the Trustee shall apply the proceeds in the amount of \$348,384,183.45 (representing the \$352,675,000 principal amount of the Series 2009B Bonds, less original issue discount of \$816,455.20, less an underwriters' discount of \$3,474,361.35) as directed to the Trustee by the Authority pursuant to an Officer's Certificate filed with the Trustee simultaneously with the issuance of the Series 2009B Bonds

Section 208. Terms and Conditions for Issuance of Refunding Bonds. The Authority may from time to time issue refunding Bonds to refund the Series 2009B Bonds or any such refunding Bonds. Before any Bonds shall be issued, the Authority shall adopt and execute and deliver a Supplemental Agreement authorizing the issuance of such refunding 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.

Unless named otherwise in the Supplemental Agreement, the Bonds of each Series shall be designated "Triangle Expressway System State Appropriation Revenue Refunding 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, all such Bonds shall be payable on a parity with the Outstanding Series 2009B Bonds and with each other and shall be entitled to the same benefit and security of this Trust Agreement, including, in particular, the pledge, charge and lien upon the State Appropriated Revenues and Interest Subsidy Payments in manner provided herein.

The Bonds shall be executed substantially in the form and in the manner hereinabove set forth and shall thereafter 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) an Officer's Certificate is delivered to the Trustee (i) stating that the proceeds of such refunding Bonds, 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 Bonds to be refunded to the redemption or maturity date or dates and the expenses incident to the refunding, and (ii) stating that after the issuance of the refunding Bonds, the anticipated State Appropriated Revenues and Interest Subsidy Payments are expected to be sufficient to provide for the payment of debt service on all Bonds that will be Outstanding following such issuance at the times and in the amounts provided herein; 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.

ARTICLE III

REDEMPTION

Section 301. Redemption of Series 2009B Bonds. (a) The Series 2009B Bonds shall not be subject to prior redemption except as provided in this Article III.

(b) The Series 2009B Bonds maturing January 1, 2025 and 2039, are subject to redemption prior to their respective maturities, at the option of the Authority, from any moneys that may be available for such purpose, either in whole or in part on any date on or after January 1, 2019, at 100% of the principal amount of Series 2009B Bonds to be redeemed, plus accrued interest to the redemption date.

(c) The Series 2009B Term Bonds maturing on January 1, 2025, are subject to mandatory redemption in part on January 1, 2022, and on each January 1 thereafter, in the principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount of the Series 2009B Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
2022	\$ 11,855,000
2023	12,325,000
2024	12,815,000
2025*	13,325,000

* Maturity

(d) The Series 2009B Term Bonds maturing on January 1, 2039, are subject to mandatory redemption in part on January 1, 2026, and on each January 1 thereafter, in the principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount of the Series 2009B Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
2026	\$ 13,885,000
2027	14,505,000
2028	15,150,000
2029	15,825,000
2030	16,530,000
2031	17,265,000
2032	18,035,000
2033	18,840,000
2034	19,675,000
2035	20,555,000
2036	21,470,000

<u>Year</u>	<u>Amount</u>
2037	22,425,000
2038	23,420,000
2039*	24,465,000

* Maturity

(e) The Series 2009B Bonds maturing January 1, 2025 and 2039 are subject to redemption prior to January 1, 2019, and the Series 2009B Bonds maturing January 1, 2017 through 2021, inclusive, are subject to redemption prior to their respective maturities at the option of the Authority, in whole or in part, on any Business Day, at the “Make-Whole Redemption Price” (as defined herein). The Make-Whole Redemption Price is the greater of (i) 100% of the principal amount of the Series 2009B Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2009B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009B Bonds are to be redeemed, discounted to the date on which the Series 2009B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus thirty basis points (.30%), plus, in each case, accrued and unpaid interest on the Series 2009B Bonds to be redeemed on the redemption date.

(f) The Series 2009B Bonds are subject to redemption prior to their maturity at the option of the Authority, in whole or in part, upon the occurrence of an Extraordinary Event, at a redemption price (the “Extraordinary Optional Redemption Price”) equal to the greater of (1) 100% of the principal amount of the Series 2009B Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2009B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009B Bonds are to be redeemed, discounted to the date on which the Series 2009B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of 12 30-day months, at the Treasury Rate, plus one hundred basis points (1.00%), plus, in each case, accrued interest on the Series 2009B Bonds to be redeemed to the redemption date.

At the request of the Trustee, the redemption price of the Series 2009B Bonds to be redeemed at the option of the Authority will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Authority at the Authority’s expense to calculate such redemption price. The Trustee and the Authority may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.]

Section 302. Selection of Series 2009B Bonds for Redemption. The Series 2009B Bonds shall be redeemed only in whole multiples of \$5,000. If less than all the Series 2009B Bonds are called for redemption, the Series 2009B Bonds to be so redeemed shall be called for redemption in the manner set forth in an Officer’s Certificate filed with the Trustee.

If less than all of the Series 2009B Bonds of any one maturity are to be called for redemption, the Bond Registrar shall select the Series 2009B Bonds to be redeemed by lot, each

\$5,000 portion of principal being counted as one Series 2009B Bond for this purpose; provided, however, that so long as the only Owner of the Series 2009B Bonds is a Securities Depository Nominee, such selection shall be made by the Securities Depository.

Section 303. Redemption Notice. At least forty-five (45) days prior to the redemption date of any Series 2009B Bonds to be redeemed, the Authority shall notify the Trustee and the Bond Registrar in writing of its intention to redeem such Series 2009B Bonds. The Authority, the Bond Registrar and the Trustee may mutually agree to a shorter time period for such notice to the Trustee and the Bond Registrar. At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2009B Bonds to be redeemed, whether such redemption be in whole or in part, the Bond Registrar shall cause a notice of any such redemption signed by the Bond Registrar to be mailed, first class, postage prepaid, to all Owners of Series 2009B Bonds to be redeemed in whole or in part, provided that notice to any Securities Depository shall be sent by registered or certified mail and provided further that failure to mail any such notice to any Owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2009B Bonds of any other Owner to whom notice was properly given. The Bond Registrar shall also deliver a copy of any such notice to the Local Government Commission.

Each such notice shall set forth the designation, date and Series of the Series 2009B Bonds, the CUSIP numbers of the Series 2009B Bonds to be redeemed, the date fixed for redemption, the Redemption Price to be paid, the address and phone number of the Trustee and Bond Registrar, the date of the Redemption Notice, the maturities of the Series 2009B Bonds to be redeemed and, if less than all of the Series 2009B Bonds of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2009B Bonds to be redeemed and, in the case of Series 2009B Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2009B Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2009B Bond, a new Series 2009B Bond in principal amount equal to the unredeemed portion of such Series 2009B Bond will be issued.

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 Series 2009B Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2009B Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Series 2009B 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 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.

Section 304. Redemption of Refunding Bond. Any refunding Bonds issued under this Trust Agreement may be made subject to redemption, at such times and prices and under such terms, as may be provided by the Supplemental Agreement authorizing the issuance of such Bonds.

Section 305. 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 306. 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.

ARTICLE IV

PROJECT FUND

Section 401. Project Fund. A special fund is hereby established with the Trustee and designated the "North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Project Fund". The proceeds of the Series 2009B Bonds to be used for payment of the Costs of the Project shall be deposited by the Trustee in the Project Fund. 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 Project, as the case may be, or transfer as provided herein 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 Project and Outstanding under this Trust Agreement and shall be held for the security of such Owners.

Section 402. Payments from Project Fund. Payments to accomplish the refinancing of, the reimbursement for or for the Costs of the Project shall be made from the Project Fund. 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.

Section 403. Cost of Project. For the purpose of this Trust Agreement, the Costs of the 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 Project, 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;

(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 Initial Project;

(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 Project 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 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 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, 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; and

(h) 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 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 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 Project 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 Project is expected to be substantially completed; and

(c) the amount of funds required each six months during the remaining estimated period of construction to pay the Costs of the Project, 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 the Project and Disposition of Project Fund Balance. The Completion Date for the Project, or any segment thereof, shall be evidenced to the Trustee by an Officer's Certificate (a) setting forth the Cost of the 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 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 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 Project Fund in excess of the amount then needed for completion of the remainder of the Project and apply the same, subject to Section 603, (i) for any capital improvement related to the Initial Project 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 Series 2009B Bonds or the status of the Series 2009B Bonds as Build America Bonds or (ii) for payment to the federal government of any arbitrage rebate payment required by the Code. 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 Project to the Debt Service Fund as directed in writing by an Authorized Officer.

ARTICLE V

REVENUES 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 System State Appropriation Revenue Bonds Revenue Fund;

(b) North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Debt Service Fund, in which there are established five special accounts to be known as the Capitalized Interest Account, the Interest Account, the Principal Account, the Sinking Fund Account and the Redemption Account; and

(c) North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds Reserve Fund, which shall be for the sole benefit of the owners of Build America Bonds.

The Revenue Fund, the Debt Service Fund and the Reserve Fund shall be established with and held by the Trustee. The money in all of the funds, accounts and subaccounts established pursuant to this Article shall be held in trust and applied as hereinafter provided and, pending such application, the money in the Debt Service Fund and any accounts and subaccounts therein shall be subject to a pledge, charge and lien in favor of the Owners of the Bonds issued and Outstanding under this Trust Agreement and for the further security of such Owners, except as otherwise provided herein. The money in the Reserve Fund and any accounts therein shall be subject to a pledge, charge and lien in favor of the Owners of the Build America Bonds issued and Outstanding under this Trust Agreement, except as otherwise provided herein.

Section 502. Funds Received by the Authority. All Revenues shall be deposited on a daily basis when received in the Revenue Fund.

The Authority and NCDOT have made arrangements for the transfer of the State Appropriated Revenues to the Authority from the North Carolina Highway Trust Fund in four equal quarterly installments of \$6,250,000 to be made on each February 15, May 15, August 15 and November 15. In the event that the transfer is not made as so arranged, the Authority will make prompt application to the NCDOT to make such transfer and, if the transfer is not then made, shall make application to the North Carolina Director of the Budget to direct that the transfer be made. In so requesting, the Authority shall provide such information to the NCDOT or the North Carolina Director of the Budget as shall be requested in order to show that the transfer to the Authority of the amounts so appropriated is necessary to enable the Authority to pay the debt service payments to be paid with respect to the Bonds.

The Authority shall comply with the requirements of Internal Revenue Service Notice 2009-26 and any successor regulatory guidance to qualify and continue the qualification of the Series 2009B Bonds as Build America Bonds under the Code and will make all filings and provide such information with the Treasury Secretary as shall be necessary to assure the timely receipt by the Authority and payment to the Trustee of the Interest Subsidy Payments to enable

the Authority to pay the debt service payments to be paid with respect to the Bonds. Except as hereinafter provided, immediately upon the receipt thereof, the Interest Subsidy Payments shall be deposited to the Revenue Fund. If at any time the Trustee has transferred funds from the Reserve Fund to the Interest Account to pay interest on Build America Bonds, then the next Interest Subsidy Payments shall be deposited to the Reserve Fund to restore the deficiency in the Reserve Fund.

Section 503. Application of Money in Revenue Fund. Immediately upon each receipt of State Appropriated Revenues and Interest Subsidy Payments to be deposited to the Revenue Fund, the Trustee shall immediately transfer such amounts as follows, and in the following order of priority:

(a) to the Interest Account of the Debt Service Fund an amount that, together with the amounts then on deposit in the Interest Account, and amounts in the Capitalized Interest Account available to pay such interest, will be equal to the amount of interest payable on the Series 2009B Bonds on the next Interest Payment Date, or the entire amount of the Revenues if less than the amount required payable on the next Interest Payment Date;

(b) to the Principal Account and the Sinking Fund Account of the Debt Service Fund an amount that, together with the amounts then on deposit in the Principal Account or the Sinking Fund Account, will be equal to the amount equal to the amount of principal payable on the Series 2009B Bonds on the next Principal Payment Date, or the entire amount of the Revenues if less than the amount required payable on the next Principal Payment Date; and

(c) except as hereinafter provided, the balance, following the transfers described in (a) and (b) shall be transferred from the Revenue Fund to the General Revenue Bond Trust Agreement Revenue Fund.

Upon the transfer described in (c), the amounts so transferred shall be transferred free and clear of the lien on and pledge of the Revenues created hereunder and such lien and pledge shall thereafter be of no force and effect upon the deposit of such amounts in the General Revenue Bond Trust Agreement Revenue Fund.

The Authority shall be permitted to retain from the amount to be transferred to the General Trust Agreement Revenue Fund such amounts as shall be needed to pay arbitrage rebate payments to the federal government as needed in order to comply with Section 603.

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.

There shall be credited against the amounts required to be deposited or paid as provided in subsection (a) above any amounts transferred or to be transferred from the Capitalized Interest Account of the Debt Service Fund or otherwise set aside for payment of interest on Bonds. On the date hereof, the Authority has caused to be deposited to the Capitalized Interest Account, the amount of \$42,427,681.37. On each Interest Payment Date, commencing January 1, 2010, the Trustee shall apply such funds in the Capitalized Interest Account for payment of interest due on the Series 2009B Bonds on such Interest Payment Date. On July 1, 2012 the Trustee shall

transfer the balance of any funds remaining in the Capitalized Interest Account to the Interest Account.

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) and (b) 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.

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, the Trustee shall withdraw from the Interest Account 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.

If the Authority fails to deposit with the Trustee the amounts required to be deposited in the Interest Account as provided in Section 503, or if the balance in the Interest Account 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.

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 Principal Account 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.

If on any date there is money in the Principal Account 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 the amount then required to be paid thereto by the Authority pursuant to Section 503, and (b) 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 Principal Account as provided in Section 503, or if the balance in the Principal Account 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.

Section 506. Application of Money in Sinking Fund Account. Money held for the credit of the Sinking Fund Account shall be applied to the retirement, purchase, redemption or payment of Term Bonds.

(a) To the extent funds have been deposited to the Sinking Fund Account and are available, the Trustee shall, at the request of the Authority, endeavor to purchase and cancel Term Bonds or portions thereof subject to redemption by operation of the Sinking Fund Account or maturing on the next ensuing January 1 at the direction of an Authorized Officer. The purchase price of each such Term Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such Term Bonds to the date of settlement therefor from the Interest Account and the purchase price from the Sinking Fund Account. No such purchase shall be made by the Trustee from money in the Sinking Fund Account within the period of forty-five (45) days immediately preceding any January 1 on which such Term Bonds are subject to redemption. If in any Bond Year the sum of the amount on deposit in the Sinking Fund Account for the payment of any Term Bonds and the principal amount of the Term Bonds that were purchased during such Bond Year pursuant to the provisions of this paragraph (a) or delivered during such Bond Year to the Trustee by the Authority exceeds the Sinking Fund Requirement for the Outstanding Term Bonds for such Bond Year, the Trustee shall endeavor to purchase Outstanding Term Bonds with such excess money.

(b) The Trustee shall call for redemption on January 1 the Term Bonds then subject to redemption in a principal amount equal to the aggregate Sinking Fund Requirement for the Term Bonds for such Bond Year, less the principal amount of any such Term Bonds retired since the prior January 1 by purchase pursuant to paragraph (a) of this Section or delivered during such Bond Year to the Trustee by the Authority. If the amount available in the Sinking Fund Account on a January 1 is not equal to the Sinking Fund Requirement for the Term Bonds for the corresponding Bond Year less the principal amount of any such Term Bonds so delivered or purchased and retired, the Trustee shall apply the amount available in the Sinking Fund Account to the redemption of Term Bonds then subject to redemption so as to exhaust, to the extent practicable, the amount available. On each redemption date the Trustee shall withdraw from the Sinking Fund Account the amount required to pay the Redemption Price of the Term Bonds so called for redemption. The amount of interest on the Term Bonds so called for redemption shall be paid from the Interest Account. If such date is the stated maturity date of any Term Bonds, the Trustee shall not call those Term Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such Term Bonds when due and payable.

Upon execution by the Authority of this Trust Agreement, this Section 506 shall be deemed to be sufficient written notice required to be provided by the Authority to the Trustee pursuant to Section 302 of the Trust Agreement, for any and all redemptions pursuant to this Section 506.

If on any date there is money in the Sinking Fund Account and no Term Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of Term Bonds in accordance with the Sinking Fund Requirement therefor, the Trustee shall withdraw such money therefrom and shall apply the same as follows and in the following order:

(a) deposit in the Interest Account and the Principal Account, the amounts, if any, required to be paid thereto in such month and (b) deposit all remaining amounts to the Revenue Fund.

If, in any Bond Year, by the application of money in the Sinking Fund Account, the Trustee should purchase or receive from the Authority and cancel Term Bonds in excess of the aggregate Sinking Fund Requirement for such Bond Year, the Trustee shall file with the Authority not later than the twentieth (20th) day prior to the next January 1 on which Term Bonds are to be redeemed, a statement identifying the Term Bonds purchased or delivered during such Fiscal Year and the amount of such excess. The Authority shall thereafter cause an Officer's Certificate to be filed with the Trustee not later than January 15 of the following Bond Year setting forth with respect to the amount of such excess the Fiscal Years in which the Sinking Fund Requirements with respect to Term Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

Upon the retirement of any Term Bonds by purchase and redemption pursuant to the provisions of this Section, the Trustee shall file with the Authority a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Term Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such Term Bonds shall be paid by the Authority from the Revenue Fund or from any other available moneys.

If the Authority fails to deposit with the Trustee the amounts required to be deposited in the Sinking Fund Account as provided in Section 503, or if the balance in the Sinking Fund Account 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.

Section 507. Application of Money in the Redemption Account. The Trustee shall apply money in the Redemption Account for the purchase or redemption of Bonds as follows:

(a) Subject to the provisions of subsection (c) of this Section, and if instructed to do so 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 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 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 Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the Interest Account and the purchase price from the Redemption Account, but no such purchase shall be made by the Trustee from money in the 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 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 this Trust Agreement such amount of Bonds or portions

thereof as, with the redemption premium, if any, will exhaust the moneys then held in the 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 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 Interest Account or any other available funds of the Authority and the Redemption Price of such Bonds or portions thereof from the Redemption Account. On or before the redemption date, the Trustee shall withdraw from the 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 Redemption Account 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 such Bonds to be purchased or redeemed, (ii) setting forth the aggregate principal amount of Bonds to be purchased or redeemed, and (iii) designating the Bonds to be redeemed, 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.

Money held for the credit of the Redemption Account shall be applied to the purchase or redemption of Bonds in the manner provided herein.

Section 508. Deposit and Application of Money in the Reserve Fund. (a) The Authority shall fund, from the proceeds of the Build America Bonds or from any other available sources, concurrently with the delivery of and payment of any Build America Bonds, the Reserve Fund in an amount equal to the Reserve Fund Requirement.

(b) The Trustee shall use amounts in the Reserve Fund to make transfers to the Interest Account to pay interest on Build America Bonds at any time there is a deficiency in the Interest Account arising from the failure of the Authority to receive the anticipated Interest Subsidy Payment as of two Business Days prior to any Interest Payment Date relating to Build America Bonds.

(c) Any deficiency in the Reserve Fund resulting from the withdrawal of moneys therein shall be restored from future Interest Subsidy Payments received by the Authority as provided in Section 502.

(d) Investment earnings from the investment of the Reserve Fund shall be transferred upon receipt to the Revenue Fund. Amounts in the Reserve Fund in excess of the Reserve Fund Requirement shall be deposited to the Debt Service Fund and applied in the same manner as Revenues.

Section 509. Escheat. All money that the Trustee shall have withdrawn from the 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 510. 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 511. Disposition of Fund Balances. After provision is made for the payment of all Bonds, including the interest thereon, 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 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 512. Security. As security for the payment of the Bonds, the Authority hereby grants to the Trustee for the benefit of the Owners of the Bonds, a pledge, charge and lien upon (i) all Revenues (subject to the release provisions set forth in Section 503); (ii) all money and securities held by or on behalf of the Trustee in the Project Fund (to the extent provided in Section 401), the Revenue Fund and the Debt Service Fund established pursuant to this Trust Agreement, and (iii) solely with respect to Build America Bonds, all money and securities held by or on behalf of the Trustee in the Reserve Fund (collectively, the "Trust Estate").

The pledge, charge and lien upon the Trust Estate shall be effective and operate immediately, and the Trustee shall have the right to collect and receive the Revenues in accordance with the provisions hereof at all times during the period from and after the date of delivery of the Series 2009B Bonds issued hereunder until all Bonds 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.

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 Depository 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 of Bonds, either (a) by lodging with a bank or trust company chosen by the Trustee or Depository 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 Depository 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 Depository 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 Depository 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.

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.

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 in the case of funds held in the 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.

The Trustee shall upon written direction from the Authority sell or reduce to cash a sufficient amount as specified by the Authority 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. 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 Depositary 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 Depositary 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. 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 Bonds not intended to be tax-exempt under the provisions of the Code (except with respect to Build America Bonds to which such covenants do apply). 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 Bonds intended to be tax-exempt under the provisions of the Code and with respect to the Build America Bonds.

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 at the places, on the dates and in the manner provided herein and in the Bonds and the documentation authorizing and securing such Bonds, according to the true intent and meaning thereof.

The Bonds are special obligations of the Authority payable solely from the Revenues, the Authority's right to receive the same, and money and Investment Obligations held in the applicable funds, accounts and subaccounts created hereunder for the Bonds and the income from Investment Obligations in such funds, accounts and subaccounts. The Bonds shall be secured as provided in Section 512. The Bonds shall not be deemed to be 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 Revenues 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 except from the Revenues 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. The Authority has no taxing power.

Section 702. Acquisition, Construction and Equipping of the Project. The Authority shall acquire, construct and equip the Project for which Bonds are issued or for which money repayable from the proceeds of Bonds are advanced by the Authority for such purpose. The Authority covenants to acquire, construct and equip the 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 Project and 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 Project in connection with which such payment or performance bond or securities are furnished.

Section 703. Budgets. 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 and Interest Subsidy Payments budgeted for deposit in the Revenue Fund during such Fiscal Year, (b) the amount of Revenues budgeted for deposit in the Revenue Fund during such year and (c) the amounts to be deposited or paid under Section 503.

Section 704. 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.

Section 705. Compliance with Applicable Law. So long as any Bond 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 706. 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.

Section 707. 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 708. Use of Revenues and Inconsistent Actions. The Authority covenants and agrees that, so long as any of the Bonds secured hereby are Outstanding, none of the Revenues 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 of Bonds might be impaired or diminished.

Section 709. Covenant as to Build America Bonds. The Authority covenants that so long as any Build America Bonds remain Outstanding, it will comply with the procedures and requirements set forth in Sections 54AA(g) and 6431 of the Code and applicable regulations promulgated from time to time thereunder and any applicable guidance relating to Build America Bonds promulgated by the United States Department of the Treasury or Internal Revenue Service relating to Build America Bonds as necessary to allow the Authority to receive Interest Subsidy Payments with respect to the Build America Bonds. In particular, the Authority covenants to file IRS Form 8038-CP with the Internal Revenue Service, and to provide the Trustee with a copy of any such filing, as follows: (i) for fixed rate Build America Bonds, the form must be filed no earlier than 90 days prior to the next Interest Payment Date and not later than 45 days before such Interest Payment Date, and (ii) for variable rate Build America Bonds, the form must be filed for a reimbursement on a quarterly basis for the aggregate interest payments within 45 days after the last Interest Payment Date that is within the quarterly reimbursement period. The covenant set forth in the prior sentence shall be modified as necessary to comply with future law or further guidance from the Treasury Department or Internal Revenue Service. The Authority

shall provide the Trustee with a copy of each such IRS Form 8038-CP filed with the Internal Revenue Service within 7 days of such filing.

Section 710. Continuing Disclosure. The Authority hereby undertakes, for the benefit of the beneficial owners of the Series 2009B Bonds, to provide to the Municipal Securities Rulemaking Board (the "MSRB"):

(a) by not later than seven months from the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2009, audited financial statements of the Authority for such Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the Authority are not available by seven months from the end of such Fiscal Year, unaudited financial statements of the Authority for such Fiscal Year to be replaced subsequently by audited financial statements of the Authority to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2009, (i) the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under the following headings in the Official Statement, dated July 15, 2009, relating to the Series 2009B Bonds (the "Official Statement"), to the extent that such items are not included in the financial statements referred to in (a) above;

(c) in a timely manner, notice of any of the following events with respect to the Series 2009B Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the Build America Bond status of the Series 2009B Bonds;
- (7) modification to the rights of the beneficial owners of the Series 2009B Bonds;
- (8) bond calls, other than bond calls relating to mandatory sinking fund redemption;
- (9) defeasances;

(10) release, substitution or sale of any property securing repayment of the Series 2009B Bonds; and

(11) rating changes; and

(d) in a timely manner, notice of a failure of the Authority to provide required annual financial information described in (a) or (b) above on or before the date specified.

The Authority may meet the continuing disclosure filing requirements described above by (a) providing the required information directly to the NRMSIRs or SID, if any, or, to the extent permitted by the United States Securities and Exchange Commission, (b) providing such information to the Texas Municipal Advisory Council as provided at www.disclosureusa.org for subsequent transmission to the NRMSIRs and SID, if any, without separately providing such information to such NRMSIRs or SID or (c) complying with any other procedure the U.S. Securities and Exchange Commission implements.

If the Authority fails to comply with the undertaking described above, any beneficial owner of the Series 2009B Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an Event of Default under the Trust Agreement and shall not result in any acceleration of the Series 2009B Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Series 2009B Bonds.

The Authority reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Authority, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Authority;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 ("Rule 15c2-12") as of the date of the Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the Owners of the Series 2009B Bonds, as determined by the Trustee or bond counsel to the Authority, or by approving vote of the Owners of a majority in principal amount of the Series 2009B Bonds then Outstanding pursuant to the terms of the Trust Agreement at the time of the amendment.

In the event that the Authority makes such a modification, the annual financial information containing the modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Series 2009B Bonds.

ARTICLE VIII

REMEDIES

Section 801. Extension of Interest Payment. If the time for the payment of the interest on any Bond 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 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 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 shall not be extended in respect of any Bond covered by a Bond Insurance Policy without the consent of the Bond Insurer.

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; or

(d) 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, 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, in no event shall there be any acceleration of payment of principal of or interest on any Bonds 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 of not less than 25% in aggregate principal amount of the Bonds then

Outstanding shall, proceed (subject to the provisions of Section 902) to protect and enforce its rights and the rights of the Owners of the Bonds 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 and unpaid, with interest on overdue payments of principal at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds without prejudice to any other right or remedy of the Trustee or of the Owners of the Bonds (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, 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 under the provisions of this Trust 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, with full power to pay and to provide for the payment of principal of and interest on the Bonds 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, to apply Revenues derived from such operation in accordance with the provisions of this Trust 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 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. 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 Debt Service Fund is not sufficient to pay the interest on or the principal of the 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 the Interest Account, Principal Account or Sinking Fund Account for a the 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 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 Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any 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 Bonds, and, if the amount available shall not be sufficient to pay in full all of the amounts due on the 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 Bonds, to the purchase and retirement of Bonds, and to the redemption of Bonds, all in accordance with the provisions of this Trust Agreement.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, (a) 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 of Bonds 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 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 of a majority in aggregate principal amount of Bonds 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 of Bonds shall have any right to institute any suit, action or proceeding in equity or at law on any Bonds or for the execution of any trust hereunder or for any other remedy hereunder unless such Owner of Bonds previously (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 of not less than 25% in aggregate principal amount of Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Owners of Bonds. It is understood and intended that, except as otherwise above provided, no one or more Owners of Bonds 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 of Bonds and that any individual rights of action or other right given to one or more of such Owners 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 may be enforced by the Trustee without the possession of any Bonds 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 of Bonds, and any recovery of judgment shall be for the equal benefit of the Owners of Bonds, 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 of Bonds 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 of Bonds 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 of Bonds 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 of not less than a majority in principal amount of the Bonds 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 all Owners of Bonds at their addresses as they appear on the registration books 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 if in its opinion such withholding is in the interest of such Owners. The Trustee shall not be subject to any liability to any such Owner 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 of Bonds to enforce the payment of the principal of and interest on his Bond or the obligation of the Authority to pay the principal of and interest on each Bond to the Owner thereof at the time and place specified in said Bond.

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 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 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 of not less than 25% or a majority, as this Trust Agreement shall require, in aggregate principal amount of the Bonds 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 Revenues 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 Bonds 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 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 Revenues 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 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 10th 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,

(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 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 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) or (b) of Section 802, 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 of not less than 25% in aggregate principal amount of Bonds 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 of Bonds 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 of Bonds, 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 of not less than a majority in aggregate principal amount of Bonds 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 of not less than 25% in aggregate principal amount of Bonds 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 of Bonds.

At any time within sixty (60) days after any such vacancy shall have occurred, the Owners of not less than 25% in principal amount of Bonds 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.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, any Owner of Bonds 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, 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. 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 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 of Bonds 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, PROOF OF OWNERSHIP OF BONDS 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 of Bonds may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners or their attorneys or legal representatives or legal representative of his estate if the Owner is deceased. Proof of the execution of any such instrument and of the ownership of Bonds 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 this Trust Agreement.

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 of Bonds shall bind every future Owner of the same 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 of Bonds or to take any action at such an Owner's request unless such Bonds 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:

(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, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners 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. 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. 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 of not less than a majority in aggregate principal amount of Bonds 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 Bonds without the consent of the Owner of such Bonds, (b) a reduction in the principal amount of any Bonds or the redemption premium or the rate of interest on any Bonds without the consent of the Owner of such Bonds, (c) the creation of a pledge, charge and lien upon the Revenues other than the pledge, charge and lien created by this Trust Agreement without the consent of all of the Owners of the Bonds then Outstanding, (d) a preference or priority of any Bonds over any other Bonds except as expressly provided by this Trust Agreement without the consent of all of the Owners of the Bonds then Outstanding or (e) a reduction in the aggregate principal amount of the any Bonds required for consent to such supplemental trust agreement without the consent of all of the Owners of the Bonds then Outstanding. For purposes of clauses (a) through (e) of this paragraph, notwithstanding any provisions herein to the contrary, a Bond Insurer shall not be deemed to be the Owner of the Bonds.

Nothing herein contained, however, shall be construed as making necessary the approval by Owners of Bonds of the execution and delivery of any supplemental trust agreement as authorized in Section 1101. Furthermore, notwithstanding the foregoing provisions of this Section, to the extent that the Owners of Bonds are not "affected" by the proposed supplemental trust agreement as provided in Section 1103, the consent of such Owners of not less than a majority in aggregate principal amount of Bonds 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 of Bonds affected thereby at their addresses as they appear on the registration books. 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 of Bonds. The Trustee shall not, however, be subject to any liability to any Owner of Bonds 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 of not less than a majority in aggregate principal amount of the Bonds 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 of any Bonds whether or not such Owner shall have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of any Bonds 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 of any Bonds 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. Bonds Affected. For purposes of this Trust Agreement, Bonds shall be deemed to be “affected” by a supplemental trust agreement if the same adversely affects or diminishes the rights of the Owners of such Bonds against the Authority or the rights of such Owners in the security for such Bonds. The Trustee may in its discretion determine whether any Bonds would be affected by any supplemental trust agreement, and any such determination shall be conclusive upon the Owners of all Bonds, 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 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 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 that relates only to the issuance of Bonds for the purpose of refunding all or a portion of the Series 2009B Bonds and paying the costs of issuance associated therewith as provided in Section 208 hereof shall not be deemed or considered to be a supplemental trust agreement for purposes of this Article and may be executed without complying with the provisions of this Article.

ARTICLE XII

DEFEASANCE

Section 1201. Release of Trust Agreement. When:

(a) the Bonds 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 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 then Outstanding to the maturity date or dates of such Bonds 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 are to be called for redemption or prepayment, irrevocable instructions to call the Bonds 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;

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. 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 of Bonds, setting forth (a) the date or dates, if any, designated for the redemption of the Bonds, (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 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 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, directions 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 Bonneral Road, Suite 400
Jacksonville, Florida 32216
Fax: (904) 281-2759
Email: Christopher.tracy@wellsfargo.com
Attention: Corporate Trust Services

(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 facsimile or electronic mail 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 and Owners Alone Have Rights under Trust Agreement. Except as herein 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 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.

Section 1306. Effect of Partial Invalidity. In case any one or more of the provisions of this Trust Agreement or any Bonds 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 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 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 otherwise, of any sum that may be due and unpaid upon any such Bond. 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 otherwise, of any sum that may remain due and unpaid upon the Bonds 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.

Section 1309. Dealing in Bonds. 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 and may join in any action which any Owner 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.

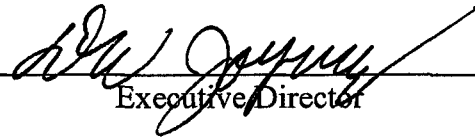
Section 1312. Payment Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Trust Agreement is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Trust Agreement.

Section 1313. 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.

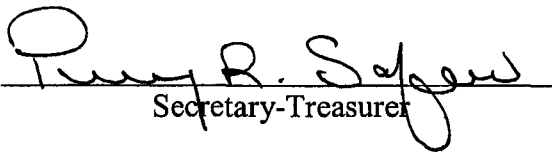


NORTH CAROLINA TURNPIKE AUTHORITY

By: 
Executive Director

By: 
Chairman

Attest:


Secretary-Treasurer

WELLS FARGO BANK, N.A.,
as Trustee

[SEAL]

By: _____
Vice President

Attest:

Title: _____

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

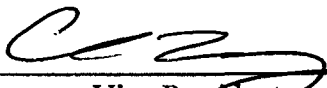
By: _____
Chairman

Attest:


Secretary-Treasurer

WELLS FARGO BANK, N.A.,
as Trustee

[SEAL]

By:  _____
Vice President

Attest:



Title: V.P.

EXHIBIT A

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 \$ _____ Triangle Expressway System State Appropriation Revenue Bonds, Series 2009B (the "Bonds") issued by the Authority, I hereby requisition from you funds held in the North Carolina Turnpike Authority Triangle Expressway System State Appropriation Revenue Bonds 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"), 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 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.

Authorized Officer

EXHIBIT B

FORM OF SERIES 2009B BOND

R- _____ \$ _____

United States of America
State of North Carolina

**NORTH CAROLINA TURNPIKE AUTHORITY
TRIANGLE EXPRESSWAY SYSTEM STATE APPROPRIATION REVENUE BOND
SERIES 2009B
(FEDERALLY TAXABLE-INTEREST SUBSIDY-BUILD AMERICA BOND)**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP</u>
%	January 1, 20__	

The North Carolina Turnpike Authority, (the "Authority"), a body corporate and politic and public instrumentality duly organized and existing under the laws of the State of North Carolina, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to CEDE & CO. or registered assigns or legal representative, on the maturity date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof at the designated corporate trust office of Wells Fargo Bank, N.A. in Jacksonville, Florida (the "Bond Registrar"), the principal sum of _____ DOLLARS (\$ _____).

The Authority also promises to pay, but solely from said sources, interest on this bond (calculated on the basis of a 360-day year consisting of twelve 30-day months) from the interest payment date next preceding the date on which it is authenticated, unless it is authenticated on an interest payment date, in which event it shall bear interest from such interest payment date, or it is authenticated prior to January 1, 2010, in which event it shall bear interest from its date, payable on January 1 and July 1 of each year, beginning January 1, 2010, at the rate per annum set forth above until the principal sum hereof is paid. The interest so payable and punctually paid or duly provided for on any interest payment date will be paid to the person in whose name this bond is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this bond is registered at the close of business on a Special Record Date (as defined in the Trust Agreement hereinafter mentioned) for the payment of such defaulted interest to be fixed by the Trustee (hereinafter mentioned), notice whereof being given to the registered owners not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series 2009B Bonds (hereinafter mentioned) may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Trust Agreement. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This bond is one of a duly authorized series of revenue bonds of the Authority designated "Triangle Expressway System State Appropriation Revenue Bonds, Series 2009B" (the "Series 2009B Bonds"), issued under and pursuant to the Constitution and laws of the State of North Carolina, including the Act (as defined in the Trust Agreement), an order of the Authority adopted on November 20, 2008, as amended on April 15, 2009 and May 7, 2009, authorizing the issuance of the Series 2009B Bonds, a Trust Agreement, dated as of July 1, 2009 (the "Trust Agreement"), between the Authority and Wells Fargo Bank, N.A., as trustee (in such capacity, the "Trustee"). The Series 2009B Bonds are being issued for the purpose of providing funds, together with any other available funds, (a) to pay the costs of land acquisition, design, construction and equipping of the Triangle Expressway System, (b) to provide funds to pay a portion of the interest on the Series 2009B Bonds until July 1, 2012, (c) to fund the Reserve Fund for the Series 2009B Bonds and (d) to pay the costs incurred in connection with the issuance of the Series 2009B Bonds.

The Series 2009B Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Trust Agreement. One bond certificate with respect to each date on which the Series 2009B Bonds are stated to mature, in the aggregate principal amount of the Series 2009B Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2009B Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest and any redemption premium payments to beneficial owners of the Series 2009B Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Authority will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While Cede & Co. is the registered owner of this bond, notwithstanding the provisions hereinabove contained, payments of principal of or redemption premium, if any, and interest on this bond shall be made in accordance with the existing arrangements between the Bond Registrar and DTC.

The Series 2009B Bonds are special obligations of the Authority secured by a pledge, charge and lien upon Revenues. Pursuant to the Trust Agreement, the "Revenues" consist of (a) any funds appropriated to the Authority by the State of North Carolina 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 issued to finance the Triangle Expressway System or to fund debt service reserves, operating reserves or similar reserves, (b) interest subsidy payments paid to the Authority from the United States Treasury under the "Build America Bond" program made in connection with the Series 2009B Bonds in an amount equal to 35% of the corresponding interest payable on the Series 2009B Bonds, 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, the Debt Service Fund or the Reserve Fund (as such terms are hereafter defined). The Authority is not obligated to pay the principal of or the interest on the Series 2009B Bonds except as provided in the Trust Agreement from Revenues or certain other monies made available therefor under the Trust Agreement, and neither the faith and credit nor the taxing power of the State of North Carolina or

any political subdivision thereof or the Authority is pledged to the payment of the principal of and the interest on the Series 2009B Bonds.

Reference is made to the Trust Agreement for a more complete statement of the provisions thereof and of the rights of the Authority, the Trustee and the registered owners of the Series 2009B Bonds. Copies of the Trust Agreement will be available for inspection by any registered owner of the Series 2009B Bonds at all reasonable times at the designated corporate trust office of the Trustee. By the purchase and acceptance of this bond, the registered owner hereof signifies assent to all of the provisions of the Trust Agreement.

The Trust Agreement provides for the creation of a special fund designated "North Carolina Turnpike Authority Expressway State Appropriation Revenue Bond Debt Service Fund" (the "Debt Service Fund"). Pursuant to the Trust Agreement, special accounts have been created within the Debt Service Fund with respect to the Series 2009B Bonds (the "Subaccounts"), which accounts are pledged and charged with the payment of the principal of and the interest on the Series 2009B Bonds. The Trust Agreement provides for the deposit of Revenues to the credit of the accounts to the extent and in the manner provided in the Trust Agreement.

At the principal corporate trust office of the Bond Registrar, in the manner and subject to the conditions provided in the Trust Agreement, Series 2009B Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its principal corporate trust office books for the registration of transfer of the Series 2009B Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Trust Agreement upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Series 2009B Bonds maturing on January 1, 2025 and 2039, are subject to redemption, at the option of the Authority, in whole or in part on any date on or after January 1, 2019, from any moneys that may be available for such purpose, at 100% of principal amount of the Series 2009B Bonds to be redeemed, plus accrued interest to the redemption date, all in the manner provided in the Trust Agreement.

The Series 2009B Term Bonds (as defined in the Trust Agreement) maturing on January 1, 2025 and 2039 are subject to mandatory redemption in part beginning on January 1, 2022 and 2026, respectively, and on each January 1 thereafter until the maturity thereof, in the amounts set forth in the Trust Agreement as the mandatory sinking fund requirements therefor, from moneys deposited to the credit of the Sinking Fund Account, at a redemption price equal to 100% of the principal amount of the Series 2009B Bonds to be redeemed, plus accrued interest to the redemption date.

The Series 2009B Bonds maturing January 1, 2025 and 2039 are subject to redemption prior to January 1, 2019, and the Series 2009B Bonds maturing January 1, 2017 through 2021, inclusive, are subject to redemption prior to their respective maturities at the option of the Authority, in whole or in part, on any Business Day, at the "Make-Whole Redemption Price" (as defined herein). The Make-Whole Redemption Price is the greater of (i) 100% of the principal amount of the Series 2009B Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2009B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009B Bonds are to be redeemed, discounted to the date on which the Series 2009B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of 12 30-day months, at the Treasury Rate plus thirty basis points (.30%), plus, in each case, accrued and unpaid interest on the Series 2009B Bonds to be redeemed on the redemption date.

The Series 2009B Bonds are subject to redemption prior to their maturity at the option of the Authority, in whole or in part, upon the occurrence of an Extraordinary Event, at a redemption price (the "Extraordinary Optional Redemption Price") equal to the greater of (1) 100% of the principal amount of the Series 2009B Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2009B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009B Bonds are to be redeemed, discounted to the date on which the Series 2009B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of 12 30-day months, at the Treasury Rate, plus one hundred basis points (1.00%), plus, in each case, accrued interest on the Series 2009B Bonds to be redeemed to the redemption date.

At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Bonds to be redeemed, whether such redemption is in whole or in part, the Bond Registrar shall cause a notice of any such redemption signed by the Bond Registrar to be mailed, first class, postage prepaid, to all registered owners of Series 2009B Bonds to be redeemed in whole or in part, provided that failure to mail any such notice to any registered owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2009B Bonds of any other registered owner to whom such notice is properly given.

On the date designated for redemption, notice having been given as aforesaid, the Series 2009B Bonds or portions thereof so called for redemption shall become due and payable at the redemption price provided for the redemption of such Bonds or such portions thereof on such date plus accrued interest to such date.

If less than all of the Series 2009B Bonds are to be called for redemption, the Series 2009B Bonds to be so redeemed shall be called for redemption in the manner that the Authority shall determine as set forth in an Officer's Certificate filed with the Trustee. If less than all the Series 2009B Bonds of any one maturity are called for redemption, the Bond Registrar shall select the Series 2009B Bonds to be redeemed by lot, each \$5,000 portion of principal being counted as one Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2009B Bonds is Cede & Co., such selection shall be made by DTC.

The registered owner of this bond shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Agreement, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement.

Modifications or alterations of the Trust Agreement or in any supplement Trust Agreement thereto may be made only to the extent and in the circumstances permitted by the Trust Agreement.

This bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Trust Agreement, at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of North Carolina. This bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this bond and the execution and delivery of the Trust Agreement have happened, exist and have been performed as so required.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Agreement until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the North Carolina Turnpike Authority, by an order duly adopted by its Board, has caused this bond to be manually signed by the Chairman of the Authority and the Secretary-Treasurer of the Authority to impress its corporate seal hereon and to attest the same, all as of the 29th day of July, 2009.

NORTH CAROLINA TURNPIKE
AUTHORITY

Chairman

[SEAL]

Secretary-Treasurer

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The State and Local Government Revenue Bond Act.

Secretary
Local Government Commission

CERTIFICATE OF AUTHENTICATION

This bond is a Bond of the Series designated therein and issued under the provisions of the within mentioned Trust Agreement.

WELLS FARGO BANK, N.A., as Bond •
Registrar

By: _____
Authorized Signatory

Date of authentication: July 29, 2009

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY NUMBER
OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE _____
_____ the within
bond and all right thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to transfer the within bond on the
books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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

FIRST SUPPLEMENTAL TRUST AGREEMENT

Dated as of July 1, 2009

By and Between

NORTH CAROLINA TURNPIKE AUTHORITY

and

WELLS FARGO BANK, N.A.,
Trustee

Authorizing and Securing

North Carolina Turnpike Authority
Triangle Expressway System Senior Lien Turnpike Revenue Bonds,
Series 2009

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

Section 101. Meaning of Words and Terms2
Section 102. Rules of Construction4

ARTICLE II

**AUTHORIZATION, FORM, ISSUANCE, DELIVERY
AND REGISTRATION OF THE SERIES 2009 BONDS**

Section 201. Authorization and Issuance of the Series 2009 Bonds.....5
Section 202. Form of Series 2009 Bonds.....5
Section 203. Details of Series 2009 Bonds.....5
Section 204. Terms and Conditions for Issuance of the Series 2009 Bonds7
Section 205. Series 2009 Bonds Secured by Senior Lien Parity Reserve Account.....7

ARTICLE III

REDEMPTION OF SERIES 2009 BONDS

Section 301. Redemption of Series 2009 Bonds.....8
Section 302. Selection of Series 2009A Bonds for Redemption9
Section 303. Redemption Notice9

ARTICLE IV

ACCOUNTS, SUBACCOUNTS, REVENUES AND FUNDS

Section 401. Establishment of Subaccounts and Account.....11
Section 402. Receipts Received by the Authority; Series 2009 Subaccount of the
Capitalized Interest Account.....11
Section 403. Application of Money in the Series 2009 Subaccount of the Sinking Fund
Account.....11
Section 404. Application of Money in the Series 2009 Subaccount of the Redemption
Account.....13
Section 405. Payment of Principal, Interest and Premium and Pledge of Receipts.....14
Section 406. Tax Covenant.....14
Section 407. Continuing Disclosure14

ARTICLE V

THE BOND INSURANCE POLICY AND THE BOND INSURER

Section 501. Payments Under the Bond Insurance Policy.....17
Section 502. Covenant with Respect to Refunding of Series 2009 Bonds21
Section 503. Additional Restriction on the Issuance of Senior Lien Parity Indebtedness.....23
Section 504. Additional Covenants with Respect to the Bond Insurer24
Section 505. Trustee/Paying Agent-Related Provisions26
Section 506. Amendments to the Trust Agreement or the First Supplemental Trust Agreement; Amendments to Other Agreements.....26
Section 507. Third Party Beneficiary.....27
Section 508. Defeasance27
Section 509. Rights of Bond Insurer28
Section 510. Non-Reliance on Bond Insurer28

ARTICLE VI

SUPPLEMENTAL TRUST AGREEMENTS

Section 601. Supplemental Trust Agreements Without Consent of Owners.....29
Section 602. Modification of Supplemental Agreement with Consent of Owners.....29
Section 603. Series 2009 Bonds Affected.....31
Section 604. Exclusion of Series 2009 Bonds31
Section 605. Responsibilities of Trustee and Authority under this Article31

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 701. Manner of Giving Notice.....32
Section 702. Substitute Mailing.....32
Section 703. Authority, Trustee, Bond Registrar, Bond Insurer and Owners Alone Have Rights under Supplemental Agreement.....33
Section 704. Effect of Partial Invalidity33
Section 705. Effect of Covenants; Governing Law33
Section 706. Headings33
Section 707. Further Authority33
Section 708. Payment Due on Holidays33
Section 709. Multiple Counterparts34

EXHIBIT A FORM OF SERIES 2009A BOND
EXHIBIT B FORM OF SERIES 2009B BOND
EXHIBIT C TABLE OF COMPOUNDED AMOUNTS

This **FIRST SUPPLEMENTAL TRUST AGREEMENT**, dated as of July 1, 2009 (the "Supplemental Agreement"), between the **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 and the Trustee have heretofore entered into the Trust Agreement, dated as of June 1, 2009 (the "Trust Agreement"), providing for the issuance or incurrence thereunder of Senior Lien Bonds, Senior Lien Parity Debt, Subordinate Lien Bonds, Subordinate Lien Parity Debt and TIFIA Indebtedness (as such terms are defined in the Trust Agreement), all in accordance with the terms of the Trust Agreement, in order to provide funds to finance, together with other available funds, the cost of acquisition, construction, installation and equipping of Triangle Expressway System, and financing related reserves and other costs (as defined in the Trust Agreement); and

WHEREAS, the Authority has adopted an order authorizing the issuance of Senior Lien Turnpike Revenue Bonds (Triangle Expressway System) to provide funds, together with other available funds, to (a) pay the costs of land acquisition, design, construction and equipping of the Triangle Expressway System, (b) provide funds to pay the interest on the Series 2009 Bonds until July 1, 2013, (c) fund the Senior Lien Parity Reserve Account in the amount of the Senior Lien Parity Reserve Account Requirement and (d) pay the costs incurred in connection with the issuance of the Series 2009 Bonds, and the Authority and the Trustee have determined to enter into this First Supplemental Trust Agreement in order to provide for the issuance of said Bonds and set forth the details thereof:

NOW, THEREFORE, in consideration of the mutual covenants and contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 101. Meaning of Words and Terms. Unless otherwise required by the context, words and terms used herein which are defined in the Trust Agreement shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings:

“Bond Insurance Policy” means the financial guaranty insurance Bond Insurance Policy issued by the Bond Insurer insuring payment when due of the principal of and interest on the Series 2009 Bonds as provided therein.

“Bond Insurer” means Assured Guaranty Corp., a Maryland-domiciled insurance company, or any successor thereto.

“Bond Insurer Reimbursement Rate” means the interest rate per annum publicly announced from time to time by JP Morgan Chase Bank, National Association at its principal office in New York, New York as its prime lending rate (any change in such prime rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank, National Association) plus 3.00% per annum. The Bond Insurer Reimbursement Rate shall be calculated on the basis of the actual number of days elapsed over a 360-day year. In the event JPMorgan Chase Bank ceases to announce its prime rate publicly, the prime rate shall be the publicly announced prime rate or base lending rate of such national bank, as the Bond Insurer shall specify.

“Bond Registrar” means Wells Fargo Bank, N.A. as designated by Section 201.

“Bond Year” means the period commencing on January 1 of any year and ending on December 31 of the following year, provided that the first Bond Year shall begin on the date of issuance of the Series 2009 Bonds.

“Closing” means the delivery of and payment for the Series 2009 Bonds.

“Closing Date” means the date of the Closing.

“Compounded Amount” as applied only to any Series 2009B Bond, means at any January 1 or July 1 the respective amounts set forth in Exhibit C. After the maturity date of any Series 2009B Bond, “Compounded Amount” shall mean the Compounded Amount of such Series 2009B Bond on such maturity date. “Compounded Amount” shall also further mean in respect of each \$5,000 amount payable at maturity of each Series 2009B Bond, on a date other than a January 1 or July 1, the Compounded Amount on the next preceding January 1 or July 1 plus the portion of the difference between the Compounded Amount on the next preceding January 1 or July 1 and the next succeeding January 1 or July 1 that the number of days from the next preceding January 1 or July 1 to the date for which the determination is being calculated bears to the total number of days from the next preceding January 1 or July 1 to the next succeeding January 1 or July 1 (computed on the basis of a 360-day year).

“Initial Offering Price” means the price at which the Series 2009B Bonds are offered for sale to the public or sold to the initial purchasers thereof at the time of sale thereof without reduction to reflect underwriter’s discount.

“Interest Payment Date” means any January 1 or July 1, commencing January 1, 2010, notwithstanding that in respect of a Series 2009B Bond all of such interest will be paid upon maturity.

“Regular Record Date” means the 15th day of the month preceding any Interest Payment Date, whether or not a Business Day.

“Serial Bonds” means the Series 2009A Bonds maturing January 1, 2019 to 2026, inclusive, and the Series 2009B Bonds.

“Series 2009 Bonds” means the Series 2009A Bonds and the Series 2009B Bonds.

“Series 2009A Bonds” means the North Carolina Turnpike Authority Triangle Expressway System Senior Lien Revenue Bonds, Series 2009A, issued pursuant to the Trust Agreement and this Supplemental Agreement. The Series 2009A Bonds are Current Interest Bonds, as defined in the Trust Agreement.

“Series 2009B Bonds” means the North Carolina Turnpike Authority Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B, issued pursuant to the Trust Agreement and this Supplemental Agreement. The Series 2009B Bonds are Capital Appreciation Bonds, as defined in the Trust Agreement.

“Series 2009 Subaccount of the Interest Account” means the subaccount created and so designated by Section 401.

“Series 2009 Subaccount of the Principal Account” means the subaccount created and so designated by Section 401.

“Series 2009 Subaccount of the Redemption Account” means the subaccount created and so designated by Section 401.

“Series 2009 Subaccount of the Sinking Fund Account” means the subaccount created and so designated by Section 401.

“Sinking Fund Requirement” means, with respect to the Term Bonds and for any Bond Year, the principal amount fixed or computed for retirement by purchase or redemption on or prior to January 1 of the following Bond Year.

The Sinking Fund Requirements for the Term Bonds shall be initially the respective principal amounts of such Term Bonds for retirement on each January 1 as fixed in Section 301.

If during any Bond Year, the total principal amount of Term Bonds retired by purchase or redemption under the provisions of this Supplemental Agreement shall be greater than the amount of the Sinking Fund Requirement for such Term Bonds, the subsequent Sinking Fund

Requirements for such Term Bonds shall be reduced in such amount aggregating the amount of such excess as shall be specified in an Officer's Certificate filed with the Trustee on or prior to January 15 of the next ensuing Bond Year.

"Term Bonds" means the Series 2009A Bonds maturing on January 1, 2029 and 2039.

"Traffic and Revenue Study" means the Comprehensive Traffic and Revenue Study, dated April 6, 2009, of Wilbur Smith Associates.

Section 102. Rules of Construction. 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.

References herein to particular articles or sections are references to articles or sections of this Supplemental Agreement unless some other reference is indicated.

ARTICLE II

AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF THE SERIES 2009 BONDS

Section 201. Authorization and Issuance of the Series 2009 Bonds. For the purpose of providing funds, together with any other available funds, to (a) pay the costs of land acquisition, design, construction and equipping of the Triangle Expressway System, (b) provide funds to pay the interest on the Series 2009 Bonds until July 1, 2013, (c) pay a portion of the premium for the Bond Insurance Policy issued by the Bond Insurer with respect to the Series 2009 Bonds, (d) fund the Senior Lien Parity Reserve Account in the amount of the Senior Lien Parity Reserve Account Requirement and (e) pay the costs incurred in connection with the issuance of the Series 2009 Bonds, there shall be issued, under and pursuant to the Constitution and the laws of the State, including the Act, the Trust Agreement and this Supplemental Agreement and this Order, (1) a Series of Bonds of the Authority designated "Triangle Expressway System Senior Lien Revenue Bonds, Series 2009A" in the aggregate principal amount of \$234,910,000 and (2) a Series of Capital Appreciation Bonds of the Authority designated "Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B" with an aggregate Initial Offering Price of \$35,173,108.85.

Wells Fargo Bank, N.A., Jacksonville, Florida is hereby appointed Bond Registrar for the Series 2009 Bonds under this Supplemental Agreement.

Section 202. Form of Series 2009 Bonds. The definitive Series 2009 Bonds are issuable in fully registered form in denominations of \$5,000 or any whole multiple thereof, shall be lettered "R-" and shall be numbered from 1 consecutively upward. The definitive Series 2009A Bonds shall be substantially in the form set forth in Exhibit A attached hereto, and the definitive Series 2009B Bonds shall be substantially in the form set forth in Exhibit B attached, hereto, in each case with such appropriate variations, omissions and insertions as are permitted or required by the Trust Agreement and this Supplemental Agreement.

Section 203. Details of Series 2009 Bonds. (a) The Series 2009A Bonds shall be dated the date of delivery thereof, shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) until their payment such interest to the maturity thereof being payable semiannually on each January 1 and July 1, beginning January 1, 2010, and shall be stated to mature on January 1 (subject to the right of prior redemption), as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$ 600,000	4.50%
2020	2,195,000	4.75
2021	3,940,000	5.00
2022	5,355,000	5.00
2023	7,435,000	5.25
2024	9,860,000	5.125
2025	12,640,000	5.25
2026	15,245,000	5.375

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2029	60,315,000	5.50
2039	117,325,000	5.75

(b) The Series 2009B Bonds shall be dated the date of delivery thereof. Principal of the Series 2009B Bonds shall be payable on January 1 of the years set forth below. Interest on the Series 2009B Bonds will not be paid currently, but will accrue from the date of issuance thereof and be paid at maturity or earlier redemption. A purchaser of a Series 2009B Bond at the initial offering price set forth below on the date of issuance and who holds such Series 2009B Bond to maturity will receive at maturity an amount equal to such offering price plus accrued interest, compounded semi-annually on each January 1 and July 1 over the lifetime of the Series 2009B Bond at the approximate yield to maturity set forth below.

<u>Year of Maturity</u>	<u>Initial Offering Price Per \$5,000 Payable at Maturity</u>	<u>Aggregate Compounded Amount Payable at Maturity</u>	<u>Approximate Yield</u>
2030	\$1,291.30	\$ 4,420,000	6.74%
2031	1,183.70	1,695,000	6.84
2032	1,085.30	1,675,000	6.93
2033	1,000.15	32,020,000	6.99
2034	927.15	33,595,000	7.02
2035	859.00	35,235,000	7.05
2036	797.40	36,815,000	7.07
2037	739.95	38,330,000	7.09
2038	688.25	22,050,000	7.10

Exhibit C attached hereto sets forth a Table of Compounded Amounts for the Series 2009B Bonds, on each January 1 and July 1, per \$5,000 payable at maturity.

(c) The Series 2009 Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2009 Bonds are stated to mature, in the aggregate principal amount of the Series 2009 Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2009 Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of and any redemption premium on each Series 2009 Bond and interest with respect thereto shall be payable to Cede & Co. or any other person appearing on the registration books of the Authority as the registered owner of such Series 2009 Bond or its registered assigns or legal representatives. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Series 2009

Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Authority, the Bond Registrar and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as Securities Depository for the Series 2009 Bonds or (b) the Authority determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2009 Bonds would adversely affect the interests of the beneficial owners of the Series 2009 Bonds, the Authority will discontinue the book-entry system with DTC. If the Authority identifies another qualified Securities Depository to replace DTC, the Authority will make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the outstanding Series 2009 Bonds, and the references to DTC or Cede & Co. in this Supplemental Agreement shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the Authority fails to identify another qualified Securities Depository to replace DTC, the Authority will deliver replacement bonds in the form of fully registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Series 2009 Bonds as required by DTC and others.

Section 204. Terms and Conditions for Issuance of the Series 2009 Bonds. The Series 2009 Bonds shall be executed substantially in the form and in the manner herein set forth and shall be deposited with the Bond Registrar for authentication and delivery to the State Treasurer for redelivery to the purchasers thereof, but only upon the deposit with the Trustee of the purchase price of the Series 2009 Bonds and the accrued interest thereon.

Simultaneously with the Closing and the deposit of the proceeds of the Series 2009 Bonds with the Trustee, the Trustee shall apply the proceeds in the amount of \$266,767,719.47 (representing \$270,083,108.85 the principal amount of the Series 2009A Bonds, less original issue discount of \$1,534,653.95, less an underwriters' discount of \$1,780,735.43, as directed by the Authority in an Officer's Certificate filed with the Trustee simultaneously with the issuance of the Series 2009 Bonds.:

Section 205. Series 2009 Bonds Secured by Senior Lien Parity Reserve Account. The Series 2009 Bonds shall be secured by the Senior Lien Parity Reserve Account in accordance with the terms and provisions of the Trust Agreement.

ARTICLE III

REDEMPTION OF SERIES 2009 BONDS

Section 301. Redemption of Series 2009 Bonds. (a) The Series 2009 Bonds shall not be subject to prior redemption except as provided in this Article III and in Article III of the Trust Agreement.

(b) The Series 2009A Bonds maturing on or prior to January 1, 2019, are not subject to redemption prior to their maturity. The Series 2009A Bonds maturing on January 1, 2020 and thereafter are subject to redemption prior to their respective maturities, at the option of the Authority, from any moneys that may be available for such purpose, either in whole or in part on any date on or after January 1, 2019, at 100% of the principal amount of Series 2009A Bonds to be redeemed, plus accrued interest to the redemption date.

The Series 2009B Bonds are not subject to redemption prior to their maturity.

(c) The Series 2009A Term Bonds maturing on January 1, 2029, are subject to mandatory redemption in part on January 1, 2027, and on each January 1 thereafter, in the principal amounts set forth below from moneys deposited to the credit of the Series 2009 Subaccount of the Sinking Fund Account, at a Redemption Price equal to 100% of the principal amount of the Series 2009A Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
2027	\$17,540,000
2028	20,015,000
2029*	22,760,000

* Maturity

The Series 2009A Term Bonds maturing on January 1, 2039, are subject to mandatory redemption in part on January 1, 2030, and on each January 1 thereafter, in the principal amounts set forth below from moneys deposited to the credit of the Series 2009 Subaccount of the Sinking Fund Account, at a Redemption Price equal to 100% of the principal amount of the Series 2009B Bonds to be redeemed:

<u>Year</u>	<u>Amount</u>
2030	\$21,315,000
2031	27,010,000
2032	30,015,000
2033	2,000,000
2034	2,000,000
2035	2,000,000
2036	2,000,000
2037	2,000,000

<u>Year</u>	<u>Amount</u>
2038	2,000,000
2039*	26,985,000

* Maturity

Section 302. Selection of Series 2009A Bonds for Redemption. The Series 2009A Bonds shall be redeemed only in whole multiples of \$5,000. If less than all the Series 2009A Bonds are called for redemption, the Series 2009A Bonds to be so redeemed shall be called for redemption in the manner set forth in an Officer's Certificate filed with the Trustee.

If less than all of the Series 2009A Bonds of any one maturity are to be called for redemption, the Bond Registrar shall select the Series 2009A Bonds to be redeemed by lot, each \$5,000 portion of principal being counted as one Series 2009A Bond for this purpose; provided, however, that so long as the only Owner of the Series 2009A Bonds is a Securities Depository Nominee, such selection shall be made by the Securities Depository.

Section 303. Redemption Notice. At least forty-five (45) days prior to the redemption date of any Series 2009A Bonds to be optionally redeemed, the Authority shall notify the Trustee and the Bond Registrar of its intention to redeem such Series 2009A Bonds. The Authority, the Bond Registrar and the Trustee may mutually agree to a shorter time period for such notice to the Trustee and the Bond Registrar. At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2009A Bonds to be redeemed, whether such redemption be in whole or in part, the Bond Registrar shall cause a notice of any such redemption signed by the Bond Registrar to be mailed, first class, postage prepaid, to all Owners of Series 2009A Bonds to be redeemed in whole or in part, provided that notice to any Securities Depository shall be sent by registered or certified mail and provided further that failure to mail any such notice to any Owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2009A Bonds of any other Owner to whom notice was properly given. The Bond Registrar shall also deliver a copy of any such notice to the Local Government Commission.

Each such notice shall set forth the designation, date and Series of the Series 2009A Bonds, the CUSIP numbers of the Series 2009A Bonds to be redeemed, the date fixed for redemption, the Redemption Price to be paid, the address and phone number of the Trustee and Bond Registrar, the date of the Redemption Notice, the maturities of the Series 2009A Bonds to be redeemed and, if less than all of the Series 2009A Bonds of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2009A Bonds to be redeemed and, in the case of Series 2009A Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2009A Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2009A Bond, a new Series 2009A Bond in principal amount equal to the unredeemed portion of such Series 2009A Bond will be issued.

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 Series 2009A Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2009A Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Series 2009A 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 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.

ARTICLE IV

ACCOUNTS, SUBACCOUNTS, REVENUES AND FUNDS

Section 401. Establishment of Subaccounts and Account. The following Subaccounts of the accounts of the Senior Lien Debt Service Fund are hereby established:

- (a) Series 2009 Subaccount of the Interest Account;
- (b) Series 2009 Subaccount of the Capitalized Interest Account;
- (d) Series 2009 Subaccount of the Principal Account;
- (e) Series 2009 Subaccount of the Redemption Account; and
- (f) Series 2009 Subaccount of the Sinking Fund Account.

The subaccounts mentioned above shall be established with and held by the Trustee pursuant to the Trust Agreement and this Supplemental Agreement.

Section 402. Receipts Received by the Authority; Series 2009 Subaccount of the Capitalized Interest Account. (a) The Trustee shall deposit or cause to be deposited, from Receipts held in the Revenue Fund, to the various accounts and subaccounts specified herein the amounts provided by Section 503 of the Trust Agreement.

(b) On the date hereof, the Authority has caused to be deposited to the Series 2009 Subaccount of the Capitalized Interest Account, the amount of \$48,755,258.88. On each Interest Payment Date, commencing January 1, 2010, the Trustee shall apply such funds in the Series 2009 Subaccount of the Capitalized Interest Account for payment of interest due on the Series 2009 Bonds on such Interest Payment Date. On July 1, 2013 the Trustee shall transfer the balance of any funds remaining in the Series 2009 Subaccount of the Capitalized Interest Account to the Series 2009 Subaccount of the Interest Account (to be applied to pay interest on the Series 2009 Bonds on January 1, 2014.

(c) The Trustee shall deposit to the Series 2009 Subaccount of the Redemption Account all amounts as shall be delivered to the Trustee by the Authority from time to time with instructions that such amounts be so deposited.

Section 403. Application of Money in the Series 2009 Subaccount of the Sinking Fund Account.

(a) To the extent funds have been deposited to the Series 2009 Subaccount of the Sinking Fund Account and are available, the Trustee shall, at the request of the Authority, endeavor to purchase and cancel Term Bonds or portions thereof subject to redemption by operation of the Series 2009 Subaccount of the Sinking Fund Account or maturing on the next ensuing January 1 at the direction of an Authorized Officer. The purchase price of each such Term Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such Term Bonds to the date of settlement therefor from the Series 2009 Subaccount

of the Interest Account and the purchase price from the Series 2009 Subaccount of the Sinking Fund Account. No such purchase shall be made by the Trustee from money in the Series 2009 Subaccount of the Sinking Fund Account within the period of forty-five (45) days immediately preceding any January 1 on which such Term Bonds are subject to redemption. If in any Bond Year the sum of the amount on deposit in the Series 2009 Subaccount of the Sinking Fund Account for the payment of any Term Bonds and the principal amount of the Term Bonds that were purchased during such Bond Year pursuant to the provisions of this paragraph (a) or delivered during such Bond Year to the Trustee by the Authority exceeds the Sinking Fund Requirement for the Outstanding Term Bonds for such Bond Year, the Trustee shall endeavor to purchase Outstanding Term Bonds with such excess money.

(b) The Trustee shall call for redemption on January 1 the Term Bonds then subject to redemption in a principal amount equal to the aggregate Sinking Fund Requirement for the Term Bonds for such Bond Year, less the principal amount of any such Term Bonds retired since the prior January 1 by purchase pursuant to paragraph (a) of this Section or delivered during such Bond Year to the Trustee by the Authority. If the amount available in the Series 2009 Subaccount of the Sinking Fund Account on a January 1 is not equal to the Sinking Fund Requirement for the Term Bonds for the corresponding Bond Year less the principal amount of any such Term Bonds so delivered or purchased and retired, the Trustee shall apply the amount available in the Series 2009 Subaccount of the Sinking Fund Account to the redemption of Term Bonds then subject to redemption so as to exhaust, to the extent practicable, the amount available. On each redemption date the Trustee shall withdraw from the Series 2009 Subaccount of the Sinking Fund Account the amount required to pay the Redemption Price of the Term Bonds so called for redemption. The amount of interest on the Term Bonds so called for redemption shall be paid from the Series 2009 Subaccount of the Interest Account. If such date is the stated maturity date of any Term Bonds, the Trustee shall not call those Term Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such Term Bonds when due and payable.

If on any date there is money in the Series 2009 Subaccount of the Sinking Fund Account and no Term Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of Term Bonds in accordance with the Sinking Fund Requirement therefor, the Trustee shall withdraw such money therefrom and shall apply the same as follows and in the following order: (a) deposit in the Series 2009 Subaccount of the Interest Account, the Series 2009 Subaccount of the Principal Account and the Senior Lien Parity Reserve Account, the amounts, if any, required to be paid thereto in such month and (b) deposit all remaining amounts to the Revenue Fund.

If, in any Bond Year, by the application of money in the Series 2009 Subaccount of the Sinking Fund Account, the Trustee should purchase or receive from the Authority and cancel Term Bonds in excess of the aggregate Sinking Fund Requirement for such Bond Year, the Trustee shall file with the Authority not later than the twentieth (20th) day prior to the next January 1 on which Term Bonds are to be redeemed, a statement identifying the Term Bonds purchased or delivered during such Fiscal Year and the amount of such excess. The Authority shall thereafter cause an Officer's Certificate to be filed with the Trustee not later than January 15 of the following Bond Year setting forth with respect to the amount of such excess the Fiscal

Years in which the Sinking Fund Requirements with respect to Term Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

Upon the retirement of any Term Bonds by purchase and redemption pursuant to the provisions of this Section, the Trustee shall file with the Authority a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Term Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such Term Bonds shall be paid by the Authority from the Revenue Fund or from any other available moneys.

Section 404. Application of Money in the Series 2009 Subaccount of the Redemption Account. The Trustee shall apply money in the Series 2009 Subaccount of the Redemption Account to the purchase or redemption of Series 2009 Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall endeavor to purchase and cancel Series 2009 Bonds or portions thereof, regardless of whether such Bonds or portions thereof are then subject to redemption, at the direction of an Authorized Officer, provided that the purchase price of each Series 2009 Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such Series 2009 Bond under the provisions of the applicable Series 2009 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 Series 2009 Subaccount of the Interest Account and the purchase price from the Series 2009 Subaccount of the Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2009 Subaccount of the Redemption Account within the period of forty-five (45) days immediately preceding any date on which such Series 2009 Bonds or portions thereof are to be redeemed.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on a date permitted by the Supplemental Agreement such amount of Series 2009 Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2009 Subaccount of the Redemption Account as nearly as may be practicable; provided, however, that not less than Fifty Thousand Dollars (\$50,000) in principal amount of the Series 2009 Bonds shall be called for redemption at any one time unless the Trustee is so instructed by the Authority. The Trustee shall pay the accrued interest on the Series 2009 Bonds or portions thereof to be redeemed to the date of redemption from the Series 2009 Subaccount of the Interest Account and the Redemption Price of such Bonds or portions thereof from the Series 2009 Subaccount of the Redemption Account. The Trustee shall withdraw from the Series 2009 Subaccount of the Redemption Account and set aside the respective amounts required to pay the Redemption Price of the Series 2009 Bonds or portions thereof so called for redemption.

(c) Money in the Series 2009 Subaccount of the Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Series 2009 Bonds then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee designating the Series 2009 Bonds to be redeemed, and if such Series 2009 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 (i) the Trustee shall apply such money to the purchase of Series 2009 Bonds bearing the highest rate of

interest, (ii) if Series 2009 Bonds of more than one maturity bear the same interest rate, the Trustee shall redeem such Series 2009 Bonds in the inverse order of maturities, and (iii) if the Series 2009 Bonds bearing the highest rate of interest are Term Bonds, the Trustee shall reduce Sinking Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such Term Bonds.

Upon the retirement of any Series 2009 Bonds by purchase or redemption, pursuant to the provisions of this Section, the Trustee shall file with the Authority a statement identifying such Series 2009 Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest thereon. The expenses incurred by the Trustee in connection with the purchase or redemption of any such Series 2009 Bonds shall be paid by the Authority from the Revenue Fund or from any other available moneys.

Section 405. Payment of Principal, Interest and Premium and Pledge of Receipts. The Authority covenants that it will promptly pay the principal of and the interest on every Series 2009 Bond issued under the provisions of this Supplemental Agreement at the places, on the dates and in the manner provided herein and in said Series 2009 Bonds, and any premium required for the retirement of said Series 2009 Bonds by purchase or redemption, according to the true intent and meaning thereof. The Authority further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Supplemental Agreement and the Trust Agreement, or in any Series 2009 Bond executed, authenticated and delivered hereunder or in any proceedings of the Authority pertaining thereto. The Authority represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Series 2009 Bonds authorized hereby and to pledge the Receipts in the manner and to the extent herein and in the Trust Agreement set forth; that all action on its part for the issuance of the Series 2009 Bonds has been duly and effectively taken; and that such Series 2009 Bonds in the hands of the Owners thereof are and will be valid and binding special obligations of the Authority payable according to their terms.

Section 406. Tax Covenant. The Authority covenants to do and perform all acts and things permitted by law in order to assure that interest paid on the Series 2009 Bonds which was excludable from the gross income of their Owners for federal income taxes on the date of their issuance shall continue to be so excludable.

Section 407. Continuing Disclosure. The Authority hereby undertakes, for the benefit of the beneficial owners of the Series 2009 Bonds, to provide to the Municipal Securities Rulemaking Board:

(a) by not later than seven months from the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2009, audited financial statements of the Authority for such Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the Authority are not available by seven months from the end of such Fiscal Year, unaudited financial statements of the Authority for such Fiscal Year to be replaced subsequently by audited financial statements of the Authority to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2009, (i) the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under the heading "Projected Cash Flow and Debt Service Coverage" in the Official Statement, dated July 15, 2009, relating to the Series 2009 Bonds (the "Official Statement"), to the extent that such items are not included in the financial statements referred to in (a) above;

(c) in a timely manner, notice of any of the following events with respect to the Series 2009 Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Series 2009 Bonds;
- (7) modification to the rights of the beneficial owners of the Series 2009 Bonds;
- (8) bond calls, other than bond calls relating to mandatory sinking fund redemption;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Series 2009 Bonds; and
- (11) rating changes; and

(d) in a timely manner, notice of a failure of the Authority to provide required annual financial information described in (a) or (b) above on or before the date specified.

If the Authority fails to comply with the undertaking described above, any beneficial owner of the Series 2009 Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an Event of Default under the Trust Agreement and shall not result in any acceleration of the Series 2009 Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Series 2009 Bonds.

The Authority reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Authority, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Authority;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 ("Rule 15c2-12") as of the date of the Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the Owners of the Series 2009 Bonds, as determined by the Trustee or bond counsel to the Authority, or by approving vote of the Owners of a majority in principal amount of the Series 2009 Bonds then Outstanding pursuant to the terms of the Trust Agreement at the time of the amendment.

In the event that the Authority makes such a modification, the annual financial information containing the modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Series 2009 Bonds.

ARTICLE V

THE BOND INSURANCE POLICY AND THE BOND INSURER

Section 501. Payments Under the Bond Insurance Policy. As long as the Bond Insurance Policy is in full force and effect, the Authority and the Trustee agree to comply with the following provisions:

(a) At least two Business Days before each Interest Payment Date, the Trustee will determine whether there will be sufficient funds to pay all principal and interest with respect to the Series 2009 Bonds due on the related Interest Payment Date and shall immediately notify the Bond Insurer or its designee on the same Business Day by telephone or electronic mail, confirmed in writing by registered or certified mail, of the amount of any deficiency. Such notice shall specify the amount of the anticipated deficiency, the Series 2009 Bonds to which such deficiency is applicable and whether such Series 2009 Bonds will be deficient as to principal or interest or both. If the deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall so notify the Bond Insurer or its designee.

(b) The Trustee shall, after giving notice to the Bond Insurer as provided above, make available to the Bond Insurer the registration books of the Authority maintained by the Trustee and all records relating to the funds maintained under this First Supplemental Trust Agreement.

(c) The Trustee shall provide the Bond Insurer and any fiscal agent of the Bond Insurer (a "Fiscal Agent") with a list of registered owners of Series 2009 Bonds entitled to receive principal or interest payments from the Bond Insurer under the terms of the Bond Insurance Policy, and shall make arrangements with the Bond Insurer, the Fiscal Agent or another designee of the Bond Insurer to (i) mail checks or drafts to the registered owners of Series 2009 Bonds entitled to receive full or partial interest payments from the Bond Insurer and (ii) pay principal upon Series 2009 Bonds surrendered to the Bond Insurer, the Fiscal Agent or another designee of the Bond Insurer by the registered owners of Series 2009 Bonds entitled to receive full or partial principal payments from the Bond Insurer.

(d) The Trustee shall, at the time it provides notice to the Bond Insurer of any deficiency pursuant to clause (a) above, notify registered owners of the Series 2009 Bonds entitled to receive the payment of principal or interest thereon from the Bond Insurer (1) as to such deficiency and its entitlement to receive principal or interest, as applicable, (2) that the Bond Insurer will remit to them all or a part of the interest payments due on the related payment date upon proof of its entitlement thereto and delivery to the Bond Insurer or any Fiscal Agent, in form satisfactory to the Bond Insurer, of an appropriate assignment of the registered owner's right to payment, (3) that, if they are entitled to receive partial payment of principal from the Bond Insurer, they must surrender the related Series 2009 Bonds for payment first to the Trustee, which will note on such Series 2009 Bonds the portion of the principal paid by the Trustee and second to the Bond Insurer or its designee, together with an appropriate assignment, in form satisfactory to the Bond Insurer, to permit ownership of such Series 2009 Bonds to be registered in the name of the Bond Insurer, which will then pay the unpaid portion of principal, and (4) that, if they are entitled to receive full payment of principal from the Bond Insurer, they must surrender the related Series 2009 Bonds for payment to the Bond Insurer or its designee, rather

than the Trustee, together with the an appropriate assignment, in form satisfactory to the Bond Insurer, to permit ownership of such Series 2009 Bonds to be registered in the name of the Bond Insurer.

(e) In addition, if the Trustee has notice that any holder of the Series 2009 Bonds has been required to disgorge payments of principal or interest with respect to the Series 2009 Bonds previously Due for Payment (as such term is defined in the Bond Insurance Policy) pursuant to a final non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy laws, then the Trustee shall notify the Bond Insurer or its designee of such fact by telephone or electronic notice, confirmed in writing by registered or certified mail.

(f) The Trustee will be hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Series 2009 Bonds as follows:

(1) if and to the extent there is a deficiency in amounts required to pay interest on the Series 2009 Bonds, the Trustee shall (A) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent for such holders in any legal proceeding related to the payment of such interest and an assignment to the Bond Insurer of the claims for interest to which such deficiency relates and which are paid by the Bond Insurer, (B) receive as designee of the respective holders (and not as Trustee) in accordance with the tenor of the Bond Insurance Policy payment from the Bond Insurer with respect to the claims for interest so assigned, and (C) disburse the same to such respective holders; and

(2) If and to the extent of a deficiency in amounts required to pay principal of the Series 2009 Bonds, the Trustee shall (A) execute and deliver to the Bond Insurer, in form satisfactory to the Bond Insurer, an instrument appointing the Bond Insurer as agent for such holder in any legal proceeding related to the payment of such principal and an assignment to the Bond Insurer of the Insured Bond surrendered to the Bond Insurer in an amount equal to the principal amount thereof as has not previously been paid or for which moneys are not held by the Trustee and available for such payment (but such assignment shall be delivered only if payment from the Bond Insurer is received), (B) receive as designee of the respective holders (and not as Trustee) in accordance with the tenor of the Bond Insurance Policy payment therefore from the Bond Insurer, and (C) disburse the same to such holders.

(g) Payments with respect to claims for interest on and principal of Series 2009 Bonds disbursed by the Trustee from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation that such payments are to be made from Receipts, and the Bond Insurer shall become the owner of such unpaid Insured Bond and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the Trust Agreement and this First Supplemental Trust Agreement or otherwise.

(h) Irrespective of whether any such assignment is executed and delivered, the Authority and the Trustee hereby agree for the benefit of the Bond Insurer that:

(1) they recognize that to the extent the Bond Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Series 2009 Bonds, the Bond Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Authority, with interest thereon as provided and solely from the sources stated in the Trust Agreement and this First Supplemental Trust Agreement and the Series 2009 Bonds; and

(2) they will accordingly pay to the Bond Insurer the amount of such principal and interest, with interest thereon as provided in the Trust Agreement and this First Supplemental Trust Agreement and the Series 2009 Bonds, but only from the sources and in the manner provided herein for the payment of principal and interest with respect to the Series 2009 Bonds to holders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

(i) The Authority hereby agrees to pay or reimburse the Bond Insurer, but solely from Receipts, to the extent permitted by law, any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (1) any accounts established to facilitate payments under the Bond Insurance Policy, (2) the administration, enforcement, defense or preservation of any rights in respect of the Trust Agreement or this First Supplemental Trust Agreement including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Authority) relating to the Trust Agreement or this First Supplemental Trust Agreement, any party to the Trust Agreement or this First Supplemental Trust Agreement or the transaction contemplated by the Trust Agreement or this First Supplemental Trust Agreement, (3) the foreclosure against, sale or other disposition of any collateral securing any obligations under the Trust Agreement or this First Supplemental Trust Agreement, or the pursuit of any remedies under the Trust Agreement or this First Supplemental Trust Agreement, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, or (4) any amendment, waiver or other action with respect to, or related to, the Trust Agreement or this First Supplemental Trust Agreement whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Bond Insurer spent in connection with the actions described in clauses (2) - (4) above. In addition, the Bond Insurer may charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Trust Agreement, this First Supplemental Trust Agreement or other agreement where the Bond Insurer's consent, approval, waiver or other action is required. The Authority will pay, but solely from the sources provided in the Trust Agreement or this First Supplemental Trust Agreement, interest on the amounts owed in this paragraph from the date of any payment due or paid, at the Bond Insurer Reimbursement Rate.

(j) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Authority agrees to pay or reimburse the Bond Insurer from Revenues, to the extent permitted by law, any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which the Bond Insurer or its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Bond Insurer within the meaning of either Section 15 of the Securities Act of

1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by the Trust Agreement or this First Supplemental Trust Agreement by reason of:

(1) any omission or action (other than of or by the Bond Insurer) in connection with the offering, issuance, sale, remarketing or delivery of the Series 2009 Bonds;

(2) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Authority in connection with any transaction arising from or relating to the the Trust Agreement or this First Supplemental Trust Agreement;

(3) the violation by the Authority of any law, rule or regulation, or any judgment, order or decree applicable to it;

(4) the breach by the Authority of any representation, warranty or covenant under the Trust Agreement or this First Supplemental Trust Agreement or the occurrence, in respect of the Authority, under the Trust Agreement or this First Supplemental Trust Agreement of any "event of default" or any event which, with the giving of notice or lapse of time or both, would constitute any "event of default"; or

(5) any untrue statement or alleged untrue statement of a material fact contained in any Official Statement with respect to the Series 2009 Bonds, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an official statement, if any, and furnished by the Bond Insurer in writing expressly for use therein.

(k) The Bond Insurer shall be entitled to pay principal or interest with respect to the Series 2009 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment (as defined in the Bond Insurance Policy) by the Authority and any amounts due on the Series 2009 Bonds as a result of the maturity thereof in accordance with their terms, whether or not the Bond Insurer has received a Notice (as defined in the Bond Insurance Policy) of Nonpayment or a claim upon the Bond Insurance Policy.

(l) In addition, the Bond Insurer shall, to the extent it makes any payment of principal or interest on the Series 2009 Bonds become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, and to evidence such subrogation (i) in the case of claims for interest, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books of the Authority maintained by the Trustee as Bond Registrar, upon receipt of proof of payment of interest thereon to the registered holders of the Series 2009 Bonds, and (ii) in the case of claims for principal, the Trustee as Bond Registrar, shall note the Bond Insurer's rights as subrogee on the registration books of the Authority maintained by the Trustee, upon surrender of the Series 2009 Bonds together with receipt of proof of payment of principal thereof.

Section 502. Covenant with Respect to Refunding of Series 2009 Bonds. (a) The Authority covenants for the benefit of the Bond Insurer (and not for the benefit of the Owners) that if for two (2) consecutive Fiscal Years, beginning with the second full Fiscal Year in which the Initial Project is in operation, the Revenues are less than 175% of the Long-Term Debt Service Requirement for Senior Lien Indebtedness only for such corresponding Fiscal Year, the Authority will during the ensuing Fiscal Year issue refunding Indebtedness pursuant to the Trust Agreement to refund all or some portion of the Outstanding Senior Lien Indebtedness so that following the issuance of such refunding Indebtedness the forecasted Revenues, as shown in a report of a Traffic Consultant filed with the Trustee and the Bond Insurer, in each future Fiscal Year next succeeding the date on which such Long-Term Indebtedness is incurred through the final maturity date of any Long-Term Indebtedness, will not be less than 175% of the Long-Term Debt Service Requirement for Senior Lien Indebtedness only for such Fiscal Year.

(b) The Bond Insurer may waive the requirements of Section 502(a), in which event the Authority shall not be required to undertake the refunding transaction.

(c) The Authority shall not be required to undertake the refunding transaction described in Section 502(a) in the event that the Authority delivers to the Trustee and the Bond Insurer a report of an independent financial advisor, investment banking firm, banking firm or similar financial institution acceptable to the Bond Insurer stating that, based upon current market conditions, which shall be described in the report, it is not feasible for the Authority to carry out a refunding transaction that will result in a schedule for the Long-Term Debt Service Requirement in each future Fiscal Year such that forecasted Revenues for each future Fiscal Year will be at least 175% of the Long-Term Debt Service Requirement for Senior Lien Indebtedness only for such Fiscal Year; provided, however, the Authority shall continue to evaluate market conditions to determine if changes in market conditions would enable the Authority to carry out such a refunding transaction successfully.

(d) The Authority shall not be required to undertake the refunding transaction described in Section 502(a) in the event that any of the following events shall have occurred and be continuing; provided, however., the Authority shall continue to evaluate such events to determine if the subsequent cessation of events would enable the Authority to carry out such a refunding transaction successfully:

(1) legislation shall have been introduced in the Congress of the United States, or legislation pending in the Congress of the United States shall have been amended, or a decision shall have been rendered by a court of the United States or the State of North Carolina, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or other federal authority, with respect to interest on obligations of the general character of the proposed refunding Indebtedness, which may have the purpose or effect, directly or indirectly, of affecting the tax status of the Authority, its property or income, its securities (including the proposed refunding Indebtedness) or the interest thereon that affects materially and adversely the market for the proposed refunding Indebtedness, or the market price generally of obligations of the general character of the proposed refunding Indebtedness; or

(2) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or other unforeseen national or international calamity shall have occurred or accelerated to such an extent as, in the opinion of the Authority, affects materially and adversely the market for the proposed refunding Indebtedness, or the market price generally of obligations of the general character of the proposed refunding Indebtedness; or

(3) there shall have occurred and be in force a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by United States, State of North Carolina or New York State authorities; or

(4) there shall be established any new restrictions on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or the charge to the net capital requirements of underwriters established by the New York Stock Exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States or by executive order; or

(5) a decision of any federal or state court or a ruling or regulation (final, temporary or proposed) of the Securities and Exchange Commission or other governmental agency shall have been made or issued that would make the proposed refunding Indebtedness subject to the registration requirements of the Securities Act of 1933, as amended, or require the qualification of the Trust Agreement under the Trust Indenture Act of 1939, as amended.

(e) The Authority shall not be required to undertake the refunding transaction described in Section 502(a) in the event that, in the opinion of the Authority, acting in consultation with its financial advisor, underwriters and the Local Government Commission of the State, it is necessary to obtain credit enhancement from the Bond Insurer in the form of a new municipal bond insurance policy or similar instrument of the Bond Insurer that produces a credit rating on the refunding Indebtedness that will achieve an interest rate level that will achieve a Long-Term Debt Service Requirement for each future Fiscal Year that will meet the requirements of subsection (i) and the Bond Insurer refuses to issue such a new municipal bond insurance policy or similar instrument at a reasonable cost; provided, however., the Authority shall continue to evaluate market conditions to determine if changes in market conditions would enable the Authority to carry out such a refunding transaction successfully. For purposes of this Section 502(e), the following factors shall be taken into account in determining the reasonableness of the cost:

(1) The premiums the Bond Insurer and other municipal bond insurers have charged within the preceding year for other toll road revenue bonds with credit quality similar to the quality of the proposed refunding Indebtedness.

(2) The credit rating of the Bond Insurer and the value that its credit enhancement is expected to produce to the interest cost of the proposed refunding Indebtedness.

(3) Actual proposals from other municipal bond insurers that have issued a proposal to provide municipal bond insurance with respect to some or all of the refunding Indebtedness.

(4) The expected interest cost savings that are expected to result from the issuance by the Bond Insurer of such bond insurance policy.

(f) In the event that the Authority is required to undertake a refunding transaction pursuant to subsection (i) and the failure to carry out the refunding transaction is not excused pursuant to subsections (ii), (iii), (iv) or (v), the Authority shall pay to the Bond Insurer an additional bond insurance premium in the first year in an amount equal to 0.75% of the outstanding principal amount of the Outstanding Series 2009 Bonds the payment of which is insured by the Bond Insurer. The additional bond insurance premium will increase by 0.75% in each year the Authority continues to fail to undertake the refunding transaction and the Series 2009 Bonds are not refinanced, to a maximum rate of 4.0% per year. Such additional bond insurance premium shall be payable from amounts available in the General Reserve Fund. The Authority shall pay interest on the amounts owed pursuant to this Section 502(f) from the date of any payment due or paid, computed at the Bond Insurer Reimbursement Rate.

(g) The additional covenants and rights of the Bond Insurer created pursuant to this Section 502 shall not apply at any time the credit ratings of the claims paying ability of the Bond Insurer from any two of S&P, Fitch and Moody's is below the credit rating set forth below for the respective rating agency:

<u>Rating Agency</u>	<u>Rating</u>
Moody's	Aa3
S&P	AA-
Fitch	AA-

Section 503. Additional Restriction on the Issuance of Senior Lien Parity Indebtedness. In addition to the provisions of Section 716 of the Trust Agreement, the Authority covenants for the benefit of the Bond Insurer (and not for the benefit of the Owners) that it will not, without the written consent of the Bond Insurer, incur Senior Lien Indebtedness subsequent to the issuance of the Series 2009 Bonds unless prior to the incurrence thereof the Authority files with the Trustee and the Bond Insurer, in addition to the items to be filed with the Trustee pursuant to Section 716 of the Trust Agreement, (a) an Officer's Certificate demonstrating that the Revenues for the two most recent Fiscal Year for which audited financial statements are available were, in each Fiscal Year, at least 175% of the Long-Term Debt Service Requirement with respect to all Outstanding Long-Term Indebtedness constituting Senior Lien Indebtedness for such Fiscal Year, (b) the report of the Traffic Consultant required by Section 716(a)(ii) of the Trust Agreement showing that the forecasted Revenues in each Fiscal Year is at least 175% 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 and (c) evidence that the proposed Senior Lien Indebtedness has been rated at an investment grade rating by at least one nationally recognized municipal bond rating agency.

Section 504. Additional Covenants with Respect to the Bond Insurer. (a) The Authority shall provide the Bond Insurer with a copy of any notice, report, certification or other instrument to be delivered to the Trustee or USDOT pursuant to the Trust Agreement.

(b) The Authority shall, upon the request of the Bond Insurer, provide evidence satisfactory to the Bond Insurer that all required permits, licenses, approvals or other authorizations or certifications necessary to proceed with and complete, the Triangle Expressway System have been obtained.

(c) So long as the Bond Insurance Policy is in effect with respect to the Series 2009 Bonds and the Bond Insurer is not in payment default under the Bond Insurance Policy, the Bond Insurer shall be deemed to be the holder of the Series 2009 Bonds it insures for purposes of (a) exercising all remedies (including, but not limited to, any remedies provided for in Article VIII of the Trust Agreement) and directing the Trustee to take actions or for any other purposes following an event of default under the Trust Agreement, and (b) granting any consent, direction or approval or taking any action permitted by or required under the Trust Agreement to be granted or taken by the holders of such Series 2009 Bonds. Assured Guaranty's prior consent shall be required for the appointment, by any court of competent jurisdiction, of a receiver, trustee, liquidator or custodian of the like of the Authority to administer and operate the Triangle Expressway System on the Authority's behalf.

(d) Without the prior written consent of Bond Insurer, no Series 2009 Bonds shall be purchased by the Authority in lieu of redemption, unless such Series 2009 Bonds are redeemed, defeased or cancelled.

(e) Except as otherwise agreed to by the Bond Insurer on or before closing, any interest rate exchange agreement ("Interest Rate Exchange Agreement") entered into by the Authority in connection with the Series 2009 Bonds or any Senior Lien Parity Debt subsequent to the date hereof (so long as any Series 2009 Bonds insured by Bond Insurer remain outstanding) shall meet the following conditions: (i) the Interest Rate Exchange Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (c) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Interest Rate Exchange Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively offsets the exposure from any such element or component. Unless otherwise consented to in writing by Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Series 2009 Bonds and on any debt on parity with the Series 2009 Bonds. The Authority shall not terminate Interest Rate Exchange Agreement unless it demonstrates to the satisfaction of Bond Insurer prior to the payment of any such termination amount that such payment will not cause the Authority to be in default under the Financing Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to the Interest Rate Exchange Agreement must have a rating of at least "A-" and "A3" by S&P and Moody's. If the counterparty or guarantor's rating falls below "A-" and "A3" by either S&P or Moody's the counterparty or guarantor shall execute a credit support annex to the Interest Rate Exchange Agreement, which credit support annex shall be acceptable to Bond Insurer. If the counterparty or the guarantor's long term unsecured rating

falls below “Baa1” or “BBB+” by either Moody’s or S&P, a replacement counterparty or guarantor, acceptable to Bond Insurer, shall be required.

(f) The Authority will furnish or cause to be furnished to Bond Insurer:

(1) prior to issuing additional Senior Lien Parity Indebtedness, any disclosure document or financing agreement pertaining to such Senior Lien Parity Indebtedness, which disclosure document or financing agreement shall include, without limitation, the applicable maturity schedule, interest rate or rates, redemption and security provisions pertaining to any such Senior Lien Parity Indebtedness;

(2) within thirty (30) days following any litigation or investigation that may have a material adverse effect on the financial position of the Authority with respect to the Triangle Expressway System, notice of such litigation or investigation; and

(3) copies of all continuing disclosure filings with national recognized municipal securities repositories with respect to the Authority.

The Trustee shall notify the Bond Insurer of any failure of the Authority to provide to the Bond Insurer any notices, certificates and other information required by the Trust Agreement or this First Supplemental Trust Agreement.

(g) The Authority will permit the Bond Insurer to discuss the affairs, finances and accounts of the Authority or any information the Bond Insurer may reasonably request regarding the security for the Series 2009 Bonds with appropriate officers of the Authority.

(h) All demands, notices and other information required to be given to the Bond Insurer shall be mailed by registered or certified mail or personally delivered by telecopy or e-mail at

Assured Guaranty Corp.
1325 Avenue of the Americas
New York, New York 10019
Attention: Risk Management Department
(Re: Policy No. D-2009-986)
Telecopy No. (212) 581-3268
Confirmation: (212) 974-0100
E-mail: RiskManagementDept@assuredguaranty.com

In each case in which notice or other communication refers to an Event of Default, a claim on the Bond Insurance Policy or any event with respect to which failure on the part of the Bond Insurer to respond shall be deemed to constitute consent or acceptance, then such demand, notice or other communication shall be marked to indicate “URGENT MATERIAL ENCLOSED” and shall also be sent to the attention of the General Counsel at the same address (telecopy no. (212) 445-8705) or at generalcounsel@assuredguaranty.com.

(i) Any provision of the Trust Agreement or this First Supplemental Trust Agreement expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any

manner which affects the rights of the Bond Insurer without the prior written consent of the Bond Insurer.

(j) In the event of any reorganization or liquidation, the Bond Insurer has the right to vote on behalf of all Owners who hold Series 2009 Bonds.

(k) The Bond Insurer shall be deemed to be the sole Owner of the Series 2009 Bonds to the exclusion and in lieu of the persons in whose names such Series 2009 Bonds are registered for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Series 2009 Bonds are entitled to take pursuant to the Trust Agreement or this First Supplemental Trust Agreement.

(l) The Authority shall obtain the prior written consent of the Bond Insurer to any self-insurance program implemented pursuant to Section 707 of the Trust Agreement.

(m) Initially, the Traffic Consultant is Wilbur Smith Associates. In the event that the Authority determines to consider engaging the services of another Traffic Consultant (or any successor thereto retained as provided in this subsection (m)), the Authority shall advise the Bond Insurer and shall provide the Bond Insurer with the names of at least three firms that the Authority may engage to provide the services of a Traffic Consultant. Thereafter, unless the Bond Insurer objects within thirty days to the use of any of the firms proposed as the Traffic Consultant (in which event the Authority shall propose an alternative firm for approval), the Authority may engage any of the firms so proposed to be the Traffic Consultant.

Section 505. Trustee/Paying Agent-Related Provisions. (a) The Bond Insurer shall receive prior written notice of any name change of the Trustee or the Registrar or the resignation or removal of the Trustee or the Registrar.

(b) No removal, resignation or termination of the Trustee or the Registrar shall take effect until a successor, acceptable to the Bond Insurer, shall be appointed

(c) The Trustee or the Registrar may be removed at any time at the request of the Bond Insurer for any breach of its obligations under the Trust Agreement of the First Supplemental Trust Agreement.

(d) Notwithstanding any other provision of the Trust Agreement or the First Supplemental Trust Agreement to the contrary, in determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms and provisions of the Trust Agreement or the First Supplemental Trust Agreement, the Trustee shall consider the effect on the Owners as if there were no Bond Insurance Policy.

Section 506. Amendments to the Trust Agreement or the First Supplemental Trust Agreement; Amendments to Other Agreements. (a) The Bond Insurer shall be given written notice of any amendment of the Trust Agreement or the First Supplemental Trust Agreement that do not require the consent of the Owners. Any amendments to the Trust Agreement or the First Supplemental Trust Agreement that do require the consent of the Owners shall also require the consent of the Bond Insurer. The Trustee shall provide a copy of any amendments to the Trust Agreement or the First Supplemental Trust Agreement to Moody's, Fitch and S&P.

(b) The Authority shall not enter into any amendment to the TIFIA Loan Agreement, the O&M Guaranty Agreement or the Construction and Renewal and Replacement Agreement without the consent of the Bond Insurer.

Section 507. Third Party Beneficiary. To the extent that this Series Indenture confers on or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this First Supplemental Trust Agreement, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted.

Section 508. Defeasance. (a) If the principal or interest due with respect to the Series 2009 Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Series 2009 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority, and the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Authority to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners including, without limitation, any rights that such Owners may have in respect of securities law violations arising from the offer and sale of the Series 2009 Bonds.

(b) In connection with any such defeasance:

(1) The Authority shall receive an opinion of Bond Counsel to the effect (i) that the defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Series 2009 Bonds or refunded bonds and (ii) that the refunded Series 2009 Bonds are no longer "Outstanding" under the Trust Agreement.

(2) The Authority shall enter into a refunding trust or escrow agreement (the "Escrow Agreement") and receive an opinion of counsel regarding the validity and enforceability of the Escrow Agreement; and

(3) The Escrow Agreement shall provide that:

(i) Any substitution of securities shall require verification by an independent certified public accountant and the prior written consent of the Bond Insurer;

(ii) The Authority will not exercise any optional redemption of the Series 2009 Bonds secured by the Escrow Agreement or any other redemption other than mandatory sinking fund redemptions unless (A) the right to make any such redemption has been expressly reserved in the Escrow Agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (B) as a condition of any such redemption there shall be provided to the Bond Insurer a verification of an independent certified public accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption; and

(iii) The Authority shall not amend the Escrow Agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without prior written consent of the Bond Insurer.

Section 509. Rights of Bond Insurer The additional covenants and rights of the Bond Insurer created pursuant to this Article V, including its rights to give consents, its rights to give approvals, its rights to receive notices and documents and all other rights, other than its rights to subrogation following any payment under the Bond Insurance Policy, shall not apply for so long as the Bond Insurer has failed to make a payment under the Bond Insurance Policy following a request by the Trustee in strict compliance with this First Supplemental Trust Agreement and the Bond Insurance Policy.

Section 510. Non-Reliance on Bond Insurer. The Authority has made its own independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Series 2009 Bonds and whether the Bond Insurance Policy is appropriate or proper for it based upon its own judgment and upon advice from such legal and financial advisers as it has deemed necessary. The Authority acknowledges that the Bond Insurer has not made, and therefore the Authority is not relying on, any recommendation from the Bond Insurer that the Authority insure the Series 2009 Bonds or obtain the Bond Insurance Policy; it being understood and agreed that communications from the Bond Insurer (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Bond Insurance Policy, any related insurance document or the documentation governing the Series 2009 Bonds do not constitute a recommendation to insure the Series 2009 Bonds or obtain the Bond Insurance Policy.

The Authority further acknowledges that the Bond Insurer has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, concerning the rating of the Bond Insurer's financial strength by any rating agency. The Authority acknowledges that the ratings of the Bond Insurer reflect only the view of the respective rating agencies. The Authority understands that such ratings may not continue for any given time period and instead may change over time, including without limitation being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating agency, circumstances so warrant, or withdrawn entirely by the Bond Insurer in its sole discretion. The Authority acknowledges and agrees that the Bond Insurer undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse effect on the Series 2009 Bonds.

ARTICLE VI

SUPPLEMENTAL TRUST AGREEMENTS

Section 601. Supplemental Trust Agreements Without Consent of Owners. The Authority may, from time to time and at any time, execute and deliver such Trust Agreements supplemental hereto (which supplemental Trust Agreements shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Supplemental 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:

(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 Supplemental Agreement or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Supplemental Agreement;

(b) to grant or to confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee;

(c) to add to the covenants and agreements of the Authority in this Supplemental 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;

(d) to permit the qualification of this Supplemental 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 Supplemental 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; or

(e) to provide for the issuance of Series 2009 Bonds in bearer form.

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 at the Authority's expense a notice of the proposed supplemental Trust Agreement to be mailed first-class, postage prepaid, to the Local Government Commission and to all Owners of the Series 2009 Bonds. 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 Owners of the Series 2009 Bonds. 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 602. Modification of Supplemental Agreement with Consent of Owners. Subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Series 2009 Bonds then Outstanding that will be affected, as defined in Section 603, by a proposed supplemental Trust Agreement shall have the right, from time to time, anything contained in this Supplemental Agreement to the

contrary notwithstanding, to consent to and approve the execution and delivery by the Authority and the Trustee of such supplemental Trust Agreement as shall be 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 Supplemental 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 Series 2009 Bond without the consent of the Owner of such Series 2009 Bond, (b) a reduction in the principal amount of any Series 2009 Bond or the redemption premium or the rate of interest thereon without the consent of the Owner of such Series 2009 Bond, (c) the creation of a pledge, charge and lien upon the Receipts other than the pledge, charge and lien created by the Trust Agreement without the consent of all Owners of the Series 2009 Bonds then Outstanding, (d) a preference or priority of any Series 2009 Bond over any other Series 2009 Bond without the consent of all Owners of the Series 2009 Bonds then Outstanding, or (e) a reduction in the aggregate principal amount of Series 2009 Bonds required for consent to such supplemental Trust Agreement without the consent of all Owners of the Series 2009 Bonds then Outstanding. Nothing herein contained, however, shall be construed as making necessary the approval by the Owners of the execution and delivery of any supplemental Trust Agreement as authorized in Section 601.

The Trustee shall, at the expense of the Authority, such expense to be paid from the Revenue Fund or from any other available moneys, cause notice of the proposed supplemental Trust Agreement to be mailed, postage prepaid, to the Local Government Commission and all Owners of the Series 2009 Bonds as of the date such notice is mailed. 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 principal corporate trust office of the Trustee for inspection by all Owners. The Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such supplemental Trust Agreement when approved and consented to as provided in this Section.

Whenever, at any time within three (3) years after the date of the mailing of such notice, the Authority shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of Series 2009 Bonds then Outstanding that are affected, as defined in Section 603, 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, whether or not such Owner shall have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of the Series 2009 Bonds Outstanding at the time of the execution and delivery of such supplemental Trust Agreement and that are affected, as defined in Section 603, by a proposed Trust Agreement have consented to and approved the execution and delivery thereof as herein provided, to the extent permitted by law, no Owner 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 enjoin or restrain the Authority or the Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

Upon the execution and delivery of any supplemental Trust Agreement pursuant to the provisions of this Section or Section 601, this Supplemental Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Supplemental Agreement of the Authority, the Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Supplemental Agreement, as so modified and amended.

Section 603. Series 2009 Bonds Affected. For purposes of this Supplemental Agreement, Series 2009 Bonds shall be deemed to be “affected” by a supplemental Trust Agreement if the same adversely affects or diminishes the rights of Owners against the Authority or the rights of the Owners in the security for such Series 2009 Bonds. The Trustee may in its discretion determine whether any Series 2009 Bonds would be affected by any supplemental Trust Agreement, and any such determination shall be conclusive upon the Owners of all Series 2009 Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

Section 604. Exclusion of Series 2009 Bonds. Series 2009 Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding Bonds for the purpose of any consent or other action or any calculation of Outstanding Series 2009 Bonds provided for in this Article, and the Authority as Owner of such Series 2009 Bonds shall not be entitled to consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Authority shall furnish the Trustee an Officer’s Certificate upon which the Trustee may rely, describing all Series 2009 Bonds so to be excluded.

Section 605. Responsibilities of Trustee and Authority under this Article. The Trustee and the Authority shall be entitled to exercise their discretion in determining whether or not any proposed supplemental Trust Agreement or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Authority, the rights and interests of the Owners, and the rights, obligations and interests of the Trustee. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel approved by it, who may be bond counsel for the Authority, as conclusive evidence that any such proposed supplemental Trust Agreement does or does not comply with the provisions of this Supplemental Agreement, and that it is or is not proper for it, under the provisions of this Article, to execute and deliver such supplemental Trust Agreement.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 701. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the Authority, the Local Government Commission, the Trustee, the Bond Registrar or the Bond Insurer 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 Ave., Ste. 400 (27612)
1578 Mail Service Center
Raleigh, NC 27699-1578
Attention: Finance Director

- (b) As to the Trustee or Bond Registrar --

Wells Fargo Bank, N.A.
7077 Bonneval Road, Suite 400
Jacksonville, FL 32216
Attention: Corporate Trust Services

- (c) As to the Local Government Commission --

North Carolina Local Government Commission
Blue Ridge Plaza
Suite 102
4505 Fair Meadow Lane
Raleigh, NC 27607-6449
Attention: Secretary

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by e-mail 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 by reasonable means.

Any of such addresses may be changed at any time upon written notice of such change sent by United States mail, postage prepaid, to the other parties by the party effecting the change.

Section 702. Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the Authority, the Local Government Commission, the Trustee or the Bond Registrar shall be unable to mail any notice required to be given by the provisions of this Supplemental Agreement, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner

shall for all purposes of this Supplemental Agreement be deemed to be in compliance with the requirement for the mailing thereof.

Section 703. Authority, Trustee, Bond Registrar, Bond Insurer and Owners Alone Have Rights under Supplemental Agreement. Except as herein otherwise expressly provided, nothing in this Supplemental Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Authority, the Trustee, the Bond Registrar, the Bond Insurer and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Supplemental Agreement or any provision being intended to be and being for the sole and exclusive benefit of the Authority, the Trustee, the Bond Registrar, Bond Insurer and the Owners.

Section 704. Effect of Partial Invalidity. In case any one or more of the provisions of this Supplemental Agreement or the Series 2009 Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplemental Agreement or the Series 2009 Bonds, but this Supplemental Agreement and the Series 2009 Bonds 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 Supplemental Agreement or the Series 2009 Bonds 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 705. Effect of Covenants; Governing Law. All covenants, stipulations, obligations and agreements of the Authority contained in this Supplemental 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 Supplemental Agreement is executed and delivered with the intent that the laws of the State shall govern this construction.

Section 706. 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 707. 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 Supplemental Agreement for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2009 Bonds and this Supplemental Agreement.

Section 708. 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 Supplemental 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 Supplemental Agreement.

Section 709. 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.


[remainder of page left intentionally blank]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Supplemental Agreement to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

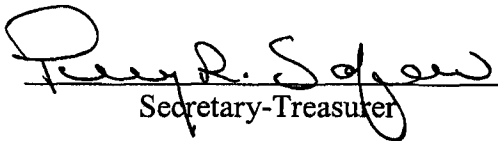
NORTH CAROLINA TURNPIKE AUTHORITY



By: 
Executive Director

By: 
Chairman

Attest:


Secretary-Treasurer

WELLS FARGO BANK, N.A., Trustee

[SEAL]

By: _____
Vice President

Attest:

Title: _____

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Supplemental 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

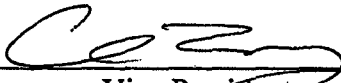
By: _____
Chairman

Attest:


Secretary-Treasurer

WELLS FARGO BANK, N.A., Trustee

[SEAL]

By:  _____
Vice President

Attest:



Title: J.P.

EXHIBIT A
FORM OF SERIES 2009A BOND

R-_____ \$ _____

United States of America
State of North Carolina

NORTH CAROLINA TURNPIKE AUTHORITY
TRIANGLE EXPRESSWAY SYSTEM SENIOR LIEN REVENUE BOND
SERIES 2009A

Interest Rate

Maturity Date

CUSIP

%

January 1, 20__

The North Carolina Turnpike Authority, (the "Authority"), a body corporate and politic and public instrumentality duly organized and existing under the laws of the State of North Carolina, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to CEDE & CO. or registered assigns or legal representative, on the maturity date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof at the designated corporate trust office of Wells Fargo Bank, N.A., in Charlotte, North Carolina (the "Bond Registrar"), the principal sum of _____ DOLLARS (\$_____).

The Authority also promises to pay, but solely from said sources, interest on this bond (calculated on the basis of a 360-day year consisting of twelve 30-day months) from the interest payment date next preceding the date on which it is authenticated, unless it is authenticated on an interest payment date, in which event it shall bear interest from such interest payment date, or it is authenticated prior to January 1, 2010, in which event it shall bear interest from its date, payable on January 1 and July 1 of each year, beginning January 1, 2010, at the rate per annum set forth above until the principal sum hereof is paid. The interest so payable and punctually paid or duly provided for on any interest payment date will be paid to the person in whose name this bond is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this bond is registered at the close of business on a Special Record Date (as defined in the Trust Agreement hereinafter mentioned) for the payment of such defaulted interest to be fixed by the Trustee (hereinafter mentioned), notice whereof being given to the registered owners not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series 2009 Bonds (hereinafter mentioned) may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Trust Agreement. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This bond is one of a duly authorized series of revenue bonds of the Authority designated "Triangle Expressway System Senior Lien Revenue Bonds, Series 2009A" (the "Series 2009A Bonds"), issued under and pursuant to the Constitution and laws of the State of North Carolina, including the Act (as defined in the Trust Agreement), an order of the Authority adopted on November 20, 2008, as amended on April 15, 2009 and May 7, 2009, authorizing the issuance of the Series 2009A Bonds, a Trust Agreement, dated as of June 1, 2009 (the "Trust Agreement"), between the Authority and Wells Fargo Bank, N.A., as trustee (in such capacity, the "Trustee") and a First Supplemental Trust Agreement, dated as of July 1, 2009 (the "Supplemental Agreement"), between the Authority and the Trustee. On the date of issuance of the Series 2009A Bonds, the Authority is issuing a second Series of Bonds designated "Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B." The Series 2009A Bonds and said Series 2009B Bonds are sometimes referred to collectively herein as the "Series 2009 Bonds." The Series 2009 Bonds are being issued for the purpose of providing funds, together with any other available funds, to (a) pay the costs of land acquisition, design, construction and equipping of the Triangle Expressway System (as defined in the Trust Agreement), (b) provide funds to pay the interest on the Series 2009 Bonds until July 1, 2013, (c) pay the premium for the Bond Insurance Policy issued by Assured Guaranty Corp. with respect to the Series 2009 Bonds, (d) fund the Senior Lien Parity Reserve Account in the amount of the Senior Lien Parity Reserve Account Requirement and (e) pay the costs incurred in connection with the issuance of the Series 2009 Bonds.

The Series 2009A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Supplemental Agreement. One bond certificate with respect to each date on which the Series 2009A Bonds are stated to mature, in the aggregate principal amount of the Series 2009A Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2009A Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest and any redemption premium payments to beneficial owners of the Series 2009A Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Authority will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While Cede & Co. is the registered owner of this bond, notwithstanding the provisions hereinabove contained, payments of principal of or redemption premium, if any, and interest on this bond shall be made in accordance with the existing arrangements between the Bond Registrar and DTC.

The Series 2009 Bonds are special obligations of the Authority secured by a pledge, charge and lien upon Receipts (as defined in the Trust Agreement). The Authority is not obligated to pay the principal of or the interest on the Series 2009 Bonds except as provided in the Trust Agreement from Receipts or certain other monies made available therefor under the Trust Agreement, and neither the faith and credit nor the taxing power of the State of North Carolina or any political subdivision thereof or the Authority is pledged to the payment of the principal of and the interest on the Series 2009 Bonds. The Trust Agreement provides for the

issuance or incurrence from time to time under the conditions, limitations and restrictions therein set forth of additional bonds and Senior Lien Parity Debt (as defined in the Trust Agreement) secured pari passu as to the pledge of Receipts with the Series 2009 Bonds.

Reference is made to the Trust Agreement and the Supplemental Agreement for a more complete statement of the provisions thereof and of the rights of the Authority, the Trustee and the registered owners of the Series 2009 Bonds. Copies of the Trust Agreement and the Supplemental Agreement will be available for inspection by any registered owner of the Series 2009 Bonds at all reasonable times at the designated corporate trust office of the Trustee. By the purchase and acceptance of this bond, the registered owner hereof signifies assent to all of the provisions of the Trust Agreement and the Supplemental Agreement.

The Trust Agreement provides for the creation of a special fund designated "North Carolina Turnpike Authority Expressway System Senior Lien Debt Service Fund" (the "Senior Lien Debt Service Fund"). Pursuant to the Supplemental Agreement, special subaccounts have been created within the various accounts of the Senior Lien Debt Service Fund with respect to the Series 2009 Bonds (the "Subaccounts"), which Subaccounts are pledged and charged with the payment of the principal of and the interest on the Series 2009 Bonds. The Supplemental Agreement provides for the deposit of Receipts to the credit of the Subaccounts to the extent and in the manner provided in the Trust Agreement and the Supplemental Agreement. The Series 2009 Bonds are also secured by the Senior Lien Parity Reserve Account (as defined in the Trust Agreement).

At the principal corporate trust office of the Bond Registrar, in the manner and subject to the conditions provided in the Trust Agreement, Series 2009 Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its principal corporate trust office books for the registration of transfer of the Series 2009A Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Trust Agreement upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Series 2009A Bonds maturing prior to January 1, 2019, are not subject to redemption prior to their maturity. The Series 2009A Bonds maturing on and after January 1, 2020, are subject to redemption, at the option of the Authority, in whole or in part on any date on or after January 1, 2020, from any moneys that may be available for such purpose, at 100% of principal amount of the Series 2009A Bonds to be redeemed, plus accrued interest to the redemption date, all in the manner provided in the Supplemental Agreement.

The Series 2009A Term Bonds (as defined in the Supplemental Agreement) maturing on January 1, 2029 and 2039 are subject to mandatory redemption in part beginning on January 1,

2027 and 2030, respectively, and on each January 1 thereafter until the maturity thereof, in the amounts set forth in the Supplemental Agreement as the mandatory sinking fund requirements therefor, from moneys deposited to the credit of the Series 2009 Subaccount of the Sinking Fund Account, at a redemption price equal to 100% of the principal amount of the Series 2009 Bonds to be redeemed, plus accrued interest to the redemption date.

At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Bonds to be redeemed, whether such redemption is in whole or in part, the Bond Registrar shall cause a notice of any such redemption signed by the Bond Registrar to be mailed, first class, postage prepaid, to all registered owners of Series 2009A Bonds to be redeemed in whole or in part, provided that failure to mail any such notice to any registered owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2009A Bonds of any other registered owner to whom such notice is properly given.

On the date designated for redemption, notice having been given as aforesaid, the Series 2009A Bonds or portions thereof so called for redemption shall become due and payable at the redemption price provided for the redemption of such Bonds or such portions thereof on such date plus accrued interest to such date.

If less than all of the Series 2009A Bonds are to be called for redemption, the Series 2009A Bonds to be so redeemed shall be called for redemption in the manner that the Authority shall determine as set forth in an Officer's Certificate filed with the Trustee. If less than all the Series 2009A Bonds of any one maturity are called for redemption, the Bond Registrar shall select the Series 2009A Bonds to be redeemed by lot, each \$5,000 portion of principal being counted as one Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2009A Bonds is Cede & Co., such selection shall be made by DTC.

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 Series 2009A Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2009A Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Series 2009A 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 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 registered owner of this bond shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Agreement, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement.

Modifications or alterations of the Trust Agreement and the Supplemental Agreement or in any supplement Trust Agreement thereto may be made only to the extent and in the

circumstances permitted by the Trust Agreement and the Supplemental Agreement, as the case may be.

This bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Trust Agreement and the Supplemental Agreement, at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of North Carolina. This bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this bond and the execution and delivery of the Trust Agreement and the Supplemental Agreement have happened, exist and have been performed as so required.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Agreement or the Supplemental Agreement until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the North Carolina Turnpike Authority, by an order duly adopted by its Board, has caused this bond to be manually signed by the Chairman of the Authority and the Secretary-Treasurer of the Authority to impress its corporate seal hereon and to attest the same, all as of the 29th day of July, 2009.

NORTH CAROLINA TURNPIKE
AUTHORITY

Chairman

[SEAL]

Secretary-Treasurer

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The State and Local Government Revenue Bond Act.

Secretary
Local Government Commission

CERTIFICATE OF AUTHENTICATION

This bond is a Bond of the Series designated therein and issued under the provisions of the within mentioned Trust Agreement and Supplemental Agreement.

WELLS FARGO BANK, N.A., as Bond Registrar

By: _____
Authorized Signatory

Date of authentication: July 29, 2009

STATEMENT OF INSURANCE

Assured Guaranty Corp. (“Assured Guaranty”), a Maryland-domiciled insurance company, has delivered its financial guaranty insurance policy (the “Policy”) with respect to scheduled payments of principal of and interest on this Series 2009A Bond to Wells Fargo Bank, N.A., as Trustee and Registrar on behalf of the holders of the Series 2009A Bonds (the “Paying Agent”). Such Policy is on file and available for inspection at the principal office of the Paying Agent in Jacksonville, Florida, and a copy thereof may be obtained from Assured Guaranty or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this 2009A Bond acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY NUMBER
OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE _____

_____ the within
bond and all right thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to transfer the within bond on the
books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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

EXHIBIT B

FORM OF SERIES 2009B BOND

R-____ Initial Principal Amount: \$ _____
Principal Amount at Maturity: \$ _____

United States of America
State of North Carolina

**NORTH CAROLINA TURNPIKE AUTHORITY
TRIANGLE EXPRESSWAY SYSTEM SENIOR LIEN REVENUE BOND
SERIES 2009B**

<u>Yield</u>	<u>Maturity Date</u>	<u>CUSIP</u>
%	January 1, 20__	

The North Carolina Turnpike Authority, (the "Authority"), a body corporate and politic and public instrumentality duly organized and existing under the laws of the State of North Carolina, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to CEDE & CO. or registered assigns or legal representative, on the maturity date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof at the designated corporate trust office of Wells Fargo Bank, N.A. in Charlotte, North Carolina (the "Bond Registrar"), the principal sum of _____ DOLLARS (\$ _____).

Interest on this Bond will not be paid currently, but will accrue from the date of issuance thereof and be paid at maturity. A purchaser of this Bond at the initial offering price set forth below on the date of issuance who holds this Bond to maturity will receive at maturity an amount equal to such offering price plus accrued interest, compounded semi-annually on each January 1 and January 1 over the lifetime of the Series 2009B Bond at the approximate yield to maturity set forth above. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. The principal amount of this Bond from time to time shall be determined in the manner set forth in the hereinafter mentioned Trust Agreement.

This Bond is one of a duly authorized series of revenue bonds of the Authority designated "Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B" (the "Series 2009B Bonds"), issued under and pursuant to the Constitution and laws of the State of North Carolina, including the Act (as defined in the Trust Agreement), an order of the Authority adopted on November 20, 2008, as amended on April 15, 2009 and May 7, 2009, authorizing the issuance of the Series 2009B Bonds, a Trust Agreement, dated as of June 1, 2009 (the "Trust Agreement"), between the Authority and Wells Fargo Bank, N.A., as trustee (in such capacity, the "Trustee") and a First Supplemental Trust Agreement, dated as of July 1, 2009 (the "Supplemental Agreement"), between the Authority and the Trustee. On the date of issuance of the Series 2009B Bonds, the Authority is issuing a second Series of Bonds designated "Triangle

Expressway System Senior Lien Revenue Bonds, Series 2009A.” The Series 2009A Bonds and said Series 2009B Bonds are sometimes referred to collectively herein as the “Series 2009 Bonds.” The Series 2009 Bonds are being issued for the purpose of providing funds, together with any other available funds, to (a) pay the costs of land acquisition, design, construction and equipping of the Triangle Expressway System (as defined in the Trust Agreement), (b) provide funds to pay the interest on the Series 2009 Bonds until July 1, 2013, (c) pay the premium for the Bond Insurance Policy issued by Assured Guaranty Corp. with respect to the Series 2009 Bonds, (d) fund the Senior Lien Parity Reserve Account in the amount of the Senior Lien Parity Reserve Account Requirement and (e) pay the costs incurred in connection with the issuance of the Series 2009 Bonds.

The Series 2009B Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Supplemental Agreement. One bond certificate with respect to each date on which the Series 2009B Bonds are stated to mature, in the aggregate principal amount of the Series 2009B Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York (“DTC”), is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Series 2009B Bonds in the principal amount of \$5,000 payable at maturity or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest and any redemption premium payments to beneficial owners of the Series 2009B Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Authority will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While Cede & Co. is the registered owner of this Bond, notwithstanding the provisions hereinabove contained, payments of principal of or redemption premium, if any, and interest on this Bond shall be made in accordance with the existing arrangements between the Bond Registrar and DTC.

The Series 2009 Bonds are special obligations of the Authority secured by a pledge, charge and lien upon Receipts (as defined in the Trust Agreement). The Authority is not obligated to pay the principal of or the interest on the Series 2009 Bonds except as provided in the Trust Agreement from Receipts or certain other monies made available therefor under the Trust Agreement, and neither the faith and credit nor the taxing power of the State of North Carolina or any political subdivision thereof or the Authority is pledged to the payment of the principal of and the interest on the Series 2009 Bonds. The Trust Agreement provides for the issuance or incurrence from time to time under the conditions, limitations and restrictions therein set forth of additional bonds and Senior Lien Parity Debt (as defined in the Trust Agreement) secured pari passu as to the pledge of Receipts with the Series 2009 Bonds.

Reference is made to the Trust Agreement and the Supplemental Agreement for a more complete statement of the provisions thereof and of the rights of the Authority, the Trustee and the registered owners of the Series 2009 Bonds. Copies of the Trust Agreement and the Supplemental Agreement will be available for inspection by any registered owner of the Series 2009 Bonds at all reasonable times at the designated corporate trust office of the Trustee. By the

purchase and acceptance of this Bond, the registered owner hereof signifies assent to all of the provisions of the Trust Agreement and the Supplemental Agreement.

The Trust Agreement provides for the creation of a special fund designated "North Carolina Turnpike Authority Expressway System Senior Lien Debt Service Fund" (the "Senior Lien Debt Service Fund"). Pursuant to the Supplemental Agreement, special subaccounts have been created within the various accounts of the Senior Lien Debt Service Fund with respect to the Series 2009 Bonds (the "Subaccounts"), which Subaccounts are pledged and charged with the payment of the principal of and the interest on the Series 2009 Bonds. The Supplemental Agreement provides for the deposit of Receipts to the credit of the Subaccounts to the extent and in the manner provided in the Trust Agreement and the Supplemental Agreement. The Series 2009 Bonds are also secured by the Senior Lien Parity Reserve Account (as defined in the Trust Agreement).

At the principal corporate trust office of the Bond Registrar, in the manner and subject to the conditions provided in the Trust Agreement, Series 2009 Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its principal corporate trust office books for the registration of transfer of the Series 2009B Bonds. The transfer of this Bond may be registered only upon such books and as otherwise provided in the Trust Agreement upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Series 2009B Bonds are not subject to redemption prior to their maturity.

The registered owner of this Bond shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Agreement, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement.

Modifications or alterations of the Trust Agreement and the Supplemental Agreement or in any supplement Trust Agreement thereto may be made only to the extent and in the circumstances permitted by the Trust Agreement and the Supplemental Agreement, as the case may be.

This Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Trust Agreement and the Supplemental Agreement, at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of North Carolina. This Bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution and delivery of the Trust Agreement and the Supplemental Agreement have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Agreement or the Supplemental Agreement until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the North Carolina Turnpike Authority, by an order duly adopted by its Board, has caused this Bond to be manually signed by the Chairman of the Authority and the Secretary-Treasurer of the Authority to impress its corporate seal hereon and to attest the same, all as of the 29th day of July, 2009.

NORTH CAROLINA TURNPIKE
AUTHORITY

Chairman

[SEAL]

Secretary-Treasurer

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within Bond has been approved under the provisions of The State and Local Government Revenue Bond Act.

Secretary
Local Government Commission

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond of the Series designated therein and issued under the provisions of the within mentioned Trust Agreement and Supplemental Agreement.

WELLS FARGO BANK, N.A., Bond Registrar

By: _____
Authorized Signatory

Date of authentication: July 29, 2009

STATEMENT OF INSURANCE

Assured Guaranty Corp. ("Assured Guaranty"), a Maryland-domiciled insurance company, has delivered its financial guaranty insurance policy (the "Policy") with respect to scheduled payments of principal of and interest on this Series 2009B Bond to Wells Fargo Bank, N.A., as Trustee and Registrar on behalf of the holders of the Series 2009B Bonds (the "Paying Agent"). Such Policy is on file and available for inspection at the principal office of the Paying Agent in Jacksonville, Florida, and a copy thereof may be obtained from Assured Guaranty or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this 2009B Bond acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY NUMBER
OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE _____
_____ the within
bond and all right thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to transfer the within bond on the
books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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

EXHIBIT C

Table of Compounded Amounts Per \$5,000 Maturity Value

Date	1/1/2030 6.740%	1/1/2031 6.840%	1/1/2032 6.930%	1/1/2033 6.990%	1/1/2034 7.020%	1/1/2035 7.050%	1/1/2036 7.070%	1/1/2037 7.090%	1/1/2038 7.100%
7/29/2009	1291.30	1183.70	1085.30	1000.15	927.15	859.00	797.40	739.95	688.25
1/1/2010	1327.95	1217.80	1117.00	1029.60	954.55	884.50	821.15	762.05	708.85
7/1/2010	1372.70	1259.45	1155.70	1065.60	988.10	915.70	850.20	789.05	734.00
1/1/2011	1418.95	1302.50	1195.75	1102.85	1022.75	947.95	880.25	817.05	760.05
7/1/2011	1466.80	1347.05	1237.15	1141.35	1058.65	981.35	911.35	846.00	787.05
1/1/2012	1516.20	1393.10	1280.05	1181.25	1095.80	1015.95	943.55	876.00	815.00
7/1/2012	1567.30	1440.75	1324.40	1222.55	1134.30	1051.80	976.90	907.05	843.90
1/1/2013	1620.15	1490.05	1370.30	1265.30	1174.10	1088.85	1011.45	939.20	873.90
7/1/2013	1674.75	1541.00	1417.75	1309.50	1215.30	1127.25	1047.20	972.50	904.90
1/1/2014	1731.15	1593.70	1466.90	1355.25	1257.95	1166.95	1084.25	1007.00	937.05
7/1/2014	1789.50	1648.20	1517.70	1402.65	1302.10	1208.10	1122.55	1042.65	970.30
1/1/2015	1849.80	1704.60	1570.30	1451.65	1347.85	1250.70	1162.25	1079.65	1004.75
7/1/2015	1912.15	1762.90	1624.70	1502.40	1395.15	1294.80	1203.35	1117.90	1040.40
1/1/2016	1976.60	1823.15	1681.00	1554.90	1444.10	1340.45	1245.85	1157.55	1077.35
7/1/2016	2043.20	1885.55	1739.25	1609.25	1494.80	1387.70	1289.90	1198.60	1115.60
1/1/2017	2112.05	1950.00	1799.55	1665.50	1547.25	1436.60	1335.50	1241.05	1155.20
7/1/2017	2183.25	2016.70	1861.90	1723.70	1601.55	1487.25	1382.75	1285.05	1196.20
1/1/2018	2256.80	2085.70	1926.40	1783.95	1657.80	1539.65	1431.60	1330.60	1238.65
7/1/2018	2332.90	2157.00	1993.15	1846.30	1716.00	1593.95	1482.20	1377.80	1282.65
1/1/2019	2411.50	2230.80	2062.20	1910.85	1776.20	1650.10	1534.60	1426.65	1328.20
7/1/2019	2492.75	2307.05	2133.70	1977.60	1838.55	1708.30	1588.85	1477.20	1375.35
1/1/2020	2576.75	2385.95	2207.60	2046.75	1903.10	1768.50	1645.05	1529.60	1424.15
7/1/2020	2663.60	2467.60	2284.10	2118.25	1969.90	1830.85	1703.20	1583.80	1474.70
1/1/2021	2753.35	2551.95	2363.25	2192.30	2039.05	1895.40	1763.40	1639.95	1527.05
7/1/2021	2846.15	2639.25	2445.15	2268.90	2110.60	1962.20	1825.75	1698.10	1581.30
1/1/2022	2942.10	2729.50	2529.85	2348.20	2184.70	2031.35	1890.25	1758.30	1637.40
7/1/2022	3041.25	2822.85	2617.50	2430.30	2261.35	2102.95	1957.10	1820.60	1695.55
1/1/2023	3143.70	2919.40	2708.20	2515.25	2340.75	2177.10	2026.25	1885.15	1755.75
7/1/2023	3249.65	3019.25	2802.05	2603.15	2422.90	2253.85	2097.90	1952.00	1818.05
1/1/2024	3359.15	3122.50	2899.15	2694.10	2507.95	2333.30	2172.05	2021.20	1882.60
7/1/2024	3472.40	3229.30	2999.60	2788.30	2596.00	2415.55	2248.85	2092.85	1949.45
1/1/2025	3589.40	3339.75	3103.55	2885.75	2687.10	2500.70	2328.35	2167.05	2018.65
7/1/2025	3710.35	3453.95	3211.10	2986.60	2781.40	2588.85	2410.65	2243.85	2090.30
1/1/2026	3835.40	3572.10	3322.35	3090.95	2879.05	2680.10	2495.85	2323.40	2164.50
7/1/2026	3964.65	3694.25	3437.45	3199.00	2980.10	2774.60	2584.10	2405.75	2241.35
1/1/2027	4098.25	3820.60	3556.60	3310.80	3084.70	2872.40	2675.45	2491.05	2320.95
7/1/2027	4236.40	3951.25	3679.80	3426.50	3193.00	2973.65	2770.05	2579.35	2403.35
1/1/2028	4379.15	4086.40	3807.30	3546.30	3305.05	3078.45	2867.95	2670.80	2488.65
7/1/2028	4526.70	4226.15	3939.25	3670.25	3421.05	3186.95	2969.35	2765.50	2577.00
1/1/2029	4679.30	4370.70	4075.75	3798.50	3541.15	3299.30	3074.30	2863.50	2668.50
7/1/2029	4836.95	4520.15	4216.95	3931.25	3665.45	3415.60	3182.95	2965.05	2763.20
1/1/2030	5000.00	4674.75	4363.10	4068.65	3794.10	3536.00	3295.50	3070.15	2861.30
7/1/2030		4834.65	4514.25	4210.85	3927.25	3660.65	3412.00	3179.00	2962.90
1/1/2031		5000.00	4670.70	4358.05	4065.10	3789.70	3532.60	3291.70	3068.05
7/1/2031			4832.55	4510.35	4207.80	3923.30	3657.50	3408.35	3177.00
1/1/2032			5000.00	4668.00	4355.50	4061.60	3786.80	3529.20	3289.75
7/1/2032				4831.15	4508.40	4204.75	3920.65	3654.30	3406.55
1/1/2033				5000.00	4666.65	4353.00	4059.25	3783.85	3527.50
7/1/2033					4830.45	4506.40	4202.75	3918.00	3652.70
1/1/2034					5000.00	4665.25	4351.30	4056.90	3782.40
7/1/2034						4829.75	4505.10	4200.70	3916.65
1/1/2035						5000.00	4664.35	4349.60	4055.70
7/1/2035							4829.25	4503.80	4199.70
1/1/2036							5000.00	4663.45	4348.80
7/1/2036								4828.80	4503.15
1/1/2037								5000.00	4663.00
7/1/2037									4828.55
1/1/2038									5000.00