

# Appendices

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Appendix A  
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## **STANDARD SPECIAL PROVISION**

### **REQUIRED CONTRACT PROVISIONS FEDERAL - AID CONSTRUCTION CONTRACTS**

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Z-8

- I. General
- II. Nondiscrimination
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### **ATTACHMENTS**

- A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

#### **I. GENERAL**

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under Title 23 (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services).  
The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.  
Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services). The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.  
Contracting agencies may reference Form FHWA-1273 in bid proposal or request for proposal documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract).
2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract.
3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.
4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors.

#### **II. NONDISCRIMINATION**

The provisions of this section related to 23 CFR Part 230 are applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR 60, 29 CFR 1625-1627, Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding \$10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR 60, and 29 CFR 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), and Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR 230, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. **Equal Employment Opportunity:** Equal employment opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (28 CFR 35, 29 CFR 1630, 29 CFR 1625-1627, 41 CFR 60 and 49 CFR 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140 shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR 35 and 29 CFR 1630 are

incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

- a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract.
- b. The contractor will accept as its operating policy the following statement:  
"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."
2. **EEO Officer:** The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.
3. **Dissemination of Policy:** All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action, or who are substantially involved in such action, will be made fully cognizant of, and will implement, the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:
  - a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer.
  - b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.
  - c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.
  - d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.
  - e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.
4. **Recruitment:** When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.
  - a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees, and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.
  - b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.
  - c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.
5. **Personnel Actions:** Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, national origin, age or disability. The following procedures shall be followed:
  - a. The contractor will conduct periodic inspections of project sites to insure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.
  - b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.
  - c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.
  - d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.
6. **Training and Promotion:**
  - a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.
  - b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs, i.e., apprenticeship, and on-the-job training programs for the geographical area of contract performance. In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).
  - c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.
  - d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.



7. **Unions:** If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:
  - a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.
  - b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, national origin, age or disability.
  - c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.
  - d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, national origin, age or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.
8. **Reasonable Accommodation for Applicants / Employees with Disabilities:** The contractor must be familiar with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established there under. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.
9. **Selection of Subcontractors, Procurement of Materials and Leasing of Equipment:** The contractor shall not discriminate on the grounds of race, color, religion, sex, national origin, age or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.
  - a. The contractor shall notify all potential subcontractors and suppliers and lessors of their EEO obligations under this contract.
  - b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.
10. **Assurance Required by 49 CFR 26.13(b):**
  - a. The requirements of 49 CFR Part 26 and the State DOT's U.S. DOT-approved DBE program are incorporated by reference.
  - b. The contractor or subcontractor shall not discriminate on the basis of race, color, religion, sex, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the contracting agency deems appropriate.
11. **Records and Reports:** The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.
  - a. The records kept by the contractor shall document the following:
    - (1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;
    - (2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and
    - (3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women;
  - b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project, indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

### III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more.

The contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location, under the contractor's control, where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

### IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding \$2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size). The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. Contracting agencies may elect to apply these requirements to other projects.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 "Contract provisions and related matters" with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

#### 1. Minimum wages

- a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the

Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

- b. (1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:
  - (i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
  - (ii) The classification is utilized in the area by the construction industry; and
  - (iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- (3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Wage and Hour Administrator for determination. The Wage and Hour Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- (4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
- c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
- d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.
2. **Withholding.** The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.
3. **Payrolls and basic records**
  - a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.
  - b. (1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the

payrolls shall only need to include an individually identifying number for each employee ( e.g. , the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency.

- (2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
    - (i) That the payroll for the payroll period contains the information required to be provided under §5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under §5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;
    - (ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;
    - (iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
  - (3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.
  - (4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.
- c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.
- 4. Apprentices and trainees**
- a. Apprentices (programs of the USDOL). Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.
- The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.
- Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.
- In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
- b. Trainees (programs of the USDOL). Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.
- The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.
- Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.
- d. Apprentices and Trainees (programs of the U.S. DOT). Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.
5. **Compliance with Copeland Act requirements.** The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.
6. **Subcontracts.** The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.
7. **Contract termination:** debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.
8. **Compliance with Davis-Bacon and Related Act requirements.** All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.
9. **Disputes concerning labor standards.** Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.
10. **Certification of eligibility.**
  - a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
  - b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
  - c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

#### V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

The following clauses apply to any Federal-aid construction contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. **Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
2. **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in paragraph (1.) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1.) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1.) of this section.
3. **Withholding for unpaid wages and liquidated damages.** The FHWA or the contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2.) of this section.
4. **Subcontracts.** The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1.) through (4.) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1.) through (4.) of this section.

#### VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).
  - a. The term "perform work with its own organization" refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees

from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions:

- (1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;
  - (2) the prime contractor remains responsible for the quality of the work of the leased employees;
  - (3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and
  - (4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.
- b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract.
2. The contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.
  3. The contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.
  4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract.
  5. The 30% self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements.

## **VII. SAFETY: ACCIDENT PREVENTION**

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract.
2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).
3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C.3704).

## **VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS**

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 1, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

## **IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT**

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

By submission of this bid/proposal or the execution of this contract, or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, or subcontractor, as appropriate, will be deemed to have stipulated as follows:

1. That any person who is or will be utilized in the performance of this contract is not prohibited from receiving an award due to a violation of Section 508 of the Clean Water Act or Section 306 of the Clean Air Act.
2. That the contractor agrees to include or cause to be included the requirements of paragraph (1) of this Section X in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements.

## **X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION**

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200.

### **1. Instructions for Certification – First Tier Participants:**

- a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.
- b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.
- c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.
- d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).
- f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
- g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.
- h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.
- i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

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### **2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:**

- a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:
  - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;
  - (2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and
  - (4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

### **2. Instructions for Certification - Lower Tier Participants:**

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200)

- a. By signing and submitting this proposal, the prospective lower tier is providing the certification set out below.
- b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

- c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.
- d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contractor). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).
- e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
- f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.
- g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.
- h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

\* \* \* \* \*

**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:**

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

\* \* \* \* \*

**XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING**

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed \$100,000 (49 CFR 20).

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:
  - a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
  - b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.

# Appendix B

## Standard Special Provision

### Award of Contract



## **STANDARD SPECIAL PROVISION**

### **AWARD OF CONTRACT**

(6-28-77)(Rev 2/16/2016)

Z-6

“The North Carolina Department of Transportation, in accordance with the provisions of *Title VI of the Civil Rights Act of 1964* (78 Stat. 252) and the Regulations of the Department of Transportation (*49 C.F.R., Part 21*), issued pursuant to such act, hereby notifies all bidders that it will affirmatively insure that the contract entered into pursuant to this advertisement will be awarded to the lowest responsible bidder without discrimination on the ground of race, color, or national origin”.

## **TITLE VI AND NONDISCRIMINATION**

### **I. Title VI Assurance**

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

**(1) Compliance with Regulations:** The contractor shall comply with the Regulation relative to nondiscrimination in Federally-assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

**(2) Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

**(3) Solicitations for Subcontractors, Including Procurements of Materials and Equipment:** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

**(4) Information and Reports:** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the North Carolina Department of Transportation (NCDOT) or the Federal Highway Administration (FHWA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information the contractor shall so certify to the NCDOT, or the FHWA as appropriate, and shall set forth what efforts it has made to obtain the information.

**(5) Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the NCDOT shall impose such contract sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the contractor under the contract until the contractor complies, and/or
- (b) Cancellation, termination or suspension of the contract, in whole or in part.

**(6) Incorporation of Provisions:** The contractor shall include the provisions of paragraphs (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto.

The contractor shall take such action with respect to any subcontractor procurement as the NCDOT or the FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance: provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the NCDOT to enter into such litigation to protect the interests of the NCDOT, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

## **II. Title VI Nondiscrimination Program**

Title VI of the 1964 Civil Rights Act, 42 U.S.C. 2000d, provides that: "No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." The broader application of nondiscrimination law is found in other statutes, executive orders, and regulations (see Section III, Pertinent Nondiscrimination Authorities), which provide additional protections based on age, sex, disability and religion. In addition, the 1987 Civil Rights Restoration Act extends nondiscrimination coverage to all programs and activities of federal-aid recipients and contractors, including those that are not federally-funded.

### *Nondiscrimination Assurance*

The North Carolina Department of Transportation (NCDOT) hereby gives assurance that no person shall on the ground of race, color, national origin, sex, age, and disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity conducted by the recipient, as provided by Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987, and any other related Civil Rights authorities, whether those programs and activities are federally funded or not.

### *Obligation*

During the performance of this contract, the Contractor and its subcontractors are responsible for complying with NCDOT's Title VI Program. The Contractor must ensure that NCDOT's Notice of Nondiscrimination is posted in conspicuous locations accessible to all employees and subcontractors on the jobsite, along with the Contractor's own Equal Employment Opportunity (EEO) Policy Statement. The Contractor shall physically incorporate this "**TITLE VI AND NONDISCRIMINATION**" language, in its entirety, into all its subcontracts on federally-assisted and state-funded NCDOT-owned projects, and ensure its inclusion by subcontractors into all subsequent lower tier subcontracts. The Contractor and its subcontractors shall also

physically incorporate the **FHWA-1273**, in its entirety, into all subcontracts and subsequent lower tier subcontracts on Federal-aid highway construction contracts only. The Contractor is also responsible for making its subcontractors aware of NCDOT's Discrimination Complaints Process, as follows:

## FILING OF COMPLAINTS

1. **Applicability** – These complaint procedures apply to the beneficiaries of the NCDOT's programs, activities, and services, including, but not limited to, members of the public, contractors, subcontractors, consultants, and other sub-recipients of federal and state funds.
2. **Eligibility** – Any person or class of persons who believes he/she has been subjected to discrimination or retaliation prohibited by any of the Civil Rights authorities, based upon race, color, sex, age, national origin, or disability, may file a written complaint with NCDOT's Civil Rights office. The law prohibits intimidation or retaliation of any sort. The complaint may be filed by the affected individual or a representative, and must be in writing.
3. **Time Limits and Filing Options** – A complaint must be filed no later than 180 calendar days after the following:
  - The date of the alleged act of discrimination; or
  - The date when the person(s) became aware of the alleged discrimination; or
  - Where there has been a continuing course of conduct, the date on which that conduct was discontinued or the latest instance of the conduct.

Title VI and other discrimination complaints may be submitted to the following entities:

- **North Carolina Department of Transportation**, Office of Equal Opportunity & Workforce Services (EOWS), External Civil Rights Section, 1511 Mail Service Center, Raleigh, NC 27699-1511; 919-508-1808 or toll free 800-522-0453
- **US Department of Transportation**, Departmental Office of Civil Rights, External Civil Rights Programs Division, 1200 New Jersey Avenue, SE, Washington, DC 20590; 202-366-4070

**Federal Highway Administration**, North Carolina Division Office, 310 New Bern Avenue, Suite 410, Raleigh, NC 27601, 919-747-7010

**Federal Highway Administration**, Office of Civil Rights, 1200 New Jersey Avenue, SE, 8<sup>th</sup> Floor, E81-314, Washington, DC 20590, 202-366-0693 / 366-0752

**Federal Transit Administration**, Office of Civil Rights, ATTN: Title VI Program Coordinator, East Bldg. 5<sup>th</sup> Floor – TCR, 1200 New Jersey Avenue, SE, Washington, DC 20590

**Federal Aviation Administration**, Office of Civil Rights, 800 Independence Avenue, SW, Washington, DC 20591, 202-267-3258

- **US Department of Justice**, Special Litigation Section, Civil Rights Division, 950 Pennsylvania Avenue, NW, Washington, DC 20530, 202-514-6255 or toll free 877-218-5228

4. **Format for Complaints** – Complaints must be in **writing** and **signed** by the complainant(s) or a representative and include the complainant's name, address, and telephone number. Complaints received by fax or e-mail will be acknowledged and processed. Allegations received by telephone will be reduced to writing and provided to the complainant for confirmation or revision before processing. Complaints will be accepted in other languages including Braille.
5. **Discrimination Complaint Form** – Contact NCDOT EOWS at the phone number above to receive a full copy of the Discrimination Complaint Form and procedures.
6. **Complaint Basis** – Allegations must be based on issues involving race, color, national origin, sex, age, or disability. The term “basis” refers to the complainant's membership in a protected group category. Contact this office to receive a Discrimination Complaint Form.

Protected Categories	Definition	Examples	Applicable Statutes and Regulations	
			FHWA	FTA
Race	An individual belonging to one of the accepted racial groups; or the perception, based usually on physical characteristics that a person is a member of a racial group	Black/African American, Hispanic/Latino, Asian, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, White	Title VI of the Civil Rights Act of 1964; 49 CFR Part 21; 23 CFR 200	Title VI of the Civil Rights Act of 1964; 49 CFR Part 21; Circular 4702.1B
Color	Color of skin, including shade of skin within a racial group	Black, White, brown, yellow, etc.		
National Origin	Place of birth. Citizenship is not a factor. Discrimination based on language or a person's accent is also covered.	Mexican, Cuban, Japanese, Vietnamese, Chinese		
Sex	Gender	Women and Men	1973 Federal-Aid Highway Act	Title IX of the Education Amendments of 1972
Age	Persons of any age	21 year old person	Age Discrimination Act of 1975	
Disability	Physical or mental impairment, permanent or temporary, or perceived.	Blind, alcoholic, para-amputee, epileptic, diabetic, arthritic	Section 504 of the Rehabilitation Act of 1973; Americans with Disabilities Act of 1990	

### **III. Pertinent Nondiscrimination Authorities**


During the performance of this contract, the contractor, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities, including, but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq.*), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq.*).


- Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e *et seq.*, Pub. L. 88-352), (prohibits employment discrimination on the basis of race, color, religion, sex, or national origin);
- 49 CFR Part 26, regulation to ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, and airport financial assistance programs, as regards the use of Disadvantaged Business Enterprises (DBEs);
- Form FHWA-1273, "Required Contract Provisions," a collection of contract provisions and proposal notices that are generally applicable to *all Federal-aid construction projects* and must be made a part of, and physically incorporated into, *all federally-assisted contracts*, as well as appropriate subcontracts and purchase orders, particularly Sections II (Nondiscrimination) and III (Nonsegregated Facilities).

# Appendix C

## NCTA 2018 Operations Statistics

		MONTHLY								
		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Incoming Mail	Dispute Forms	505	399	179	303	373	228	322	312	631
	NC Quick Pass and BBM Payments Received	2,903	2,281	1,864	2,749	2,427	1,283	1,316	992	1,662
	Customer Correspondence	289	121	156	145	162	126	186	148	176
	Returned Transponders	104	130	183	163	212	210	172	228	262
	Corr/Rtrnd Mail (Nixies) Received	7,224	5,764	5,793	8,940	7,796	5,770	6,932	6,774	13,581
Outgoing Mail	Transponder Kits	5,949	4,604	4,055	5,272	6,642	9,067	9,558	8,406	10,260
	Customer Correspondence	1,041	950	533	760	923	643	883	1,261	1,790
	Remailed Nixies	1,434	1,274	2,068	1,464	3,221	1,466	2,291	1,334	4,518
Tag Fulfillment Requests	New Tag Fulfillment Requests	5,906	4,574	4,173	5,095	6,655	9,549	10,112	8,581	10,416
Service Requests (non-email)	New Service Requests	8,382	7,623	6,544	8,111	9,065	9,303	12,801	9,819	12,607
QC Reviews	New Invoices	26,855	23,732	30,864	31,303	23,431	25,753	18,857	50,346	32,943
	New Statements	15,482	15,437	24,785	16,542	16,680	17,315	17,943	16,632	20,081
	New Letters	6,455	5,543	12,061	11,199	14,574	7,490	10,382	10,427	8,397
DMV Hold	New Eligible Accounts	15,099	14,496	19,679	14,984	18,483	33,493	30,005	26,595	32,050
	Successfully Placed on DMV Hold	14,195	5,560	12,134	19,465	22,517	13,205	18,153	12,338	12,999
Collections	New Eligible Accounts	2,679	695	1,351	3,407	5,838	10,002	9,237	11,486	13,219
	Successfully Placed in Collections	1,961	655	179	114	2,745	4,588	5,773	5,606	2,491
Customer Invoices Generated	Invoices Generated by BOS	243,274	247,850	348,045	266,120	242,969	261,765	313,798	366,449	311,513
CSC Invoice Payments (not Web or IVR)	Mailed In to CSC	2,757	1,712	1,768	2,460	2,318	1,229	1,260	987	1,621
	Walk In	936	659	474	781	858	541	830	1,077	1,204
Tag Sales	Transponder Sales	10,203	8,537	6,476	9,580	18,882	18,495	18,145	15,936	19,318
Transponder Accounts (Private & Business)	Number of Accounts Opened During Month	3,818	3,339	2,345	3,360	7,060	7,410	7,502	6,928	8,279
	Number of Accounts Closed During Month	586	550	493	398	287	354	158	394	439
	Number of Accounts at Month End	169,702	172,491	174,343	177,305	184,078	191,134	198,478	205,012	212,852



			MONTHLY									
			Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	
Call Center	Toll	Inbound Call Summary	Total Calls	71,828	59,738	58,050	54,093	55,533	47,162	57,567	68,476	102,388
			Total Calls Presented To IVR	46,580	36,436	38,351	24,322	25,681	21,349	26,101	32,517	53,797
			IVR Containment Rate	64.8%	61.0%	66.1%	45.0%	46.2%	45.3%	45.3%	47.5%	52.5%
			Total Calls Presented to CSRs	25,248	23,302	19,699	29,771	29,852	25,813	31,466	35,959	48,591
			QP Account Management	7,114	13,258	308	327	3,818	10,456	12,743	12,566	15,500
			DMV Hold	4,572	2,879	6,739	9,143	7,703	643	239	268	320
			Bill by Mail	7,841	2,622	1,284	2,552	5,176	12,959	16,958	19,925	26,763
			General Info	5,721	4,543	11,367	17,749	13,155	1,755	1,526	3,200	6,008
		Inbound Call Interval Data	9:00	1,660	1,680	1,315	1,981	2,197	1,746	2,042	2,296	3,035
			9:30	1,821	1,789	1,359	2,095	2,272	1,953	2,276	2,575	3,580
			10:00	1,680	1,495	1,284	1,903	2,031	1,815	2,044	2,308	3,321
			10:30	1,656	1,521	1,236	1,871	2,005	1,752	2,047	2,295	3,356
			11:00	1,569	1,508	1,194	1,851	1,923	1,690	1,988	2,298	3,197
			11:30	1,530	1,446	1,209	1,751	1,800	1,609	2,009	2,134	3,197
			12:00	1,569	1,467	1,246	1,757	1,855	1,595	1,917	2,040	2,835
			12:30	1,572	1,406	1,186	1,880	1,785	1,617	1,845	2,076	2,871
			13:00	1,487	1,328	1,145	1,744	1,701	1,489	1,938	2,103	2,908
			13:30	1,526	1,342	1,155	1,741	1,715	1,537	1,900	2,188	2,914
			14:00	1,409	1,239	1,081	1,693	1,598	1,392	1,735	2,055	2,727
			14:30	1,455	1,322	1,086	1,693	1,599	1,419	1,670	2,057	2,598
			15:00	1,399	1,247	1,066	1,673	1,641	1,437	1,739	2,038	2,611
			15:30	1,490	1,348	1,182	1,791	1,660	1,416	1,812	2,135	2,650
			16:00	1,516	1,351	1,231	1,889	1,790	1,477	1,948	2,256	2,798
			16:30	1,481	1,404	1,331	1,895	1,787	1,477	1,999	2,354	3,014
			17:00	428	397	392	563	493	392	557	751	979
			Total Calls	25,248	23,290	19,698	29,771	29,852	25,813	31,466	35,959	48,591
	Outbound	# Outbound Calls	2,825	2,220	2,116	3,158	1,906	1,504	2,209	2,529	2,420	
	Ferry	Inbound Call Interval Data	6:00	52	13	34	17	14	2	4	3	11
			6:30	35	17	36	16	15	4	3	8	5
			7:00	81	24	54	30	16	9	8	9	15
			7:30	95	34	68	57	25	12	15	20	32
			8:00	128	44	137	90	49	17	19	14	30
			8:30	193	61	167	114	38	33	24	13	46
			9:00	182	61	182	131	40	27	26	61	48
			9:30	198	75	190	130	51	20	23	23	58
			10:00	188	74	193	139	55	30	27	27	77
			10:30	188	52	184	116	43	30	19	32	58
			11:00	170	56	149	97	52	27	13	22	121
			11:30	176	61	167	91	22	18	27	33	56
			12:00	136	52	144	90	45	11	19	25	49
			12:30	128	51	164	114	45	16	21	46	51
			13:00	116	49	172	72	35	19	26	25	52
			13:30	119	42	129	104	42	23	22	32	31
14:00			125	44	139	93	30	11	21	32	50	
14:30			126	38	126	82	22	22	16	31	53	
15:00			103	38	132	74	30	15	18	32	46	
15:30			110	45	130	71	25	21	18	37	53	
16:00			110	32	125	81	25	23	22	42	47	
16:30			113	39	133	68	29	12	19	50	46	
17:00			117	45	106	94	32	9	10	53	57	
17:30			112	18	91	72	24	11	8	13	41	
18:00			21	5	9	6	4	-	1	1	4	
TOTAL		3,122	1,070	3,098	2,049	808	422	429	684	1,137		
Outbound	# Outbound Calls	2,357	927	2,554	2,048	1,282	1,180	1,503	1,615	1,929		
Email	Web "Contact Us" Link	New Emails	2,737	1,988	1,296	2,237	2,260	3,007	3,097	2,808	3,731	
	ncquickpass@ncdot.gov	New Emails	466	320	453	781	678	711	971	771	818	
Store-front/Walk-in Center	Customers by Hour	9:00	168	108	96	147	155	115	128	134	168	
		10:00	192	152	140	190	170	119	138	164	236	
		11:00	194	169	118	173	164	136	152	163	233	
		12:00	185	157	137	169	153	139	167	177	210	
		13:00	180	167	106	156	188	127	158	188	222	
		14:00	172	126	97	125	137	126	136	185	196	
		15:00	162	109	104	129	137	85	117	137	176	
		16:00	148	95	99	107	122	79	98	120	123	
		TOTAL	1,401	1,083	897	1,196	1,226	926	1,094	1,268	1,564	
		TOTAL (30 Day Average)	62	44	41	41	45	45	39	52	60	
		TOTAL (90 Day Average)	62	56	49	42	43	44	43	44	52	

# Appendix D

## NC Quick Pass Business Policies (Draft)



## Business Policies

**DRAFT**

Version 5.0

March 1, 2019



**SUBJECT TO REVIEW AND REVISION BY NCTA, OTHER GOVERNMENT AGENCIES, AND LEGAL COUNSEL**



## DOCUMENT REVISION HISTORY

Version	Date	Modification	Author
1.0	October 2008	Original – Utilized for TCS RFP	NCTA / HNTB / PBS&J
1.1	February 2014	Addition of Reciprocity / Reconciliation Process	NCTA / AECOM
2.0	November 2016	Updated and Verified, Reformatted	NCTA / RS&H / HNTB
2.1	March 2017	Add Exempt Vehicle Business Rules	NCTA / Atkins / HNTB
2.2	July 2017	Add new account and transponder types, policies for HOV declaration and Express Lanes and revised document organization	NCTA / Atkins / HNTB
3.0	September 2017	Merged and formatted document	HNTB
3.1	November 2017	Comments from Tim Morrison, Kristen Pearce, Joe Donahue, Kathryn Lorbacher, Christine O'Loughlin, Seth Fisher and Warren Cooksey have been considered and as applicable have been incorporated.	Atkins / HNTB / NCTA / RS&H
4.0	April 2018	Updates made to NC Quick Pass Account Types and Plans, additional edits to HOV Declarations and Express Lanes, as well as the inclusion of various updates to NCTA policies.	Atkins
5.0	March 1, 2019	Complete revision and rewrite of the NC Quick Pass CSC Business Policies document.	NCTA / RS&H



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## I. Introduction

This document contains the business policies by which the North Carolina Turnpike Authority (NCTA) operates its NC Quick Pass® toll collection program.

This document is supplemented by the following four (4) appendices:

- Appendix A contains definitions, acronyms and abbreviations used within this document.
- Appendix B contains a description of all accounts, plans and transponders supported by NC Quick Pass.
- Appendix C contains the North Carolina toll legislation upon which these policies are based.
- Appendix D contains the Business Policy Modification Form.

## II. North Carolina Turnpike Authority Overview

NCTA, a business unit of the North Carolina Department of Transportation (NCDOT), was formed in 2002 by the North Carolina General Assembly. The mission of NCTA is to supplement the traditional non-toll transportation system by accelerating the delivery of roadway projects using alternative financing options and facilitating the development, delivery and operation of toll roads. NCTA is authorized to study, plan, develop, and undertake preliminary design work on Turnpike Projects.

NCTA's state-wide toll collection program consists of the following:

- **Toll Systems:** NCTA toll systems are comprehensive, All-Electronic Toll (AET) systems that allow motorists to drive through toll zones and pay their tolls without having to stop. When customers travel toll facilities operated by NCTA (referred to herein as "Turnpike Projects"), tolls are collected from customer accounts by reading a transponder mounted in the vehicle and/or by identifying the license plate number attached to the vehicle, and sending the vehicle's registered owner a bill in the mail (or email).
- **Customer Service Centers:** The NCTA currently operates three (3) Customer Service Centers, one each in Morrisville, Monroe and Charlotte. The main purpose of the Customer Service Center (CSC) is to provide a storefront in the vicinity of NCTA toll roads, where customers can sign up for a transponder account, pay invoices, or perform other NC Quick Pass business in person.

The Morrisville Customer Service Center, which serves the Raleigh/Durham region, is located just south of the Raleigh/Durham International Airport and near the northern terminus of the Triangle Expressway. The activities outlined below take place at the NC Quick Pass Operations Center, which is co-located with the Morrisville Customer Service Center facility:

- Customer account creation and closure, management and maintenance
- Toll transaction processing (e.g. transponder-based, image-based and interoperable transactions)
- NC Quick Pass Transponder inventory management, assignment, distribution and maintenance



- Account conversion management
- Data exchange interface management
- Customer account statement creation
- Bill by Mail and Bill by Email invoice creation
- Mail processing
- Payment processing, financial reconciliation and revenue tracking
- Interoperability support
- Customer service, and self-service channels management and support (e.g. Interactive Voice Recognition (IVR), website email, text message and mobile device applications)
- Call center operations support
- Walk-in center customer service (e.g. dispute resolution, account payments and replenishments)

The NC Quick Pass Operations Center also provides office space for the Customer Service Operations Contractor management team, NCTA's Customer Service and Back-Office System staff and consultant staff.

- **Toll Roads:** With the exception of toll roads operated by a private developer in conjunction with the NCDOT, NCTA is responsible for the operation of all Turnpike Projects throughout North Carolina.

- **Triangle Expressway**

NCTA's first toll road, the Triangle Expressway is an 18.8-mile toll road that extends the partially complete "outer loop" around the greater Raleigh area from I-40 to the N.C. 55 Bypass. The Triangle Expressway is an AET toll road with 11 interchanges and 16 toll zones (4 mainline toll zones and 12 ramp toll zones).

The Triangle Expressway currently has two sections: Toll N.C. 147 and Toll N.C. 540.

- Toll N.C. 147: 3.4 miles long between I-40 and Toll N.C. 540.
- Toll N.C. 540: 15.4 miles long between N.C. 54 in western Cary and the N.C. 55 Bypass near Holly Springs.

- **Monroe Expressway**

The Monroe Expressway is a 20-mile long toll road located southeast of Charlotte, and is an alternative route to the U.S. 74 corridor, extending from Stallings to Marshville in Union County.

The Monroe Expressway, which opened to traffic in November 2018, is an AET toll road with 7 mainline toll zones.

- **I-77 Express Lanes**

The I-77 Express Lanes will be 26-miles of tolled Express Lanes on I-77 that, once complete, will provide more reliable travel times into downtown Charlotte, NC from the Brookshire Freeway (Exit 11) in Mecklenburg County to N.C. 150 (Exit 36) in Iredell County.



The I-77 Express Lanes, AET toll lanes, are projected to open by summer 2019 with dynamically-priced toll rates. High-Occupancy Vehicles (HOV) that have an active HOV declaration will travel for free, and single occupant vehicles can choose to use the Express Lanes by paying a toll that varies with the level of traffic congestion.

Because the I-77 Express Lanes were developed under a public-private partnership, a concessionaire operates the roadside toll collection system, and NCTA is responsible for the management of the transponder program and back office processing of the I-77 Express Lanes transactions.

- **Toll Interoperability:** NC Quick Pass is interoperable with toll programs in Florida (SunPass®, E-Pass and LeeWay), Georgia (Peach Pass®) and the Northeastern U.S. (E-ZPass®), collectively referred to as the “Interoperable Agencies.”
- **Toll-Free Passage:** Toll-free passage is allowed per North Carolina general statutes and project-specific operating agreements regarding first responders and HOV travel.

### III. Customer Service Center Overview

The NC Quick Pass CSC is made up of the following two distinct entities:

- 1) The Back Office System (BOS) is developed, provided and managed by a third-party systems vendor. The BOS is responsible for managing all the North Carolina toll collection system functionality, and serves as an Electronic Toll Collection (ETC) clearing house for all toll transactions produced in the State. The BOS provides functionality for:
  - Processing of all lane transactions (ETC, image-based and interoperable (IOP))
  - Account management
  - Customer service and customer interaction (website, IVR, email, text message, etc.)
  - Financial transactions and account replenishment
  - Financial and lane transaction reconciliations
  - Image review
  - Revenue management
  - Reporting
- 2) The CSC Operations Staff is provided by a separate, third-party operations vendor that specializes in customer service support. CSC Operations Staff serve the CSC located in Morrisville, NC, Monroe, NC and Charlotte, NC. The CSC Operations Staff provide full-scale back office service support for NCTA's tolling program, including but not limited to:
  - Operations staffing and staff management
  - Call center operations support
  - Walk-in center staffing and operations including payment processing
  - Account management support
  - Bill by Mail invoicing



- NC Quick Pass Transponder distribution
- Image review
- Financial management and reconciliation services

The CSC operator complies with Payment Card Industry Data Security Standards (PCI DSS) as a Level 1 Merchant.



## IV. Customer Service Center Business Policies

NC Quick Pass will comply with and support the following business policies.

### Policy 1: NC Quick Pass Account Types

NC Quick Pass supports the following types of accounts:

#### Policy 1.1: NC Quick Pass Transponder Accounts

Policy 1.1.1: NC Quick Pass Transponder Accounts utilize transponders to pay tolls.

Policy 1.1.2: Customers must purchase or obtain a separate NC Quick Pass Transponder for each vehicle they add to their account.

Policy 1.1.3: The number of vehicles assigned to an NC Quick Pass Transponder Account cannot exceed the number of transponders assigned to the account.

Policy 1.1.4: NC Quick Pass Transponder Accounts are for individuals, businesses and government agencies that have provided NC Quick Pass with contact information (i.e. registered).

Policy 1.1.5: Vehicles associated with an NC Quick Pass Transponder Account in good financial standing, with a properly mounted, valid transponder will receive the lowest toll rate on all North Carolina Turnpike Projects.

Policy 1.1.6: NC Quick Pass Transponder Accounts can be prepaid or postpaid.

#### Policy 1.2: NC Quick Pass Registered Video Accounts

Policy 1.2.1: NC Quick Pass Registered Video Accounts utilize vehicle license plate images to pay tolls.

Policy 1.2.2: NC Quick Pass Registered Video Accounts are for individuals, businesses and government agencies that have provided NC Quick Pass with contact information (i.e. registered).

Policy 1.2.3: NC Quick Pass Registered Video Accounts are prepaid.

Policy 1.2.4: NC Quick Pass Registered Video Accounts require the approval of an NC Quick Pass Representative prior to being established.

#### Policy 1.3: Bill by Mail

Policy 1.3.1: The Bill by Mail Program utilizes vehicle license plate images to invoice customers for their toll usage.

Policy 1.3.2: Bill by Mail is for individuals that do not have a transponder, and who have not provided NC Quick Pass with contact information prior to travel on a North Carolina Turnpike Project.

Policy 1.3.3: Bill by Mail is postpaid.





## Policy 2: NC Quick Pass Transponder Accounts and Plans

Refer to this section for policies associated with NC Quick Pass Transponder Accounts.

When signing up for an NC Quick Pass Transponder Account, customers must choose one of the following account types: Personal, Business or HOV.

**Note:** Refer to Appendix B for an illustration of the type of accounts, the type of plans that can be assigned to the various accounts, and the transponders available with NC Quick Pass.

### Policy 2.1: Personal Accounts

Policy 2.1.1: Personal Accounts are for customers that want to register five (5) or less vehicles on their account.

Policy 2.1.2: In addition to the account owner, Personal Accounts allow for an additional contact person to have access to the account, but an additional contact can only be added with the approval of the account owner.

Policy 2.1.3: NC Quick Pass may terminate a Personal Account at any time due to non-compliance or misuse of the account.

#### Policy 2.1.4: Standard Plan

Policy 2.1.4.1: Standard Plans are prepaid.

Policy 2.1.4.2: The Standard Plan supports the following transponder types:

- NC Quick Pass Sticker (interior and exterior)
- NC Quick Pass E-ZPass (interior and exterior)
- NC Quick Pass E-ZPass Flex

#### Policy 2.1.5: Motorcycle Plan

Policy 2.1.5.1: Motorcycle Plans are prepaid.

Policy 2.1.5.2: The Motorcycle Plan supports the following transponder types:

- NC Quick Pass Sticker (exterior)
- NC Quick Pass E-ZPass (exterior)

Policy 2.1.5.3: Only motorcycle customers registered with the NC Quick Pass Motorcycle Plan, and equipped with either an NC Quick Pass Exterior Sticker Transponder or an NC Quick Pass Exterior E-ZPass Transponder will receive toll-free passage on the I-77 Express Lanes.

Policy 2.1.5.4: Aside from the I-77 Express Lanes, vehicles enrolled in the NC Quick Pass Motorcycle Plan will not receive toll-free passage on North Carolina Turnpike Projects.

### Policy 2.2: Business Accounts

Policy 2.2.1: Business Accounts are for customers that want to register more than five (5) vehicles on their account.



Policy 2.2.2: Business Accounts require two (2) contact persons to be registered on the account.

Policy 2.2.3: NC Quick Pass may terminate a Business Account at any time due to non-compliance or misuse of the account.

Policy 2.2.4: Standard Plan

Policy 2.2.4.1: Standard plans are prepaid.

Policy 2.2.4.2: The Standard Plan supports the following transponder types:

- NC Quick Pass Sticker (interior and exterior)
- NC Quick Pass E-ZPass (interior and exterior)
- NC Quick Pass E-ZPass Flex

Policy 2.2.5: Government Plan

Policy 2.2.5.1: Government plans are postpaid.

Policy 2.2.5.2: The Government Plan supports the following transponder types:

- NC Quick Pass Sticker (interior and exterior)

Policy 2.2.5.3: A Government Plan can only be assigned to a Business Account.

Policy 2.2.5.4: The Government Plan's postpaid billing only applies to travel on North Carolina Turnpike Projects.

Policy 2.2.5.5: A Government Plan must be approved by an NC Quick Pass Representative prior to being established.

Policy 2.2.5.6: NC Quick Pass will automatically invoice agencies with a Government Plan on a monthly basis.

Policy 2.2.5.7: Governmental agencies with this plan type will have thirty (30) days to pay their invoice.

Policy 2.2.5.8: Unpaid invoices from governmental agencies do not follow NC Quick Pass's Bill by Mail escalation process, and they will be escalated operationally through NC Quick Pass if necessary to collect the tolls due.



#### Policy 2.2.6: Transit Plan

- Policy 2.2.6.1: Transit plans are postpaid.
- Policy 2.2.6.2: The Transit Plan supports the following transponder types:
- NC Quick Pass Transit Sticker
  - NC Quick Pass Sticker (interior and exterior)
- Policy 2.2.6.3: A Transit Plan can only be assigned to a Business Account.
- Policy 2.2.6.4: A Transit Plan allows transit agencies to post-pay for toll road use.
- Policy 2.2.6.5: The Transit Plan's postpaid billing only applies to travel on North Carolina Turnpike Projects.
- Policy 2.2.6.6: A Transit Plan must be approved by an NC Quick Pass Representative prior to being established.
- Policy 2.2.6.7: NC Quick Pass will automatically invoice agencies with a Transit Plan on a monthly basis.
- Policy 2.2.6.8: Transit agencies with this plan type will have thirty (30) days to pay their invoice.
- Policy 2.2.6.9: Unpaid invoices from transit agencies do not follow NC Quick Pass' Bill by Mail escalation process, and they will be escalated operationally through NC Quick Pass if necessary to collect the tolls due.
- Policy 2.2.6.10: A vehicle associated with a Transit Plan equipped with a valid transponder is only eligible for toll-free passage on the I-77 Express Lanes.
- Policy 2.2.6.11: Aside from the I-77 Express Lanes, vehicles assigned to a Transit Plan will not receive toll-free passage on North Carolina Turnpike Projects.

#### Policy 2.2.7: First Responder Plan

- Policy 2.2.7.1: First Responder Plans are non-revenue.
- Policy 2.2.7.2: The First Responder Plan supports the following transponder types:
- NC Quick Pass First Responder Sticker
  - NC Quick Pass Sticker (interior and exterior)
- Policy 2.2.7.3: A First Responder Plan can only be assigned to a Business Account.
- Policy 2.2.7.4: Any organization that wants to open a Business Account with a First Responder Plan, and obtain NC Quick Pass First Responder Transponders for their vehicles to utilize North Carolina toll roads toll-free when responding to emergency situations will be required to:
- Submit a First Responder application for review and approval by NC Quick Pass
  - Provide proof the organization's headquarters (e.g. police/fire station, hospital, etc.) is located within ten (10) miles of a Turnpike



### Project

**Note:** If the organization is not within ten (10) miles of a Turnpike Project, NC Quick Pass may reject the organization's application, and require that the organization submit an Affidavit of Non-Liability for any toll transactions incurred on a Turnpike Project while responding to an emergency.

- Policy 2.2.7.5: All vehicles listed under the First Responder Plan must be an eligible law enforcement, emergency fire rescue, or emergency medical services vehicle, as specified by North Carolina General Statutes §136-89.211(2), and must be officially registered to the first responder's organization applying for the First Responder Plan.
- Policy 2.2.7.6: NC Quick Pass may request vehicle registration information for any vehicle assigned to a First Responder Plan from the organization applying for the First Responder Plan.
- Policy 2.2.7.7: Any vehicle not officially registered to the first responder's organization will not be entitled to a First Responder Transponder, and NC Quick Pass may charge the organization for any tolls incurred by these unauthorized vehicles.
- Policy 2.2.7.8: NC Quick Pass Business Accounts with a First Responder Plan must be approved by an NC Quick Pass Representative prior to being established.
- Policy 2.2.7.9: A vehicle associated with a First Responder Plan equipped with a valid transponder is eligible for toll-free passage on all North Carolina toll roads.
- Policy 2.2.7.10: The First Responder Plan does not allow for travel on interoperable toll roads either paid or toll-free.
- Policy 2.2.7.11: Unauthorized use of a First Responder Transponder may subject the account to suspension or permanent closure by NC Quick Pass.



## Policy 2.3: HOV Accounts

Policy 2.3.1: HOV Accounts are for customers that travel exclusively on the I-77 Express Lanes while meeting the occupancy requirements, as posted prior to the entrance to the I-77 Express Lanes, to qualify for exempt transactions.

Policy 2.3.2: HOV Accounts do not require a pre-payment to open the account, or an account balance to use the account.

Policy 2.3.3: Customers must obtain an NC Quick Pass Transponder for this account type.

Policy 2.3.4: An HOV Account can only be assigned one (1) transponder.

Policy 2.3.5: To qualify for exempt transactions, an HOV Account holder must declare their HOV status before they travel on the I-77 Express Lanes using the NC Quick Pass HOV Declaration Application.

Policy 2.3.6: In addition to the account owner, HOV Accounts allow for an additional contact person to have access to the account, but an additional contact can only be added with the approval of the account owner.

Policy 2.3.7: NC Quick Pass may terminate an account at any time due to non-compliance or misuse of the account.

### Policy 2.3.8: HOV Only Plan

Policy 2.3.8.1: The HOV Only Plan supports the following transponder types:

- NC Quick Pass Sticker (interior and exterior)

Policy 2.3.8.2: An HOV Only Plan can only be assigned to an HOV Account.

Policy 2.3.8.3: Customers with this plan do not have to prepay their tolls; however, if a customer with this plan travels on any North Carolina Turnpike Project other than the I-77 Express Lanes and the customer's transponder is read, the customer will receive a bill in the mail, and the transactions will be billed at the Bill by Mail toll rate.



## Policy 3: NC Quick Pass Transponders

### Policy 3.1: NC Quick Pass Transponder Basics

Policy 3.1.1: NC Quick Pass offers customers seven (7) different transponder options. Refer to the tables below for more information on the transponder options.

**Note:** Interior Transponders are installed inside of a vehicle (e.g. on the windshield), and Exterior Transponders are installed on the outside of a vehicle (e.g. bumper or headlamp).

Policy 3.1.2: A transponder cannot be active on more than one (1) NC Quick Pass Transponder Account at one time.

### Policy 3.2: Personal Account Transponder Options

Policy 3.2.1: An NC Quick Pass Personal Account with a Standard Plan has the following transponder options:




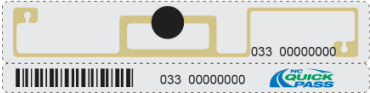

Standard Plan			
Transponder Name	Description	Transponder Picture	Sales Price
NC Quick Pass	Interior Sticker		\$0.00 (Free)
NC Quick Pass E-ZPass	Interior Hard Case		\$7.40 + tax
NC Quick Pass E-ZPass Flex	Interior Hard Case – HOV Declarable (Switchable)		\$16.49 + tax
NC Quick Pass (exterior)	Exterior Headlamp Sticker		\$0.00 (Free)
NC Quick Pass E-ZPass (exterior)	Exterior Hard Case		\$13.49 + tax

Table 1: NC Quick Pass Personal Account - Standard Plan Transponder Options



Policy 3.2.2: An NC Quick Pass Personal Account with a Motorcycle Plan has the following transponder options:

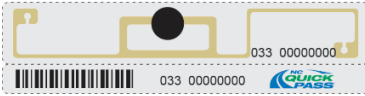

Motorcycle Plan			
Transponder Name	Description	Transponder Picture	Sales Price
NC Quick Pass (exterior)	Exterior Headlamp Sticker		\$0.00 (Free)
NC Quick Pass E-ZPass (exterior)	Exterior Hard Case		\$13.49 + tax

Table 2: NC Quick Pass Personal Account - Motorcycle Plan Transponder Options

### Policy 3.3: Business Account Transponder Options

Policy 3.3.1: An NC Quick Pass Business Account with a Standard Plan has the following transponder options:




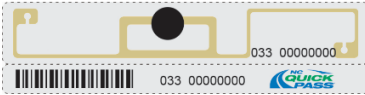

Standard Plan			
Transponder Name	Description	Transponder Picture	Sales Price
NC Quick Pass	Interior Sticker		\$0.00 (Free)
NC Quick Pass E-ZPass	Interior Hard Case		\$7.40 + tax
NC Quick Pass E-ZPass Flex	Interior Hard Case – HOV Declarable (Switchable)		\$16.49 + tax
NC Quick Pass (exterior)	Exterior Headlamp Sticker		\$0.00 (Free)
NC Quick Pass E-ZPass (exterior)	Exterior Hard Case		\$13.49 + tax

Table 3: NC Quick Pass Business Account - Standard Plan Transponder Options



Policy 3.3.2: An NC Quick Pass Business Account with a Government Plan has the following transponder options:


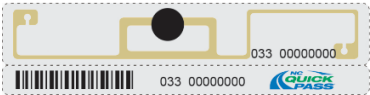
Government Plan			
Transponder Name	Description	Transponder Picture	Sales Price
NC Quick Pass	Interior Sticker		\$0.00 (Free)
NC Quick Pass (exterior)	Exterior Headlamp Sticker		\$0.00 (Free)

Table 4: NC Quick Pass Business Account - Government Plan Transponder Options

Policy 3.3.3: An NC Quick Pass Business Account with a Transit Plan has the following transponder options:


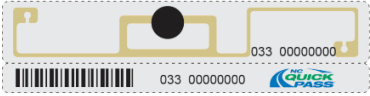

Transit Plan			
Transponder Name	Description	Transponder Picture	Sales Price
NC Quick Pass	Interior Sticker		\$0.00 (Free)
NC Quick Pass (exterior)	Exterior Headlamp Sticker		\$0.00 (Free)
NC Quick Pass Transit	Interior Sticker		\$0.00 (Free)

Table 5: NC Quick Pass Business Account - Transit Plan Transponder Options





Policy 3.3.4: An NC Quick Pass Business Account with a First Responder Plan has the following transponder options:


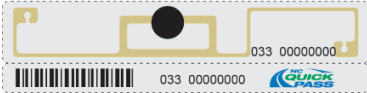

First Responder Plan			
Transponder Name	Description	Transponder Picture	Sales Price
NC Quick Pass	Interior Sticker		\$0.00 (Free)
NC Quick Pass (exterior)	Exterior Headlamp Sticker		\$0.00 (Free)
NC Quick Pass First Responder	Interior Sticker		\$0.00 (Free)

Table 6: NC Quick Pass Business Account - First Responder Plan Transponder Options

### Policy 3.4: HOV Account Transponder Options

Policy 3.4.1: An NC Quick Pass HOV Account with an HOV Only Plan has the following transponder options:


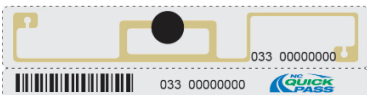
HOV Only Plan			
Transponder Name	Description	Transponder Picture	Sales Price
NC Quick Pass	Interior Sticker		\$0.00 (Free)
NC Quick Pass (exterior)	Headlamp Sticker		\$0.00 (Free)

Table 7: NC Quick Pass HOV Account - HOV Only Plan Transponder Options



### **Policy 3.5: Transponder Cost**

Policy 3.5.1: NC Quick Pass customers are required to purchase transponders at a cost established by NC Quick Pass plus the applicable state and county sales tax.

Policy 3.5.2: Government agencies may be required to purchase transponders at a cost established by NC Quick Pass. Sales taxes will be waived for governmental agencies upon presentation of a sales tax exemption certificate. This certificate should be included with the application.

Policy 3.5.3: NC Quick Pass, at its discretion, may issue certain transponders at no cost to the customer.

Policy 3.5.4: NC Quick Pass reserves the right to waive or discount the transponder purchase cost for promotional or other operational purposes.

Policy 3.5.5: Individual transponder purchases are not eligible for discounts, and the purchase of multiple transponders does not qualify a customer for a discount.

Policy 3.5.6: Upon the completion of a sale, the transponder becomes the property of the customer.

### **Policy 3.6: Lost or Stolen Transponders**

Policy 3.6.1: NC Quick Pass customers may report a transponder lost or stolen via the following NC Quick Pass customer communication channels:

- NC Quick Pass website
- Email
- Mail
- Fax
- NC Quick Pass CSC (calling or visiting a walk-in center)

Policy 3.6.2: Once a transponder is reported lost or stolen, NC Quick Pass will immediately deactivate the transponder.

Policy 3.6.3: Should a customer locate a transponder they had previously reported as lost or stolen, they can contact an NC Quick Pass CSC and have the transponder re-activated.

Policy 3.6.4: Customers are responsible for all toll transactions that occurred prior to their notification to NC Quick Pass of a lost or stolen transponder.

Policy 3.6.5: Customers may be required to purchase a replacement transponder for a lost or stolen transponder. The replacement cost will be the cost of the transponder plus the applicable state and county sales tax at the time of replacement. If a transponder was provided to a customer at no cost, NC Quick Pass may, at its discretion, require the customer to pay a replacement cost plus applicable state and county sales tax for the same transponder type that was lost or stolen.



### **Policy 3.7: Transponder Warranty**

Policy 3.7.1: NC Quick Pass Sticker Transponders do not carry any warranty period.

Policy 3.7.2: New NC Quick Pass Transponders with a hard, plastic case carry a two-year warranty from the date of customer purchase (i.e. warranty period). If this type of transponder malfunctions within the two-year warranty period, it may be returned to an NC Quick Pass CSC.

Policy 3.7.3: Damaged transponders are not covered under warranty period.

Policy 3.7.4: NC Quick Pass is not responsible for transponder malfunction related to damage caused by a customer. Damage is defined as: The rendering of the transponder defective or inoperable due to tampering, improper use, defacement, or accidental destruction by a customer. For example, removing a Sticker Transponder after it has been affixed to a windshield or headlamp is considered customer-related damage.

Policy 3.7.5: NC Quick Pass Customers will be responsible for replacement costs related to damaged transponders, including the cost of the new, replacement transponder plus the applicable state and county sales tax.

#### **Policy 3.7.6: Hard Case Transponder Malfunction**

Policy 3.7.6.1: If the transponder malfunctions during the two-year warranty period, and the damage is not the result of customer-caused damage, NC Quick Pass will issue a replacement transponder at no charge.

Policy 3.7.6.2: If the transponder malfunctions beyond the two-year warranty period, the customer will be responsible for purchasing a replacement transponder, including the cost of the new, replacement transponder plus the applicable state and county sales tax.

### **Policy 3.8: Transponder Return and Exchange**

Policy 3.8.1: Any purchased transponder may be returned to an NC Quick Pass CSC in person or via mail within ten (10) business days of the date of purchase for a full refund.

Policy 3.8.2: For a transponder delivered via US mail, a customer has ten (10) business days from the postmark of the transponder kit they received in the mail to return the transponder.

Policy 3.8.3: If a customer returns a transponder via mail, the postmark date on the return package must be within ten (10) business days from either:

Policy 3.8.3.1: The date of purchase if the transponder was purchased in person at an NC Quick Pass CSC, or

Policy 3.8.3.2: The postmark date on the transponder kit the customer received in the mail if the transponder was purchased online or by phone.

Policy 3.8.4: NC Quick Pass reserves the right to approve returns or exchanges beyond the ten (10) day time period.



- Policy 3.8.5: All customers must provide a proof of purchase (e.g. transponder purchase receipt) when returning a transponder. Customers returning a transponder via mail must include a proof of purchase, as well as a written return request that includes the customer's NC Quick Pass Account number.
- Policy 3.8.6: Returned transponders must be in the same condition (e.g. undamaged) as when they were purchased. For example, Interior Sticker Transponders that have been affixed to a customer's windshield will be damaged upon removal, and will not qualify for an exchange, replacement or a refund (if purchased).
- Policy 3.8.7: Any refunds related to transponder return will be issued as a credit to a customer's NC Quick Pass Account. If a customer's NC Quick Pass Account is closed when a transponder is returned, NC Quick Pass will send the customer a refund check by mail.
- Policy 3.8.8: Any credit to a customer will be issued by NC Quick Pass. Any additional payment required of the customer, resulting from a transponder exchange, will be due at the time of the exchange.



## **Policy 4: NC Quick Pass Transponder Account Establishment and Opening**

### **Policy 4.1: General Account Establishment Policies**

Policy 4.1.1: When establishing a new NC Quick Pass Transponder Account, the customer will be required to:

- Policy 4.1.1.1: Pay all unpaid tolls, fees and penalties (including any balances with a collection agency) associated with a Bill by Mail invoice
- Policy 4.1.1.2: Select an account type
- Policy 4.1.1.3: Pay the appropriate prepaid toll balance (if required)
- Policy 4.1.1.4: Purchase a transponder(s) (if necessary)
- Policy 4.1.1.5: Provide all required information and/or complete an application
- Policy 4.1.1.6: Agree to the NC Quick Pass terms and conditions

Policy 4.1.2: A customer with outstanding Bill by Mail invoices may open an NC Quick Pass Transponder Account if the license plate(s) registered on the new transponder account does not match the license plate(s) associated with the unpaid Bill by Mail invoice(s).

Policy 4.1.3: A customer is restricted from establishing a transponder account if a license plate, or identical address, is associated with an outstanding Bill by Mail invoice balance.

### **Policy 4.2: Personal Account**

#### **Policy 4.2.1: Standard Plan**

- Policy 4.2.1.1: Customers can open an NC Quick Pass Personal Account with a Standard Plan utilizing the following channels:
- Online via the NC Quick Pass website
  - In person at an NC Quick Pass CSC
  - Over the phone with an NC Quick Pass Customer Service Representative (CSR)
  - Mail
  - Fax

#### **Policy 4.2.2: Motorcycle Plan**

- Policy 4.2.2.1: Customers can open an NC Quick Pass Personal Account with a Motorcycle Plan utilizing the following channels:
- Online via the NC Quick Pass website



- In person at an NC Quick Pass CSC
- Over the phone with an NC Quick Pass CSR
- Mail
- Fax

### **Policy 4.3: Business Account**

#### **Policy 4.3.1: Standard Plan**

Policy 4.3.1.1: Customers can open an NC Quick Pass Business Account with a Standard Plan utilizing the following channels:

- Online via the NC Quick Pass website
- In person at an NC Quick Pass CSC
- Over the phone with an NC Quick Pass CSR
- Mail
- Fax

#### **Policy 4.3.2: Government Plan**

Policy 4.3.2.1: NC Quick Pass Business Accounts with a Government Plan must be approved by an NC Quick Pass Representative prior to being established.

Policy 4.3.2.2: Customers can open an NC Quick Pass Business Account with a Government Plan utilizing the following channels:

- In person at an NC Quick Pass CSC
- Over the phone with an NC Quick Pass CSR authorized to administer these account types

#### **Policy 4.3.3: Transit Plan**

Policy 4.3.3.1: NC Quick Pass Business Accounts with a Transit Plan must be approved by an NC Quick Pass Representative prior to being established.

Policy 4.3.3.2: Customers can open an NC Quick Pass Business Account with a Transit Plan utilizing the following channels:

- In person at an NC Quick Pass CSC
- Over the phone with an NC Quick Pass CSR authorized to administer these account types

#### **Policy 4.3.4: First Responder Plan**



Policy 4.3.4.1: NC Quick Pass Business Accounts with a First Responder Plan must be approved by an NC Quick Pass Representative prior to being established.

Policy 4.3.4.2: Customers can open an NC Quick Pass Business Account with a First Responder Plan utilizing the following channels:

- In person at an NC Quick Pass CSC
- Over the phone with an NC Quick Pass CSR authorized to administer these account types

## **Policy 4.4: HOV Account**

### **Policy 4.4.1: HOV Only Plan**

Policy 4.4.1.1: Customers can open an NC Quick Pass HOV Account with an HOV Only Plan utilizing the following channels:

- In person at an NC Quick Pass CSC
- Online via the NC Quick Pass website
- Over the phone with an NC Quick Pass CSR authorized to administer these account types
- Mail
- Fax



## Policy 5: NC Quick Pass Transponder Account Application and Agreement

### Policy 5.1: NC Quick Pass Transponder Application and Agreement

Policy 5.1.1: When establishing a transponder account via the NC Quick Pass website, a customer must complete the online application, and agree to the NC Quick Pass Terms and Conditions.

Policy 5.1.2: When establishing a transponder account in person at an NC Quick Pass CSC, through the mail, or via fax, a customer must fill out an NC Quick Pass Application, and agree to the NC Quick Pass Terms and Conditions.

Policy 5.1.3: When establishing a transponder account by phone, a CSR will complete the application for a customer to open an account, and the customer must provide verbal acceptance to the NC Quick Pass Terms and Conditions.

Policy 5.1.4: As stated on transponder packaging, a customer's use of an NC Quick Pass Transponder also constitutes acceptance of the NC Quick Pass Terms and Conditions.

Policy 5.1.5: To open an NC Quick Pass Transponder Account, a customer must provide the following information:

- Account owner's name
  - Secondary contact name (applies to Business Account only)
- Account owner's address
- Account owner's contact information (e.g. phone number)
- Username
- Password
- Email address
- Security question answer
- PIN
- Statement and customer correspondence delivery option
- License plate number for each vehicle registered on the account
- Vehicle information (e.g. year, model, number of axles) for each vehicle registered on the account
- Payment method (e.g. cash, check, money order, credit/debit card, etc.)

**Note:** Does not apply to postpaid Transit, Government or First Responder plans, and HOV Only plans.

- Replenishment method (e.g. automatic or manual replenishment)

**Note:** Does not apply to postpaid Transit, Government or First Responder





plans, and HOV Only plans.

- Agreement to/Acknowledgement of the NC Quick Pass Terms and Conditions

Policy 5.1.6: A customer's signature will be required to accept and process an application. The signature can be either physical, electronic or recorded verbally.

Policy 5.1.7: NC Quick Pass will not process incomplete applications.



## **Policy 6: NC Quick Pass Transponder Account Opening Account Balance (Prepaid Tolls)**

### **Policy 6.1: Personal Accounts**

#### **Policy 6.1.1: Standard Plan**

Policy 6.1.1.1: The opening account balance amount is \$20.00 total for the first two (2) transponders added to the account, and \$10.00 for each additional transponder.

#### **Policy 6.1.2: Motorcycle Plan**

Policy 6.1.2.1: The opening account balance amount is \$20.00 total for the first two (2) transponders added to the account, and \$10.00 for each additional transponder.

### **Policy 6.2: Business Accounts**

#### **Policy 6.2.1: Standard Plan**

Policy 6.2.1.1: The opening account balance is \$20.00 for each transponder added to the account.

#### **Policy 6.2.2: Government Plan**

Policy 6.2.2.1: Business Accounts with a Government Plan are postpaid, and do not require an opening account balance.

#### **Policy 6.2.3: Transit Plan**

Policy 6.2.3.1: Business Accounts with a Transit Plan are postpaid, and do not require an opening account balance.

#### **Policy 6.2.4: First Responder Plan**

Policy 6.2.4.1: Business Accounts with a First Responder Plan do not require an opening account balance.

### **Policy 6.3: HOV Accounts**

#### **Policy 6.3.1: HOV Only Plan**

Policy 6.3.1.1: HOV Accounts with an HOV Only Plan do not require an opening balance.



## **Policy 7: Payment Methods and Channels for NC Quick Pass Transponder Accounts**

The following section applies to all NC Quick Pass Transponder Accounts.

### **Policy 7.1: NC Quick Pass Payment Types**

Policy 7.1.1: NC Quick Pass accepts the following payment types for NC Quick Pass Accounts:

- Credit card
- Debit card
- Money order
- Cashier's check
- Personal check
- Cash

### **Policy 7.2: Credit and Debit Card**

Policy 7.2.1: The following credit and debit card types are accepted:

- Visa
- Master Card
- American Express
- Discover

Policy 7.2.2: When using a credit or debit card as a payment method, customers will be required to provide a valid credit card number, expiration date and three digit security code.

Policy 7.2.3: The same credit / debit card can be used for multiple accounts.

Policy 7.2.4: Credit Card Expiration Updates

Policy 7.2.4.1: It is the customer's responsibility to keep the payment method associated with their account up to date and valid.

Policy 7.2.4.2: When updated credit card expiration information is available, NC Quick Pass will automatically update credit card expiration dates on a monthly basis for all cards due to expire the subsequent month.

Policy 7.2.4.3: When updated credit card expiration information is not available, NC Quick Pass will notify customers that their credit card is set to expire, and will request updated information or a new credit card.

Policy 7.2.4.4: If a customer does not provide updated credit card expiration information, transactions will continue to post to the account until all funds on the account are depleted, and a negative balance is reached.

**Policy 7.3: Money Order**

Policy 7.3.1: Money orders must be made out to NC Quick Pass.

**Policy 7.4: Cashier's check**

Policy 7.4.1: Cashier's checks must be made out to NC Quick Pass.

**Policy 7.5: Personal check**

Policy 7.5.1: Personal checks must be made out to the NC Quick Pass.

Policy 7.5.2: Personal checks must include the following:

- Mailing address
- Telephone number
- Driver's license number

**Policy 7.5.3: Returned Check Fee**

Policy 7.5.3.1: A Returned Check Fee of \$25.00 will be charged when a payment by check has been refused by a customer's bank.

Policy 7.5.3.2: A Returned Check Fee will be applied to a customer's account balance, and may result in a negative account balance.

Policy 7.5.3.3: NC Quick Pass will notify the customer of the Returned Check Fee for non-payment.

Policy 7.5.3.4: After two (2) Returned Check Fees within one year, NC Quick Pass will flag the account, and will not accept check payments for the account.



## Policy 7.6: Payment Channels

Policy 7.6.1: Customers are permitted to make payments via the various channels shown in the table below.

Channel	Credit / Debit Card	Money Order	Cashier's Check	Personal Check	Cash
NC Quick Pass Website	✓				
CSC Phone, Interactive Voice Response	✓				
CSC Phone, Customer Service Rep.	✓				
CSC	✓	✓	✓	✓	✓
Mail	✓	✓	✓	✓	
Fax	✓				

*Table 8: Payment Types by Payment Channels*



## **Policy 8: NC Quick Pass Transponder Account Replenishment and Balance Requirements**

The following section applies to all prepaid NC Quick Pass Account plans that require replenishment (Personal Account – Standard Plan, Personal Account – Motorcycle Plan, Business Account – Standard Plan).

### **Policy 8.1: NC Quick Pass Transponder Account Replenishment Options**

Policy 8.1.1: NC Quick Pass Transponder Accounts can be replenished either automatically or manually.

Policy 8.1.2: Upon account opening, the customer is required to choose between automatic and manual replenishment.

Policy 8.1.3: A customer may change between automatic and manual replenishment at their convenience.

Policy 8.1.4: Customers are responsible for monitoring and replenishing their NC Quick Pass Transponder Accounts to prevent them from going negative and being subject to additional fees and penalties.

#### **Policy 8.1.5: Automatic Account Replenishment**

Policy 8.1.5.1: A credit or debit card is required to auto-replenish an account.

Policy 8.1.5.2: Customers may provide a secondary credit or debit card number on their account to be used in the event their preferred card expires or is denied.

Policy 8.1.5.3: A customer's signature is required to accept and process automatic replenishment as a method of payment. The signature can be either physical, electronic or recorded verbally.

Policy 8.1.5.4: NC Quick Pass will automatically replenish an NC Quick Pass Transponder Account setup for automatic replenishment utilizing the credit or debit card on the account when the account balance reaches the Replenishment Threshold Amount, and notify the customer that the account has been replenished.

Policy 8.1.5.5: If automatic replenishment fails due to an expired credit or debit card, or the card on the account was denied on two consecutive days/attempts, NC Quick Pass will notify the customer. The account will then convert to manual replenishment status.

Policy 8.1.5.6: It is the customer's responsibility to keep the payment method associated with their account up to date and valid.

#### **Policy 8.1.6: Manual Account Replenishment**

Policy 8.1.6.1: It is the customer's responsibility to monitor and replenish the account



balance before the account goes negative.

Policy 8.1.6.2: When an account balance reaches the replenishment threshold amount, NC Quick Pass will automatically send the customer a Low Balance Notification to inform them that their account balance is low, and a payment is due to avoid additional fees and/or penalties.

Policy 8.1.6.3: A customer may make periodic manual payments as necessary.

## **Policy 8.2: Replenishment Amount**

Policy 8.2.1: The initial replenishment amount is determined by the account type, account plan, the number of transponders on the account, and/or the opening account balance.

### **Policy 8.2.2: Personal Accounts**

Policy 8.2.2.1: Standard Plan: The initial replenishment amount is \$20.00 total for the first two (2) transponders added to the account, and \$10.00 for each additional transponder.

Policy 8.2.2.2: Motorcycle Plan: The initial replenishment amount is \$20.00 total for the first two (2) transponders added to the account, and \$10.00 for each additional transponder.

### **Policy 8.2.3: Business Accounts**

Policy 8.2.3.1: Standard Plan: The initial replenishment amount is \$20.00 for each transponder added to the account.

## **Policy 8.3: Replenishment Amount Adjustments**

Policy 8.3.1: After the first thirty (30) days from the date of the account opening, the toll usage on the account will be evaluated, and the replenishment amount will be adjusted based on the customer's usage during the first thirty (30) days.

Policy 8.3.2: After the first thirty (30) day evaluation, the toll usage on the account will be evaluated every ninety (90) days to identify the average monthly toll usage during that period, and the replenishment amount will be adjusted accordingly.

Policy 8.3.3: A customer can request a lower replenishment amount by contacting an NC Quick Pass CSC. NC Quick Pass will continue to evaluate and adjust (if necessary) the replenishment amount on the account every ninety (90) days even if a customer has requested a lower replenishment amount.

Policy 8.3.4: When an account is setup to automatically replenish, NC Quick Pass will automatically replenish the account utilizing the credit or debit card on the account once the account threshold is reached.

Policy 8.3.5: NC Quick Pass will notify the customer when increasing or decreasing a replenishment amount.

## **Policy 8.4: Replenishment Threshold Amount**



Policy 8.4.1: The initial replenishment threshold amount is determined by the account type, account plan, and the replenishment amount.

Policy 8.4.2: The minimum replenishment threshold amount for any automatically replenished prepaid transponder-based account is 25% of the opening balance and/or replenishment amount (depending a customer's quarterly evaluation of toll usage and replenishment amount adjustment, if any), or \$10.00, whichever is greater.

**Policy 8.4.3: Initial Automatic Replenishment Threshold Amount**

Policy 8.4.3.1: Personal Account: The initial automatic replenishment threshold for a Personal Account with either the Standard or Motorcycle plan is 25% of the replenishment amount, or \$10.00, whichever is greater.

Policy 8.4.3.2: Business Account: The initial automatic replenishment threshold for a Business Account with the Standard plan is 25% of the replenishment amount, or \$10.00, whichever is greater.

**Policy 8.4.4: Initial Manual Replenishment Threshold Amount**

Policy 8.4.4.1: Personal Account: The initial manual replenishment threshold for a Personal Account with either the Standard or Motorcycle plan is 50% of the replenishment amount.

Policy 8.4.4.2: Business Account: The initial manual replenishment threshold for a Business Account with the Standard plan is 50% of the replenishment amount.

**Policy 8.5: Negative Account Balance**

Policy 8.5.1: When the account balance on a prepaid NC Quick Pass Transponder Account exceeds negative ten dollars (-\$10.00), the transponder(s) assigned to the account are placed in an "invalid" status, and the account is suspended.

Policy 8.5.2: Suspended NC Quick Pass Transponder Accounts are converted to Bill by Mail.

Policy 8.5.3: The first Bill by Mail invoice will include any new toll activity, and/or unpaid tolls and/or fees from the converted NC Quick Pass Transponder Account.

Policy 8.5.4: When the account balance on a postpaid NC Quick Pass Transponder Account exceeds negative ten dollars (-\$10.00), the transponder(s) will not be automatically placed in an "invalid" status, and the account will not be automatically suspended. However, NC Quick Pass will address any issues related to negative account balances with the owner of the account.

Policy 8.5.5: To reinstate a prepaid NC Quick Pass Account and transponder(s) to a valid status, the NC Quick Pass Transponder Account balance must be replenished to a level above the Replenishment Threshold.





## Policy 9: NC Quick Pass Transponder Account Statement Options

### Policy 9.1: Account Statement Options

Policy 9.1.1: Customers are offered the following monthly account statement delivery options:

- Policy 9.1.1.1: **Online Statements** – Statements are available at any time at no charge on the NC Quick Pass website. Customers can view statements online up to one (1) year from the statement generation date.
- Policy 9.1.1.2: **Monthly Electronic Statements** – Statements can be delivered via email at no cost.
- Policy 9.1.1.3: **Quarterly Mailed Statements** – Statements, for Personal and Business Accounts only, can be delivered via US Mail. A \$5.00 fee per statement is charged to the customer's account for this service.
- Policy 9.1.1.4: **Special Run Statements** – Special Run Statements are paper copies of statements generated manually pursuant to a customer request. Customers can request Special Run Statements by contacting an NC Quick Pass CSC. A \$5.00 fee per requested statement is charged to the customer's account for this service.



## **Policy 10: NC Quick Pass Transponder Account Customer Communications**

### **Policy 10.1: Customer Correspondence Filing**

Policy 10.1.1: Customer correspondence received at an NC Quick Pass CSC will be filed, indexed and retained based on North Carolina's Document Retention Schedule.



## **Policy 11: NC Quick Pass Transponder Account Maintenance**

### **Policy 11.1: Account Maintenance**

Policy 11.1.1: Customers are responsible for keeping their NC Quick Pass Transponder Account information up to date (i.e. notifying NC Quick Pass of any changes to their account information) via the website, phone or by visiting an NC Quick Pass CSC.

Policy 11.1.1.1: NC Quick Pass provides secure account access through the NC Quick Pass website.

Policy 11.1.1.2: NC Quick Pass supports customer account maintenance functions via the following methods:

- Walk-In (in person at an NC Quick Pass Customer Service Center)
- Phone (by calling an NC Quick Pass Customer Service Center)
- NC Quick Pass Website



## Policy 12: NC Quick Pass Transponder Account Fees and Penalties

### Policy 12.1: NC Quick Pass Transponder Account Fees and Penalties

Refer to the table below for more information on fees and penalties.

Policy 12.1.1: Fees can only be waived by authorized NC Quick Pass personnel.

Policy 12.1.2: The registered owner of a vehicle is responsible for paying any toll(s), applicable fee(s) and/or penalty(ies).

Fee	Fee Amount	Reason for Fee
Inactive Account Fee	\$1.00/Month	Charged per month after twenty four (24) consecutive months of no account activity (i.e. no toll transactions posting to an account)
Statement Fee - Quarterly	\$5.00/Statement	Request for paper statements to be generated and mailed quarterly
Statement Fee - Special Run	\$5.00/Request	One-time request for a paper statement to be generated and mailed to the customer
Returned Check Fee	\$25.00/Check	Insufficient funds, stop payment and closed account, etc.
Invoice Processing Fee	\$6.00 (maximum of \$48.00 for a twelve (12) month period for a registered owner)	Invoices unpaid after thirty (30) days from invoice date
Civil Penalty	\$25.00 (maximum of \$25.00 for a six (6) month period for a registered owner)	Invoices unpaid after sixty (60) days from invoice date
I-Toll Fee	\$5.00/Month	Minimum of ten (10) I-Toll transactions in a month, and 15% of those transactions are I-Tolls

Table 9: Policy 12: NC Quick Pass Transponder Account Fees and Penalties



## **Policy 13: NC Quick Pass Transponder Account Image Toll (I-Toll) Posting**

### **Policy 13.1: I-Toll Process**

Policy 13.1.1: If a transponder is not read as a vehicle passes through a toll point, the vehicle license plate is identified. Once the license plate number has been identified, the system attempts to post transactions associated with the license plate to an existing NC Quick Pass Transponder Account that is in a) good financial standing and b) in an "Open" or "Closed Pending" status. This process of posting transactions through a license plate matching process is known as I-Tolling or image tolling. This process of posting transactions through license plate matching is known as I-Tolling, or image tolling. This process can occur if a transponder cannot be read in the lane, or if a transponder is malfunctioning, improperly installed or a missing altogether.

Policy 13.1.2: This process applies to NC Quick Pass Transponder Accounts and away agency transponder accounts that are interoperable with NC Quick Pass.

### **Policy 13.2: I-Toll Toll Rates**

Policy 13.2.1: Transactions posted to NC Quick Pass Transponder Accounts through the I-Toll process are posted at the discounted NC Quick Pass toll rate.

### **Policy 13.3: I-Toll Fees**

Policy 13.3.1: If an NC Quick Pass Transponder Account has a minimum of ten (10) transactions in a month and 15% of those transactions are I-Tolls, the account will be charged a \$5.00 I-Toll Fee. The customer will be notified by NC Quick Pass requesting that they visit a CSC to determine if the customer's transponder is working and properly mounted on their vehicle.

Policy 13.3.2: For all NC Quick Pass Transponder Accounts, the I-Toll assessment and monthly look back occurs on the 15<sup>th</sup> of each month. The account must be at least sixty (60) days old at the time of the lookback.

Policy 13.3.3: The I-Toll fee may be waived if the transponder is found to be defective and the transponder is under warranty, and/or the toll zone malfunctioned.

Policy 13.3.4: Business Accounts (with a Government, Transit and First Responder Plan) and HOV Accounts are not subject to I-Toll fees. Should one of these account types experience a large number of I-Tolls posted to the account, NC Quick Pass will contact the account holder to understand the underlying cause (e.g. determine if the transponders registered to the account are defective).



## **Policy 14: Inactive NC Quick Pass Transponder Accounts**

### **Policy 14.1: Inactive NC Quick Pass Transponder Accounts**

Policy 14.1.1: Prepaid NC Quick Pass Transponder Accounts with no account activity (i.e. no toll transactions posting to an account) for twenty four (24) consecutive months are considered inactive.

Policy 14.1.2: An account deemed inactive will remain in an inactive status until a toll is posted to the account.

Policy 14.1.3: NC Quick Pass will notify customers whose accounts are deemed to be inactive.

Policy 14.1.4: If no toll transactions are posted to the account within thirty (30) days of the date of the notification of the inactive account status, a \$1.00 inactive account fee will be charged to the account.

Policy 14.1.5: Once an account with an inactive status reaches a balance of \$1.00 or less, NC Quick Pass will notify the customer. If the customer does not take any action to fund or close the account within thirty (30) days of the notification of the account reaching a balance of \$1.00 or less, NC Quick Pass will close the account.

Policy 14.1.6: Business Accounts (with a Government, Transit and First Responder Plan) and HOV Accounts are not subject to inactive fees.



## **Policy 15: Uncollectible NC Quick Pass Transponder Accounts**

### **Policy 15.1: Uncollectible Accounts**

Policy 15.1.1: An NC Quick Pass Transponder Account is deemed uncollectible if it has tolls, fees or penalties owed two (2) years after the last financial activity.

Policy 15.1.2: NC Quick Pass Transponder Accounts deemed uncollectible will be approved by the NCDOT Fiscal Unit.

Policy 15.1.3: Accounts deemed uncollectible:

- Can:
  - Be in North Carolina Division of Motor Vehicles (NCDMV) registration hold
  - Be flagged as nixie and skip trace accounts
  - Contain either in-state and out-of-state plates
  - Be automatically marked as such at the end of each fiscal year quarter
- Cannot:
  - Be assigned to a collection agency
  - Be sent additional or special notifications

Policy 15.1.4: If an NC Quick Pass Transponder Account that has been previously deemed as uncollectible receives new activity (e.g. new transactions post to the account), the account will be reactivated, and the customer will be responsible for both the new and old toll transactions, fees and penalties.



## **Policy 16: Closing an NC Quick Pass Transponder Account**

### **Policy 16.1: Account Closure Request**

Policy 16.1.1: In order to close an NC Quick Pass Transponder Account, NC Quick Pass customers must request an account be closed via one of the following communication channels:

- NC Quick Pass website
- Fax
- Sending a letter to an NC Quick Pass CSC
- Walk-In (in person at an NC Quick Pass Customer Service Center)
- Phone (by calling an NC Quick Pass Customer Service Center)

Policy 16.1.2: Any account closure request submitted to NC Quick Pass in writing must be sent from the account holder, contain the account number and clearly state an intention to close an account.

### **Policy 16.2: Closed Pending Status**

Policy 16.2.1: When an NC Quick Pass Transponder Account is closed, any transponder(s), if applicable, assigned to the account will be deactivated within two (2) business days.

Policy 16.2.2: To ensure all transactions are processed through the account before it is closed, NC Quick Pass Transponder Accounts will remain open, and be placed in a "Closed Pending" status for a period of thirty (30) calendar days before the account is closed, and any refund, if necessary, is issued to the account owner.

### **Policy 16.3: Account Closure Process (Positive Balance)**

Policy 16.3.1: After an NC Quick Pass Transponder Account has been in "Closed Pending" status for thirty (30) calendar days and there is a positive prepaid tolls balance on the account, NC Quick Pass will refund the remaining balance.

Policy 16.3.2: Once NC Quick Pass issues the refund, the account will be automatically closed.

Policy 16.3.3: Before an account can be closed, the account must have a zero dollar (\$0.00) balance, and the plates/vehicles and/or transponders assigned to the account removed.

### **Policy 16.4: Account Closure Process (Negative Balance)**

Policy 16.4.1: NC Quick Pass Transponder Accounts with a negative balance after the account has been in "Closed Pending" status for thirty (30) calendar days will not automatically be closed.

Policy 16.4.2: If an NC Quick Pass Transponder Account with a negative balance in "Closed Pending" status has a credit or debit card assigned to the account, NC Quick Pass will attempt to charge the negative balance to the card on file.





- Policy 16.4.3: If NC Quick Pass is unable to charge the card assigned to the account, the account will remain in “Closed Pending” status.
- Policy 16.4.4: NC Quick Pass Transponder Accounts in “Closed Pending” status that do not have a credit or debit card assigned to the account with which to charge the negative balance will remain in “Closed Pending” status.
- Policy 16.4.5: For any NC Quick Pass Transponder Account in “Closed Pending” status that carries a negative balance, NC Quick Pass will contact the customer to collect the additional fees/tolls necessary to bring the balance to zero dollars (\$0.00).
- Policy 16.4.6: Once an NC Quick Pass Transponder Account in “Closed Pending” status that carried a negative balance is brought to a zero dollar (\$0.00) balance, the account will then be closed.
- Policy 16.4.7: If an NC Quick Pass Transponder Account in “Closed Pending” status reaches a balance of negative ten dollars (-\$10.00) or below, it will be converted to Bill by Mail.
- Policy 16.4.8: Before an account can be closed, the account must have a zero dollar (\$0.00) balance, and the plates/vehicles and/or transponders assigned to the account removed.



## **Policy 17: NC Quick Pass Transponder Account Refunds**

### **Policy 17.1: Refunds**

#### **Policy 17.1.1: NC Quick Pass Transponder Accounts – Automatic Replenishment Refund**

- Policy 17.1.1.1: If an NC Quick Pass Transponder Account is setup for automatic replenishment, a refund will be issued to the primary credit or debit card on the account within three (3) to five (5) business days as long as 1) the card is valid, and 2) it has been successfully used as a method of payment on the account previously.
- Policy 17.1.1.2: Should a refund to the primary credit or debit card on the account fail, NC Quick Pass will attempt to issue the refund to a secondary card assigned to the account, if available, as long as 1) the secondary card is valid, and 2) it has been successfully used as a method of payment on the account previously.
- Policy 17.1.1.3: Should a refund to the primary and/or secondary credit or debit card on the account fail or there is no secondary card on the account, the NCDOT Fiscal Unit will issue a refund check within ten (10) business days.

#### **Policy 17.1.2: NC Quick Pass Transponder Accounts – Manual Replenishment Refund**

- Policy 17.1.2.1: If an NC Quick Pass Transponder Account is setup for manual replenishment, the NCDOT Fiscal Unit will issue a refund check within ten (10) business days.



## **Policy 18: NC Quick Pass Transponder Account Reinstatement**

### **Policy 18.1: NC Quick Pass Transponder Account Reinstatement**

Policy 18.1.1: An NC Quick Pass Transponder Account that was suspended due to a negative balance may be reinstated upon payment of all unpaid tolls, processing fees, civil penalties, other applicable fees and the prepaid toll amount.

Policy 18.1.2: A customer will be unable to open a new account if there are outstanding balances owed on another NC Quick Pass Transponder Account or NC Quick Pass Registered Video Account with the same license plate(s) and/or identical address(es).

Policy 18.1.3: Closed accounts cannot be reinstated. A new account must be created.



## **Policy 19: NC Quick Pass Transponder Account Bankruptcy**

### **Policy 19.1: Bankruptcy**

Policy 19.1.1: When NC Quick Pass receives notification regarding a customer bankruptcy, NC Quick Pass will verify that the notification is an official Bankruptcy Court order, and document the proper information in the customer's account.

Policy 19.1.2: NC Quick Pass reserves the right to file a proof of claim with the Bankruptcy Court.

Policy 19.1.3: NC Quick Pass reserves the right to determine which claims to pursue. All documentation is retained within the account.

Policy 19.1.4: While awaiting the outcome of a bankruptcy proceeding, NC Quick Pass cannot make any attempt to collect on debt owed prior to the date of the bankruptcy filing, nor can NC Quick Pass send customers to NCDMV Hold or Collections for any tolls incurred prior to the date the Bankruptcy Petition was filed.

Policy 19.1.5: Tolls and fees incurred prior to the date of the Petition filing must remain on the account until the bankruptcy case is resolved.

Policy 19.1.6: If the Bankruptcy Court notifies NC Quick Pass in writing of a Discharge or Dismissal of a customer's pending bankruptcy proceeding, the transactions during the period covered by the Bankruptcy Petition are dismissed.

Policy 19.1.7: Any new tolls that occur after the discharge date are the responsibility of the customer.

Policy 19.1.8: A Dismissal or Discharge reinstates the customer's responsibility for paying all tolls, fees, and penalties that were not pursued while the bankruptcy proceeding was taking place.



## **Policy 20: NC Quick Pass Transponder Account - Returned US Mail and Email**

### **Policy 20.1: Forwarding Address Available**

Policy 20.1.1: NC Quick Pass will update the account with the updated address upon notification from the Post Office of a mail forwarding or new address.

Policy 20.1.2: NC Quick Pass will manually forward any returned correspondence with a new address to the updated address.

### **Policy 20.2: Forwarding Address Not Available (Nixies)**

Policy 20.2.1: NC Quick Pass, upon receiving a returned correspondence without a forwarding address, will update the account with a flag stating it has a bad address.

Policy 20.2.2: Any future mailings will be suppressed until a new address is obtained, and the bad address flag is removed.

Policy 20.2.3: If a customer has provided an email on the account, a notice will be sent via email informing the account owner the mailing address associated with the account is no longer valid, and a new address must be provided to avoid any possible fees or penalties.

Policy 20.2.4: Once a customer has provided a new address, all correspondence will continue from the date the address was updated, and the bad address flag removed.

Policy 20.2.5: NC Quick Pass will not process or assess correspondence or fees retroactively.

### **Policy 20.3: Undeliverable Email**

Policy 20.3.1: Should an email address associated with an account that has specified email as the preferred method of communication become invalid, the NC Quick Pass system will flag the account as having a bad email address, and the correspondence delivery method will be changed to mail until the account owner provides a new email address.

Policy 20.3.2: NC Quick Pass will notify the account owner by mail that they must update their electronic address to avoid any possible fees or penalties.

Policy 20.3.3: Once the account owner provides an updated email address, the bad email address flag will be removed and the correspondence delivery method will be changed to email.



## **Policy 21: NC Quick Pass Transponder Account Interoperability**

### **Policy 21.1: NC Quick Pass Transponder Account Interoperability Toll Program**

Policy 21.1.1: NC Quick Pass has an interoperable agreement with the E-ZPass Group (EZG), allowing certain NC Quick Pass customers to use their NC Quick Pass Transponder to pay for tolls when traveling on toll roads outside North Carolina that accept E-ZPass.

Policy 21.1.2: NC Quick Pass has an interoperable agreement with the Florida Turnpike Enterprise, allowing NC Quick Pass customers to use their NC Quick Pass Transponder to pay for tolls when traveling on toll roads outside North Carolina that accept SunPass.

Policy 21.1.3: Through the NC Quick Pass interoperable agreement with Florida Turnpike Enterprise, NC Quick Pass is interoperable with Georgia's State Road and Tollway Authority (SRTA), allowing certain NC Quick Pass customers to use their NC Quick Pass Transponder to pay for tolls when traveling on toll roads outside North Carolina that accept Peach Pass.

Policy 21.1.4: Depending on an account owner's NC Quick Pass Transponder Account type, account plan and transponder type, NC Quick Pass customers can use their NC Quick Pass Transponders to pay for toll usage when traveling on toll roads that accept the following electronic toll collection programs:

- E-ZPass
- Toll programs in Florida (SunPass®, E-Pass and LeeWay)Peach Pass

Policy 21.1.5: NC Quick Pass Customers will be subject to the rules, policies and regulations of the Interoperable Authorities when using their toll road.

Policy 21.1.6: In order to use an NC Quick Pass Transponder on toll roads outside of North Carolina (i.e. interoperable roads), a customer's account balance must either be above the Replenishment Threshold or their account must be on automatic replenishment, and the customer must sign up with an account that allows for interoperable travel.

Policy 21.1.7: Account owners with NC Quick Pass Transponder Accounts and plans that are eligible for interoperability are automatically enrolled in the NC Quick Pass interoperability program.

Policy 21.1.8: By establishing an NC Quick Pass Transponder Account and agreeing to the Terms and Conditions, account owners agree to share their transponder and license plate numbers with states participating in the NC Quick Pass interoperability program.

Policy 21.1.9: Due to toll transponder technology varying from state to state, interoperability in some cases will be achieved via license plate data. By sharing transponder and license plate numbers for NC Quick Pass customers with interoperable partner agencies, NC Quick Pass customers can be identified by license plate. Therefore, to prevent unnecessary fines and fees from agencies in other states,



customers must keep their license plate information (e.g. license plate number on their account, registration renewal, registered address, etc.) up to date.

Policy 21.1.10: No NC Quick Pass customer's name or address will be provided to any agency or company with whom NC Quick Pass has established interoperability agreements. Requests for this data will follow the disclosure limitations in 18 U.S.C. 2721 (Federal Driver's Privacy Protection Act), and will only be provided to agencies and companies in which NC Quick Pass has reciprocal agreements.

Policy 21.1.11: NC Quick Pass customer information will not be made available to other agencies or companies for any reason other than to support payment of toll transactions, or comply with a valid order of a court of jurisdiction.

Policy 21.1.12: Personal Account Interoperability Options

Policy 21.1.12.1: For Personal Account holders with a Standard Plan, refer to the table below for the interoperability capabilities, by transponder type:




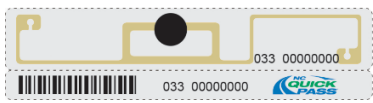

Standard Plan			
Transponder Name	Description	Transponder Picture	Interoperable with toll roads that accept:
NC Quick Pass	Interior Sticker		<ul style="list-style-type: none"> <li>SunPass</li> <li>Peach Pass</li> </ul>
NC Quick Pass E-ZPass	Interior Hard Case		<ul style="list-style-type: none"> <li>E-ZPass</li> <li>SunPass</li> <li>Peach Pass</li> </ul>
NC Quick Pass E-ZPass Flex	Interior Hard Case – HOV Declarable (Switchable)		<ul style="list-style-type: none"> <li>E-ZPass</li> <li>SunPass</li> <li>Peach Pass</li> </ul>
NC Quick Pass (exterior)	Exterior Headlamp Sticker		<ul style="list-style-type: none"> <li>SunPass</li> <li>Peach Pass</li> </ul>
NC Quick Pass E-ZPass (exterior)	Exterior Hard Case		<ul style="list-style-type: none"> <li>E-ZPass</li> <li>SunPass</li> <li>Peach Pass</li> </ul>

Table 10: NC Quick Pass Personal Account - Standard Plan Transponder Options Interoperability



Policy 21.1.12.2: For Personal Account holders with a Motorcycle Plan, refer to the table below for the interoperability capabilities by transponder type:






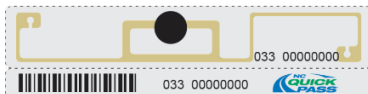
Motorcycle Plan			
Transponder Name	Description	Transponder Picture	Interoperable with toll roads that accept:
NC Quick Pass (exterior)	Exterior Headlamp Sticker		<ul style="list-style-type: none"> <li>• SunPass</li> <li>• Peach Pass</li> </ul>
NC Quick Pass E-ZPass (exterior)	Exterior Hard Case		<ul style="list-style-type: none"> <li>• E-ZPass</li> <li>• SunPass</li> <li>• Peach Pass</li> </ul>

Table 11: NC Quick Pass Personal Account - Motorcycle Plan Transponder Options

Policy 21.1.13: Business Account Interoperability Options

Policy 21.1.13.1: For Business Account holders with a Standard Plan, refer to the table below for the interoperability capabilities by transponder type:

Standard Plan			
Transponder Name	Description	Transponder Picture	Interoperable with toll roads that accept:
NC Quick Pass	Interior Sticker		<ul style="list-style-type: none"> <li>• SunPass</li> <li>• Peach Pass</li> </ul>
NC Quick Pass E-ZPass	Interior Hard Case		<ul style="list-style-type: none"> <li>• E-ZPass</li> <li>• SunPass</li> <li>• Peach Pass</li> </ul>
NC Quick Pass E-ZPass Flex	Interior Hard Case – HOV Declarable (Switchable)		<ul style="list-style-type: none"> <li>• E-ZPass</li> <li>• SunPass</li> <li>• Peach Pass</li> </ul>
NC Quick Pass (exterior)	Exterior Headlamp Sticker		<ul style="list-style-type: none"> <li>• SunPass</li> <li>• Peach Pass</li> </ul>





NC Quick Pass E-ZPass (exterior)	Exterior Hard Case		<ul style="list-style-type: none"> <li>• E-ZPass</li> <li>• SunPass</li> <li>• Peach Pass</li> </ul>
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*Table 12: NC Quick Pass Business Account - Standard Plan Transponder Options Interoperability*

Policy 21.1.13.2: Transponders associated with a Business Account with a Government Plan are not interoperable with any other agency due to the postpaid nature of this type of account.

Policy 21.1.13.3: Transponders associated with a Business Account with a Transit Plan are not interoperable with any other agency due to the postpaid nature of this type of account.

Policy 21.1.13.4: Transponders associated with a Business Account with a First Responders Plan are not interoperable with any other agency.

**Policy 21.1.14: HOV Account Interoperability Options**

Policy 21.1.14.1: Transponders associated with an HOV Account with an HOV Only Plan are not interoperable with any other agency.



## **Policy 21.2: Non-NC Quick Pass Account Owners Interoperability with NCTA Turnpike Projects**

Policy 21.2.1: The NC Quick Pass Interoperable Toll Program enables customers of E-ZPass, SunPass, and Peach Pass Accounts to pay for travel on NCTA Turnpike Projects.

Policy 21.2.2: Customers that have transponder accounts with agencies whom have an interoperable agreement with NC Quick Pass that travel on North Carolina Turnpike Projects with an interoperable transponder will be charged the current NC Quick Pass toll rate.

## **Policy 21.3: Disputes and Refunds for Out-of-State Transactions**

Policy 21.3.1: NC Quick Pass Transponder Account holders that want to dispute a toll, or request a refund for tolls charged to their account by an out-of-state agency, must notify NC Quick Pass with proper justification for the dispute.

Policy 21.3.2: NC Quick Pass may seek verification from the out-of-state agency regarding disputed toll(s).

Policy 21.3.2.1: If the toll(s) is verified, the customer will remain responsible for the tolls.

Policy 21.3.2.2: If the toll(s) is waived by the out-of-state agency, NC Quick Pass will reverse the toll charge, and credit the customer's account.

## **Policy 21.4: Out-of-State Customer Disputes and Refunds for NC Transactions**

Policy 21.4.1: Out-of-state customers are required to dispute North Carolina toll charges through their home agency's customer service center.



## **Policy 100: NC Quick Pass Registered Video Accounts and Plans**

Refer to this section for policies associated with NC Quick Pass Registered Video Accounts.

When signing up for an NC Quick Pass Registered Video Account, customers must choose one of the following account types: Personal or Business.

### **Policy 100.1: General Policies for NC Quick Pass Registered Video Accounts**

The following policies apply to all NC Quick Pass Registered Video Accounts.

- Policy 100.1.1: NC Quick Pass Registered Video Accounts do not require customers to use an NC Quick Pass Transponder to pay for tolls.
- Policy 100.1.2: NC Quick Pass Registered Video Accounts are prepaid, so customers must prepay for tolls to use the account.
- Policy 100.1.3: If a license plate is already associated with an active NC Quick Pass Account, Interoperable Account, or delinquent Bill by Mail invoice, the license plate cannot be added to a new or existing NC Quick Pass Registered Video Account.
- Policy 100.1.4: Before a license plate can be added to a new or existing NC Quick Pass Registered Video Account, any delinquent invoice balances associated with the license plate must be paid.
- Policy 100.1.5: It is the customer's responsibility to keep information on NC Quick Pass Registered Video Accounts up to date, including license plate and vehicle information. Should a customer change their license plate without properly updating their account, they may receive a Bill by Mail invoice, and be subject to additional fees and/or penalties.
- Policy 100.1.6: NC Quick Pass Registered Video Accounts are a valid form of payment on North Carolina Turnpike Projects only.
- Policy 100.1.7: An authorized NC Quick Pass Representative must approve a new NC Quick Pass Registered Video Account.
- Policy 100.1.8: NC Quick Pass may terminate an account at any time due to non-compliance or misuse of the account.

### **Policy 100.2: Personal Accounts**

- Policy 100.2.1: Personal Accounts are for customers that want to register five (5) or less vehicles on their account.
- Policy 100.2.2: In addition to the account owner, Personal Accounts allow for an additional contact person to have access to the account, but an additional contact can only be added with the approval of the account owner.
- Policy 100.2.3: Only a Standard Plan is available to Personal Accounts.
- Policy 100.2.4: Standard Plan



Policy 100.2.4.1: Vehicles associated with a Standard Plan will receive the Bill by Mail toll rate on all Turnpike Projects.

**Policy 100.3: Business Account**

Policy 100.3.1: Business Accounts are for customers that want to register more than five (5) vehicles on their account.

Policy 100.3.2: Business Accounts can have an unlimited number of vehicles assigned to it.

Policy 100.3.3: Business Accounts require two (2) contact persons to be registered on the account.

Policy 100.3.4: Only a Standard Plan is available to Business Accounts.

Policy 100.3.5: Standard Plan

Policy 100.3.5.1: Vehicles associated with a Standard Plan will receive will receive the Bill by Mail rate on all Turnpike Projects.



## **Policy 101: NC Quick Pass Registered Video Account Establishment and Opening**

### **Policy 101.1: General Account Establishment Policies**

Policy 101.1.1: When establishing a new NC Quick Pass Registered Video Account, the customer will be required to:

Policy 101.1.1.1: Pay all unpaid tolls, fees and penalties (including any balances with a collection agency) associated with a Bill by Mail invoice

Policy 101.1.1.2: Select an account type

Policy 101.1.1.3: Pay the appropriate prepaid toll balance

Policy 101.1.1.4: Provide all required information and/or complete an application

Policy 101.1.1.5: Agree to the NC Quick Pass terms and conditions

Policy 101.1.2: A customer with outstanding Bill by Mail invoices may open an NC Quick Pass Registered Video Account if the license plate(s) registered on the new account does not match the license plate(s) associated with the unpaid Bill by Mail invoice(s).

Policy 101.1.3: A customer is restricted from establishing an NC Quick Pass Registered Video Account if a license plate, or identical address, is associated with an outstanding Bill by Mail invoice balance.

### **Policy 101.2: Personal Account**

Policy 101.2.1: Standard Plan

Policy 101.2.1.1: Customers can open an NC Quick Pass Registered Video Personal Account with a Standard Plan utilizing the following channels:

- In person at an NC Quick Pass CSC
- Phone (with an NC Quick Pass CSR authorized to administer these account types)

### **Policy 101.3: Business Account**

Policy 101.3.1: Standard Plan

Policy 101.3.1.1: Customers can open an NC Quick Pass Registered Video Business Account with a Standard Plan utilizing the following channels:

- In person at an NC Quick Pass CSC
- Phone (with an NC Quick Pass CSR authorized to administer these account types)



## **Policy 102: NC Quick Pass Registered Video Account Application and Agreement**

### **Policy 102.1: NC Quick Pass Registered Video Account Application and Agreement**

Policy 102.1.1: When establishing an NC Quick Pass Registered Video Account in person at an NC Quick Pass CSC, a customer must fill out an application, and agree to the NC Quick Pass Terms and Conditions.

Policy 102.1.2: When establishing an NC Quick Pass Registered Video Account by phone, a CSR will complete the application for a customer to open an account, and the customer must provide verbal acceptance to the NC Quick Pass Terms and Conditions.

Policy 102.1.3: To open an NC Quick Pass Registered Video Account, a customer must provide the following information:

- Account owner's name
  - Secondary contact name (applies to Business Account only)
- Account owner's address
- Account owner's contact information (e.g. phone number)
- Username
- Password
- Email address
- Security question answer
- PIN
- Statement and customer correspondence delivery option
- License plate number for each vehicle registered on the account
- Vehicle information (e.g. year, model, number of axles) for each vehicle registered on the account
- Payment method (e.g. cash, check, money order, credit/debit card, etc.)
- Prepaid replenishment method (e.g. automatic or manual replenishment)
- Agreement to/Acknowledgement of the NC Quick Pass Terms and Conditions

Policy 102.1.4: A customer's signature will be required to accept and process an application. The signature can be either physical, electronic or recorded verbally.

Policy 102.1.5: NC Quick Pass will not process incomplete applications.



## **Policy 103: NC Quick Pass Registered Video Account Opening Account Balance**

### **Policy 103.1: Personal Accounts**

#### **Policy 103.1.1: Standard Plan**

Policy 103.1.1.1: The opening account balance amount is \$30.00 total for the first two (2) license plates added to the account, and \$15.00 for each additional license plate.

### **Policy 103.2: Business Accounts**

#### **Policy 103.2.1: Standard Plan**

Policy 103.2.1.1: The opening account balance amount is \$30.00 for each license plate added to the account.



## **Policy 104: Payment Methods and Channels for NC Quick Pass Registered Video Accounts**

The following section applies to all NC Quick Pass Registered Video Accounts.

### **Policy 104.1: NC Quick Pass Payment Types**

Policy 104.1.1: NC Quick Pass accepts the following payment types for NC Quick Pass Registered Video Accounts:

- Credit card
- Debit card
- Money order
- Cashier's check
- Personal check
- Cash

### **Policy 104.2: Credit and Debit Card**

Policy 104.2.1: The following credit and debit card types are accepted:

- Visa
- Master Card
- American Express
- Discover

Policy 104.2.2: When using a credit or debit card as a payment method, customers will be required to provide a valid credit card number, expiration date and three digit security code.

Policy 104.2.3: The same credit / debit card can be used for multiple accounts.

Policy 104.2.4: Credit Card Expiration Updates

Policy 104.2.4.1: It is the customer's responsibility to keep the payment method associated with their account up to date and valid.

Policy 104.2.4.2: When updated credit card expiration information is available, NC Quick Pass will automatically update credit card expiration dates on a monthly basis for all cards due to expire the subsequent month.

Policy 104.2.4.3: When updated credit card expiration information is not available, NC Quick Pass will notify customers that their credit card is set to expire, and request updated information or a new credit card.

Policy 104.2.4.4: If a customer does not provide updated credit card expiration information, transactions will continue to post to the account until all funds on the account are depleted, and a negative balance is reached.



**Policy 104.3: Money Order**

Policy 104.3.1: Money orders must be made out to NC Quick Pass.

**Policy 104.4: Cashier's check**

Policy 104.4.1: Cashier's checks must be made out to NC Quick Pass.

**Policy 104.5: Personal check**

Policy 104.5.1: Personal checks must be made out to NC Quick Pass.

Policy 104.5.2: Personal checks must include the following:

- Mailing address
- Telephone number
- Driver's license number

**Policy 104.5.3: Returned Check Fee**

Policy 104.5.3.1: A Returned Check Fee of \$25.00 will be charged when a payment by check has been refused by a customer's bank.

Policy 104.5.3.2: A Returned Check Fee will be applied to a customer's account balance, and may result in a negative account balance.

Policy 104.5.3.3: NC Quick Pass will notify the customer of the Returned Check Fee for non-payment.

Policy 104.5.3.4: After two (2) Returned Check Fees within one year, NC Quick Pass will flag the account, and will not accept check payments for the account.



## Policy 104.6: Payment Channels

Policy 104.6.1: Customers are permitted to make payments via the various channels shown in the table below.

Channel	Credit / Debit Card	Money Order	Cashier's Check	Personal Check	Cash
NC Quick Pass Website	✓				
CSC Phone, Interactive Voice Response	✓				
CSC Phone, Customer Service Rep.	✓				
CSC	✓	✓	✓	✓	✓
Mail	✓	✓	✓	✓	
Fax	✓				

*Table 13: Payment Types by Payment Channels*



## **Policy 105: NC Quick Pass Registered Video Account Replenishment and Balance Requirements**

The following section applies to both Personal and Business Accounts.

### **Policy 105.1: NC Quick Pass Registered Video Account Replenishment Options**

Policy 105.1.1: NC Quick Pass Registered Video Accounts can be replenished either automatically or manually.

Policy 105.1.2: Upon account opening, the customer is required to choose between automatic and manual replenishment.

Policy 105.1.3: A customer may change between automatic and manual replenishment at their convenience.

Policy 105.1.4: Customers are responsible for monitoring and replenishing their NC Quick Pass Registered Video Account to prevent them from going negative, and being subject to additional fees and penalties.

#### **Policy 105.1.5: Automatic Account Replenishment**

Policy 105.1.5.1: A credit card or debit card is required to auto-replenish an account.

Policy 105.1.5.2: Customers may provide a secondary credit or debit card number on their account to be used in the event their preferred card expires or is denied.

Policy 105.1.5.3: A customer's signature is required to accept and process automatic replenishment as a method of payment. The signature can be either physical, electronic or recorded verbally.

Policy 105.1.5.4: NC Quick Pass will automatically replenish an NC Quick Pass Registered Video Account setup for automatic replenishment utilizing the credit or debit card on the account when the account balance reaches the Replenishment Threshold Amount, and notify the customer that the account has been replenished.

Policy 105.1.5.5: If automatic replenishment fails due to an expired credit or debit card, or the card on the account was denied on two consecutive days/attempts, NC Quick Pass will notify the customer. The account will then convert to manual replenishment status.

Policy 105.1.5.6: It is the customer's responsibility to keep the payment method associated with their account up to date and valid.

#### **Policy 105.1.6: Manual Account Replenishment**

Policy 105.1.6.1: It is the customer's responsibility to monitor and replenish the account before the account goes negative.

Policy 105.1.6.2: When an account balance reaches the replenishment threshold



amount, NC Quick Pass will automatically send the customer a Low Balance Notification to inform them that their account balance is low, and a payment is due to avoid additional fees and/or penalties.

Policy 105.1.6.3: A customer may make periodic manual payments as necessary.

### **Policy 105.2: Replenishment Amount**

Policy 105.2.1: The initial replenishment amount is determined by the account type, account plan, the number of license plates on the account, and/or the opening account balance.

#### **Policy 105.2.2: Personal Accounts**

Policy 105.2.2.1: Standard Plan: The initial replenishment amount is \$30.00 total for the first two (2) license plates added to the account, and \$15.00 for each additional license plate.

#### **Policy 105.2.3: Business Accounts**

Policy 105.2.3.1: Standard Plan: The initial replenishment amount is \$30.00 for each license plate added to the account.

### **Policy 105.3: Replenishment Amount Adjustments**

Policy 105.3.1: After the first thirty (30) days from the date of the account opening, the toll usage on the account will be evaluated, and the replenishment amount adjusted based on the customer's usage during the first thirty (30) days.

Policy 105.3.2: After the first thirty (30) days evaluation, the toll usage on the account will be evaluated every ninety (90) days to identify the average monthly toll usage during that period, and the replenishment amount will be adjusted accordingly.

Policy 105.3.3: A customer can request a lower replenishment amount by contacting an NC Quick Pass CSC. NC Quick Pass will continue to analyze and adjust (if necessary) the replenishment amount on the account every ninety (90) days even if a customer has requested a lower replenishment amount.

Policy 105.3.4: When an account is setup to automatically replenish, NC Quick Pass will automatically replenish the account utilizing the credit or debit card on the account once the account threshold is reached.

Policy 105.3.5: NC Quick Pass will notify the customer when increasing or decreasing a replenishment amount.

### **Policy 105.4: Replenishment Threshold Amount**

Policy 105.4.1: The initial replenishment threshold amount is determined by the account type, account plan, and the replenishment amount.

Policy 105.4.2: The minimum replenishment threshold amount for any automatically replenished NC Quick Pass Registered Video Account is 25% of the opening balance and/or replenishment amount (depending a customer's quarterly



evaluation of toll usage and replenishment amount adjustment, if any), or \$15.00, whichever is greater.

**Policy 105.4.3: Initial Automatic Replenishment Threshold Amount**

Policy 105.4.3.1: Personal Account: The initial replenishment threshold amount for a Personal Account is 25% of the replenishment amount, or \$15.00, whichever is greater.

Policy 105.4.3.2: Business Account: The initial replenishment threshold amount for a Business Account is 25% of the replenishment amount.

**Policy 105.4.4: Initial Manual Replenishment Threshold Amount**

Policy 105.4.4.1: Personal Account: The initial replenishment threshold amount for a Personal Account is 50% of the replenishment amount.

Policy 105.4.4.2: Business Account: The initial replenishment threshold amount for a Business Account is 50% of the replenishment amount.

**Policy 105.5: Negative Account Balance**

Policy 105.5.1: When the account balance on a NC Quick Pass Registered Video Account exceeds negative ten dollars (-\$10.00), the account is suspended.

Policy 105.5.2: Suspended NC Quick Pass Registered Video Accounts are converted to Bill by Mail.

Policy 105.5.3: The first Bill by Mail invoice will include any new toll activity and/or unpaid tolls and/or fees from the converted NC Quick Pass Registered Video Account.

Policy 105.5.4: To reinstate an NC Quick Pass Registered Video Account with a Standard plan, any Bill by Mail balance must be paid, and the NC Quick Pass Registered Video Account balance must be replenished to a level above the Replenishment Threshold.



## Policy 106: NC Quick Pass Registered Video Account Statement Options

### Policy 106.1: Account Statement Options

Policy 106.1.1: Customers are offered the following monthly account statement delivery options:

- Policy 106.1.1.1: **Online Statements** – Statements are available at any time at no charge on the NC Quick Pass website. Customers can view statements online up to one (1) year from the statement generation date.
- Policy 106.1.1.2: **Monthly Electronic Statements** – Statements can be delivered via email at no cost.
- Policy 106.1.1.3: **Quarterly Mailed Statements** – Statements can be delivered via US Mail. A \$5.00 fee per statement is charged to the customer's account for this service.
- Policy 106.1.1.4: **Special Run Statements** – Special Run Statements are paper copies of statements generated manually pursuant to a customer request. Customers can request Special Run Statements by contacting an NC Quick Pass CSC. A \$5.00 fee per requested statement is charged to the customer's account for this service.



## **Policy 107: NC Quick Pass Registered Video Accounts Customer Communications**

### **Policy 107.1: Customer Correspondence Filing**

Policy 107.1.1: Customer correspondence received at an NC Quick Pass CSC will be filed, indexed and retained based on North Carolina's Document Retention Schedule.



## **Policy 108: NC Quick Pass Registered Video Account Maintenance**

### **Policy 108.1: Account Maintenance**

Policy 108.1.1: Customers are responsible for keeping their NC Quick Pass Registered Video Account information up to date, (i.e. notifying NC Quick Pass of any changes to their account information) via the website, phone or by visiting an NC Quick Pass CSC.

Policy 108.1.1.1: NC Quick Pass provides secure account access through the NC Quick Pass website.

Policy 108.1.1.2: NC Quick Pass supports customer account maintenance functions via the following methods:

- Walk-In (in person at an NC Quick Pass Customer Service Center)
- Phone (by calling an NC Quick Pass Customer Service Center)
- NC Quick Pass Website





## Policy 109: NC Quick Pass Registered Video Account Fees and Penalties

### Policy 109.1: NC Quick Pass Registered Video Account Fees and Penalties

Refer to the table below for more information on fees and penalties.

Policy 109.1.1: Fees can only be waived by authorized NC Quick Pass personnel.

Policy 109.1.2: The registered owner of a vehicle is responsible for paying any toll(s), applicable fee(s) and/or penalty(ies).

Fee	Fee Amount	Reason for Fee
Inactive Account Fee	\$1.00/Month	Charged per month after twenty four (24) consecutive months of no account activity (i.e. no toll transactions posting to an account)
Statement Fee - Quarterly	\$5.00/Statement	Request for paper statements to be generated and mailed quarterly
Statement Fee - Special Run	\$5.00/Request	One-time request for a paper statement to be generated and mailed to the customer
Returned Check Fee	\$25.00/Check	Insufficient funds, stop payment and closed account, etc.
Invoice Processing Fee	\$6.00 (maximum of \$48.00 for a twelve (12) month period for a registered owner)	Invoices unpaid after thirty (30) days from invoice date
Civil Penalty	\$25.00 (maximum of \$25.00 for a six (6) month period for a registered owner)	Invoices unpaid after sixty (60) days from invoice date

*Table 14: NC Quick Pass Registered Video Account Fees and Penalties*



## **Policy 110: Inactive NC Quick Pass Registered Video Accounts**

### **Policy 110.1: Inactive NC Quick Pass Registered Video Accounts**

- Policy 110.1.1: NC Quick Pass Registered Video Accounts with no account activity (i.e. no toll transactions posting to an account) for twenty four (24) consecutive months are considered inactive.
- Policy 110.1.2: An account deemed inactive will remain in an inactive status until a toll is posted to the account.
- Policy 110.1.3: NC Quick Pass will notify customers whose accounts are deemed to be inactive.
- Policy 110.1.4: If no toll transactions are posted to the account within thirty (30) days of the date of the notification of the inactive account status, a \$1.00 inactive account fee will be charged to the account.
- Policy 110.1.5: Once an account with an inactive status reaches a balance of \$1.00 or less, NC Quick Pass will notify the customer. If the customer does not take any action to fund or close the account within thirty (30) days of the notification of the account reaching a balance of \$1.00 or less, NC Quick Pass will close the account.



## **Policy 111: Uncollectible NC Quick Pass Registered Video Accounts**

### **Policy 111.1: Uncollectible Accounts**

Policy 111.1.1: An NC Quick Pass Registered Video Account is deemed as uncollectible if it has tolls or fees owed two (2) years after the last financial activity.

Policy 111.1.2: NC Quick Pass Registered Video Accounts deemed uncollectible will be approved by the NCDOT Fiscal Unit.

Policy 111.1.3: Accounts deemed uncollectible:

- Can:
  - Be in NCDMV registration hold
  - Be flagged as nixie and skip trace accounts
  - Contain either in-state and out-of-state plates
  - Be automatically marked as such at the end of each fiscal year quarter
- Cannot:
  - Be assigned to a collection agency
  - Be sent additional or special notifications

Policy 111.1.4: If an NC Quick Pass Registered Video Account that has been previously deemed as uncollectible receives new activity (e.g. new transactions post to the account), the account will be reactivated and the customer will be responsible for both the new and old toll transactions, fees and penalties.



## **Policy 112: Closing an NC Quick Pass Registered Video Account**

### **Policy 112.1: Account Closure Request**

Policy 112.1.1: In order to close an NC Quick Pass Registered Video Account, NC Quick Pass customers must request an account be closed via one of the following communication channels:

- NC Quick Pass website
- Fax
- Sending a letter to an NC Quick Pass CSC
- Walk-In (in person at an NC Quick Pass Customer Service Center)
- Phone (by calling an NC Quick Pass Customer Service Center)

Policy 112.1.2: Any account closure request submitted to NC Quick Pass in writing must be sent from the account holder, contain the account number and clearly state an intention to close an account.

### **Policy 112.2: Closed Pending Status**

Policy 112.2.1: To ensure all transactions are processed through the account before it is closed, NC Quick Pass Registered Video Accounts will remain open and placed in a "Closed Pending" status for a period of thirty (30) calendar days before the account is closed, and any refund, if necessary, is issued to the account owner.

### **Policy 112.3: Account Closure Process (Positive Balance)**

Policy 112.3.1: After an NC Quick Pass Registered Video account has been in "Closed Pending" status for thirty (30) calendar days and there is a positive prepaid tolls balance on the account, NC Quick Pass will refund the remaining balance.

Policy 112.3.2: Once NC Quick Pass issues the refund, the account will be automatically closed.

Policy 112.3.3: Before an account can be closed, the account must have a zero dollar (\$0.00) balance, and the plates/vehicles assigned to the account removed.

### **Policy 112.4: Account Closure Process (Negative Balance)**

Policy 112.4.1: NC Quick Pass Registered Video Accounts with a negative balance after the account has been in "Closed Pending" status for thirty (30) calendar days will not automatically be closed.

Policy 112.4.2: If an NC Quick Pass Registered Video Account with a negative balance in "Closed Pending" status has a credit or debit card assigned to the account, NC Quick Pass will attempt to charge the negative balance to the card on file.

Policy 112.4.3: If NC Quick Pass is unable to charge the card assigned to the account, the account will remain in "Closed Pending" status.



- Policy 112.4.4: NC Quick Pass Accounts in “Closed Pending” status that do not have a credit or debit card assigned to the account with which to charge the negative balance will remain “Closed Pending” status.
- Policy 112.4.5: For any NC Quick Pass Registered Video Account in “Closed Pending” status that carries a negative balance, NC Quick Pass will contact the customer to collect the additional fees/tolls necessary to bring the balance to zero dollars (\$0.00).
- Policy 112.4.6: Once an NC Quick Pass Registered Video Account in “Closed Pending” status that carried a negative balance is brought to a zero dollar (\$0.00) balance, the account will then be closed.
- Policy 112.4.7: If an NC Quick Pass Registered Video Account in “Closed Pending” status reaches a balance of negative ten dollars (-\$10.00) or below, it will be converted to Bill by Mail.
- Policy 112.4.8: Before an account can be closed, the account must have a zero dollar (\$0.00) balance, and the plates/vehicles assigned to the account removed.



## **Policy 113: NC Quick Pass Registered Video Account Refunds**

### **Policy 113.1: Refunds**

#### **Policy 113.1.1: NC Quick Pass Registered Video Accounts – Automatic Replenishment Refund**

- Policy 113.1.1.1: If an NC Quick Pass Registered Video Account is setup for automatic replenishment, a refund will be issued to the primary credit or debit card on the account within three (3) to five (5) business days as long as 1) the card is valid, and 2) it has been successfully used as a method of payment on the account previously.
- Policy 113.1.1.2: Should a refund to the primary credit or debit card on the account fail, NC Quick Pass will attempt to issue the refund to a secondary card assigned to the account, if available, as long as 1) the secondary card is valid, and 2) it has been successfully used as a method of payment on the account previously.
- Policy 113.1.1.3: Should a refund to the primary and/or secondary credit or debit card on the account fail or there is no secondary card on the account, the NCDOT Fiscal Unit will issue a refund check within ten (10) business.

#### **Policy 113.1.2: NC Quick Pass Registered Video Accounts – Manual Replenishment Refund**

- Policy 113.1.2.1: If an NC Quick Pass Registered Video Account is setup for manual replenishment, the NCDOT Fiscal Unit will issue a refund check within ten (10) business days.



## **Policy 114: NC Quick Pass Registered Video Account Reinstatement**

### **Policy 114.1: NC Quick Pass Registered Video Account Reinstatement**

- Policy 114.1.1: An account that was suspended due to a negative balance may be reinstated upon payment of all unpaid tolls, processing fees, civil penalties, other applicable fees and the prepaid toll amount.
- Policy 114.1.2: A customer will be unable to open a new account if there are outstanding balances owed on any other NC Quick Pass Account with the same license plate(s) and/or identical address(es).
- Policy 114.1.3: Closed accounts cannot be reinstated. A new account must be created.



## **Policy 115: NC Quick Pass Registered Video Account Bankruptcy**

### **Policy 115.1: Bankruptcy**

- Policy 115.1.1: When NC Quick Pass receives notification regarding a customer bankruptcy, NC Quick Pass will verify that the notification is an official Bankruptcy Court order, and document the proper information in the customer's account.
- Policy 115.1.2: NC Quick Pass reserves the right to file a proof of claim with the Bankruptcy Court.
- Policy 115.1.3: NC Quick Pass reserves the right to determine which claims to pursue. All documentation is retained within the account.
- Policy 115.1.4: While awaiting the outcome of a bankruptcy proceeding, NC Quick Pass cannot make any attempt to collect on debt owed prior to the date of the bankruptcy filing, nor can NC Quick Pass send customers to NCDMV Hold or Collections for any tolls incurred prior to the date the Bankruptcy Petition was filed.
- Policy 115.1.5: Tolls and fees incurred prior to the date of the Petition filing must remain on the account until the bankruptcy case is resolved.
- Policy 115.1.6: If the Bankruptcy Court notifies NC Quick Pass in writing of a Discharge or Dismissal of a customer's pending bankruptcy proceeding, the transactions during the period covered by the Bankruptcy Petition are dismissed.
- Policy 115.1.7: Any new tolls that occur after the discharge date are the responsibility of the customer.
- Policy 115.1.8: A Dismissal or Dismissal reinstates the customer's responsibility for paying all tolls, fees, and penalties that were not pursued while the bankruptcy proceeding was taking place.





## **Policy 116: NC Quick Pass Registered Video Account - Returned US Mail and Email**

### **Policy 116.1: Forwarding Address Available**

Policy 116.1.1: NC Quick Pass will update the account with an updated address upon notification from the Post Office of a mail forwarding or new address.

Policy 116.1.2: NC Quick Pass will manually forward any returned correspondence with a new address to the updated address.

### **Policy 116.2: Forwarding Address Not Available (Nixies)**

Policy 116.2.1: NC Quick Pass, upon receiving a returned correspondence without a forwarding address, will update the account with a flag stating it has a bad address.

Policy 116.2.2: Any future mailings will be suppressed until a new address is obtained, and the bad address flag is removed.

Policy 116.2.3: If a customer has provided an email on the account, a notice will be sent via email informing the account owner the mailing address associated with the account is no longer valid, and a new address must be provided to avoid any possible fees or penalties.

Policy 116.2.4: Once a customer has provided a new address, all correspondence will continue from the date the address was updated, and the bad address flag removed.

Policy 116.2.5: NC Quick Pass will not process correspondence or assess fees retroactively.

### **Policy 116.3: Undeliverable Email**

Policy 116.3.1: Should an email address associated with an account that has specified email as the preferred method of communication become invalid, the NC Quick Pass system will flag the account as having a bad email address, and the correspondence delivery method will be changed to mail until the account owner provides a new email address.

Policy 116.3.2: NC Quick Pass will notify the account owner by mail that they must update their email address to avoid any possible fees or penalties.

Policy 116.3.3: Once the account owner provides an updated email address, the bad email address flag will be removed and the correspondence delivery method will be changed to email.



## **Policy 117: NC Quick Pass Registered Video Account Interoperability**

### **Policy 117.1: Registered Video Account Interoperability**

Policy 117.1.1: NC Quick Pass Registered Video Accounts are a valid form of payment on North Carolina Turnpike Projects only.

Policy 117.1.2: If a customer intends to travel on an interoperable road in another state and intends to use their account as a payment method, the customer must convert to an NC Quick Pass Transponder Account.



## **Policy 118: NC Quick Pass Registered Video Account Conversion**

### **Policy 118.1: NC Quick Pass Registered Video Account to Transponder Account Conversion**

Policy 118.1.1: An NC Quick Pass Registered Video Account customer may convert to an NC Quick Pass Transponder Account online, or by calling or visiting an NC Quick Pass CSC.

Policy 118.1.2: When converting to an NC Quick Pass Transponder Account, the customer will be required to:

Policy 118.1.2.1: Pay all unpaid tolls, fees and penalties (including any balances with a collection agency) associated with a Bill by Mail invoice

Policy 118.1.2.2: Select an account type

Policy 118.1.2.3: Pay the appropriate prepaid toll balance (if required)

Policy 118.1.2.4: Purchase a transponder(s) (if necessary)

Policy 118.1.2.5: Provide all required information and/or complete an application

Policy 118.1.2.6: Agree to the NC Quick Pass terms and conditions

Policy 118.1.3: When converting the NC Quick Pass Registered Video Account to an NC Quick Pass Transponder Account, all currently listed vehicles/license plates under the NC Quick Pass Registered Video Account will be added to the NC Quick Pass Transponder Account.

Policy 118.1.4: A customer must comply with all NC Quick Pass Terms and Conditions, as well as the NC Quick Pass Policies outlined within this document.

Policy 118.1.5: Transactions that occurred prior to the conversion date will be posted to the NC Quick Pass Transponder Account at the Bill by Mail toll rate.

Policy 118.1.6: Transactions that occur subsequent to the account conversion date will be posted to the NC Quick Pass Transponder Account at the transponder rate.

Policy 118.1.7: A customer with outstanding Bill by Mail invoices may open an NC Quick Pass Transponder Account if the license plate(s) registered on the new transponder account does not match the license plates associated with the unpaid Bill by Mail invoice(s).

Policy 118.1.8: A customer is restricted from converting accounts if a license plate, or identical address, is associated with an unpaid Bill by Mail invoice.



## Policy 200: Bill by Mail Program

Refer to this section for policies associated with the NC Quick Pass Bill by Mail Program.

Bill by Mail policies are established in accordance with the North Carolina General Statutes. These statutes provide that the registered owner of the motor vehicle is responsible for payment of tolls unless the owner establishes that the motor vehicle was in the care, custody, and control of another person when the vehicle traveled on a North Carolina Turnpike Project per NC G.S. 136-89.212.

NC Quick Pass is authorized to obtain and exchange vehicle owner registration information from the NCDMV, other states, other toll operators, and official toll collection organizations. The information obtained is not a public record, and is subject to the disclosure limitation in 18 U.S.C. § 2721 Federal Driver's Privacy Protection Act.

### Policy 200.1: General Policies for the Bill by Mail Program

Policy 200.1.1: The Bill by Mail Program is postpaid.

Policy 200.1.2: Because a customer does not register for the Bill by Mail Program, a customer's consent or agreement to any terms and conditions is not required.

Policy 200.1.3: NC Quick Pass must mail an invoice to the registered owner of the vehicle at the address associated with the motor vehicle registration.

Policy 200.1.4: NC Quick Pass must send the first Bill by Mail invoice to the registered owner of a vehicle within ninety (90) days of the date the transaction occurred.

Policy 200.1.5: NC Quick Pass waives the right to collect a toll if it fails to send the first invoice to the registered owner of the vehicle within ninety (90) days of the date the transaction occurred.

Policy 200.1.6: If the vehicle was in the care or custody of another person at the time the toll was incurred, NC Quick Pass must send the invoice to the responsible party within ninety (90) days of receipt of a sworn affidavit from the registered owner of the vehicle, as required by G.S. 136-89.212(b).

### Policy 200.2: Bill by Mail Process

Policy 200.2.1: The Bill by Mail process is initiated when one of the following occurs:

- A first-time user without an NC Quick Pass Account of any kind is identified through license plate image capture, image review, and registered owner identification.
- An NC Quick Pass Transponder or Registered Video Account has a balance of negative ten dollars (-\$10.00) or more.
- Tolls are accrued after an NC Quick Pass or interoperable transponder account is closed.

Policy 200.2.2: When a vehicle passes under a tolling point and the roadside toll collection system (RTCS) does not detect a valid NC Quick Pass or interoperable



transponder, multiple images of the vehicle's front and rear license plates are captured.

Policy 200.2.3: The license plate images are reviewed to identify the license plate numbers, jurisdiction of issuance and license plate type, if applicable.

Policy 200.2.4: Once the license plate number has been accurately identified, the NC Quick Pass system will attempt to locate the license plate number on an active Bill by Mail invoice or NC Quick Pass Account (e.g. Transponder, or Registered Video) in good financial standing.

Policy 200.2.5: If an existing invoice or account is identified, transactions associated with the license plate are posted (i.e. I-Tolled) to the account.

Policy 200.2.6: If an existing NC Quick Pass account or Bill by Mail invoice is not located, the license plate data is sent to an in-state and/or out-of-state DMV to identify the owner of the vehicle.

Policy 200.2.6.1: NC Quick Pass may utilize both national lookup databases, and the NCDMV to obtain information about the registered owner of in-state and out-of-state vehicles.

Policy 200.2.7: Once the owner of the vehicle is identified, the vehicle owner is sent a new Bill by Mail invoice.

Policy 200.2.8: Any toll transactions incurred by the owner of the vehicle are then posted to the invoice.

Policy 200.2.9: The owner of the vehicle will continue to be billed for any toll transactions processed by NC Quick Pass until a change in vehicle ownership occurs, or the customer converts to an NC Quick Pass Account (e.g. Transponder, or Registered Video).



## **Policy 201: Pre-Invoice Payment Option**

Policy 201.1.1: A customer that has traveled on a North Carolina Turnpike Project without an NC Quick Pass Transponder or Registered Video Account has the option to contact an NC Quick Pass CSC, prepay for their tolls, and avoid receiving an invoice in the mail.

Policy 201.1.2: A customer must contact NC Quick Pass within thirty (30) days after traveling on a North Carolina Turnpike Project, and provide the necessary payment to cover any unpaid toll(s).

Policy 201.1.3: Customers can prepay tolls if:

1. The transactions have been processed by NC Quick Pass, and the vehicle owner has been identified by the NCDMV,
2. Bill by Mail has been established for the vehicle owner, and their toll transactions have been posted, and
3. NC Quick Pass has not already mailed an invoice to the customer.

Policy 201.1.4: If a customer contacts NC Quick Pass within thirty (30) days after traveling on a North Carolina Turnpike Project and successfully prepays their tolls according to the policies above, they will not receive an invoice in the mail.



## Policy 202: Bill by Mail Invoice Policies

### Policy 202.1: Bill by Mail Invoicing

Policy 202.1.1: If the owner of a vehicle, or person who had care, custody and control of the vehicle does not prepay toll(s) incurred on a North Carolina Turnpike Project, NC Quick Pass will mail a first invoice thirty (30) days from the date the transaction posts.

Policy 202.1.2: The first Bill by Mail invoice will include any tolls incurred and processed during the first thirty (30) day billing period, beginning with the initial transaction.

Policy 202.1.3: All subsequent billing periods are set at, and invoices mailed, approximately thirty (30) days after the first invoice.

Policy 202.1.4: A Bill by Mail invoice for each billing period will include (to the extent possible) all processed, unpaid tolls incurred by the same registered vehicle owner during the billing period.

**Note:** This may include tolls due from multiple vehicles/license plates belonging to the same registered vehicle owner during the billing period if the information provided by the NCDMV, an out-of-state DMV or another recognized source matches.

Policy 202.1.5: Transactions that occurred during a billing period that do not get included on an invoice will be invoiced in the subsequent billing cycle.

### Policy 202.2: Bill by Mail Invoice Requirements

Policy 202.2.1: A Bill by Mail invoice will include the following items each billing period:

Policy 202.2.1.1: Name and address of the registered owner of the vehicle that traveled on a North Carolina Turnpike Project, or of the person identified in the registered owner's sworn affidavit as having care, custody and control of the vehicle at the time the toll transaction occurred.

Policy 202.2.1.2: The date and time a transaction occurred.

Policy 202.2.1.3: A description of the toll zone of the North Carolina Turnpike Project where a toll transaction occurred.

Policy 202.2.1.4: An image of the license plate from one of the transactions (all images related to an invoice will be available to the customer through the NC Quick Pass website or upon request from an NC Quick Pass CSC).

**Note:** Only invoices that contain toll activity will contain an image of a license plate. If there is only financial activity, such as payments and fees, there will be a static box on the invoice with the license plate number referenced.

Policy 202.2.1.5: The amount charged for each toll incurred during the invoice period,



based on the Bill by Mail toll rate.

- Policy 202.2.1.6: The total amount due for the current invoice period and, if applicable, any delinquent invoices, and an explanation of payment options.
- Policy 202.2.1.7: The date by which the invoice must be paid to avoid the imposition of a processing fee and/or civil penalty, and the amount of the fee.
- Policy 202.2.1.8: Each invoice includes a failure to pay statement explaining the invoice escalation process, and the consequences of non-payment, including possible civil penalty(ies), processing fee(s), NCDMV registration holds and/or submission to a collection agency until all amounts owed to NC Quick Pass are paid in full.
- Policy 202.2.1.9: A clear and concise explanation of how to contest responsibility for a toll.
- Policy 202.2.1.10: If applicable, a copy of the sworn affidavit submitted by the registered owner of a vehicle identifying the person with care, custody and control of the motor vehicle when the toll transaction occurred.





## **Policy 203: Bill by Email**

### **Policy 203.1: Bill by Email Invoice Generation**

Policy 203.1.1: Bill by Mail customers have the option of receiving a Bill by Mail invoice via email.

Policy 203.1.2: After receiving an invoice via mail and paying at least one invoice, a customer can elect to receive subsequent invoices by email.

Policy 203.1.3: To receive future invoices by email, a customer must:

1. Opt-in to receiving Bill by Mail invoices via email on the NC Quick Pass website,
2. Provide a valid email address, and
3. Agree to the Bill By Email Terms and Conditions.

Policy 203.1.4: Once a customer has registered to receive invoices via email, all subsequent invoices will be sent to the email address provided by the customer.

Policy 203.1.5: If after sending an invoice by email it is determined that the customer's email address is invalid, the NC Quick Pass system will automatically revert back to sending invoices via mail.



## **Policy 204: Payment Methods and Channels for Bill by Mail Invoices**

### **Policy 204.1: Bill by Mail Payments**

Policy 204.1.1: Invoices must be paid in full to prevent invoice escalation fees and penalties.

Policy 204.1.2: Partial payments will be applied to the oldest past due invoice balance, whether it applies to satisfying unpaid outstanding tolls, unpaid outstanding processing fees and/or unpaid outstanding civil penalties.

Policy 204.1.3: Overpayments

Policy 204.1.3.1: NC Quick Pass will accept overpayments made to Bill by Mail invoices.

Policy 204.1.3.2: An overpayment made to a Bill by Mail invoice will be used to pay for future transactions incurred by the vehicle owner.

### **Policy 204.2: Bill by Mail Invoice Payment Types**

Policy 204.2.1: NC Quick Pass accepts the following payment types for Bill by Mail invoices:

- Credit card
- Debit card
- Money order
- Cashier's check
- Personal check
- Cash

### **Policy 204.3: Credit and Debit Card**

Policy 204.3.1: The following credit and debit card types are accepted:

- Visa
- Master Card
- American Express
- Discover

Policy 204.3.2: When using a credit or debit card as a payment method, customers will be required to provide a valid credit card number, expiration date and three digit security code.

### **Policy 204.4: Money Orders**

Policy 204.4.1: Money orders must be made out to NC Quick Pass.

### **Policy 204.5: Cashier's check**

Policy 204.5.1: Cashier's checks must be made out to NC Quick Pass.



## Policy 204.6: Personal check

Policy 204.6.1: Personal checks must be made out to NC Quick Pass.

Policy 204.6.2: Personal checks must include the following:

- Mailing address
- Telephone number
- Driver's license number

Policy 204.6.3: Returned Check Fee

Policy 204.6.3.1: A Returned Check Fee of \$25.00 will be charged when a payment by check has been refused by a customer's bank.

Policy 204.6.3.2: A Returned Check Fee will be applied to a customer's subsequent invoice balance.

Policy 204.6.3.3: NC Quick Pass will notify the customer of the Returned Check Fee for non-payment.

Policy 204.6.3.4: After two (2) Returned Check Fees within one year, NC Quick Pass will not accept check payments from the customer.

## Policy 204.7: Payment Channels

Policy 204.7.1: Customers are permitted to make payments via the various channels shown in Table 15.

Channel	Credit / Debit Card	Money Order	Cashier's Check	Personal Check	Cash
NC Quick Pass Website	✓				
CSC Phone, Interactive Voice Response	✓				
CSC Phone, Customer Service Rep.	✓				
CSC	✓	✓	✓	✓	✓
Mail	✓	✓	✓	✓	
Fax	✓				

Table 15: Bill by Mail Payment Types by Payment Channels



## **Policy 205: Invoice Escalation**

NC Quick Pass will apply the following invoice escalation process.

### **Policy 205.1: First Invoice**

Policy 205.1.1: An account without a previous balance when an invoice is generated is considered current.

Policy 205.1.2: A first invoice will generally only contain a customer's toll activity from the past thirty (30) days.

### **Policy 205.2: Second Invoice (Delinquent Balance from Previous Invoice)**

Policy 205.2.1: If a Bill by Mail invoice balance remains unpaid by the due date on the invoice, the unpaid balance is considered delinquent and carried forward into the subsequent invoice amount.

Policy 205.2.2: A second invoice will include:

Policy 205.2.2.1: Delinquent balance amount (generally delinquent between thirty (30) days and fifty nine (59) days)

Policy 205.2.2.2: Amount due for current toll activity (prior thirty (30) days), if applicable

Policy 205.2.2.3: \$6.00 Invoice Processing Fee

### **Policy 205.3: Third Invoice (Delinquent Balance from Previous Invoices)**

Policy 205.3.1: If a customer does not pay the second invoice by the due date on the invoice, NC Quick Pass will send the customer a third invoice, which will include:

Policy 205.3.1.1: Delinquent balance amount (generally delinquent between sixty (60) days and eighty nine (89) days)

Policy 205.3.1.2: Amount due for current toll activity (prior thirty (30) days), if applicable

Policy 205.3.1.3: \$6.00 Invoice Processing Fee (if applicable)

Policy 205.3.1.4: \$25.00 Civil Penalty (if applicable)

### **Policy 205.4: Fourth Invoice (Delinquent Balance from Previous Invoices)**

Policy 205.4.1: If a customer does not pay the fourth invoice by the date due, NC Quick Pass may enact:

Policy 205.4.1.1: In-state Bill by Mail customers with delinquent balances are subject to NCDMV registration hold and collections.

- In-state Bill by Mail customers with delinquent balances of less than \$500.00 will be placed on NCDMV registration hold, and remain on NCDMV registration hold for thirteen (13) months.



- If the debt associated with an unpaid, delinquent Bill by Mail invoice is not paid after thirteen (13) months, the debt will be sent to collections.
- In-state Bill by Mail customers with a delinquent balance of \$500.00 or more are placed on NCDMV registration hold, and sent to collections.

Policy 205.4.1.2: Out-of-State, Bill by Mail customers with delinquent balances will be sent to collections.



## Policy 206: Bill by Mail Fees and Penalties

### Policy 206.1: Bill by Mail Fees and Penalties

Refer to the table below for more information on Bill by Mail fees and penalties.

Policy 206.1.1: Fees can only be waived by authorized NC Quick Pass personnel.

Policy 206.1.2: The registered owner of a vehicle is responsible for paying any toll(s), applicable fee(s) and/or penalty(ies).

Fee	Fee Amount	Reason for Fee
Returned Check Fee	\$25.00/Check	Insufficient funds, stop payment and closed account, etc.
Invoice Processing Fee	\$6.00 (maximum of \$48.00 for a twelve (12) month period for a registered owner)	Invoices unpaid after thirty (30) days from invoice date
Civil Penalty	\$25.00 (maximum of \$25.00 for a six (6) month period for a registered owner)	Invoices unpaid after sixty (60) days from invoice date

Table 16: Bill by Mail Fees and Penalties

### Policy 206.2: Bill by Mail Invoice Processing Fee

Policy 206.2.1: An Invoice Processing Fee is assessed for each invoice not paid by the due date, generally thirty (30) days from the invoice date, where the vehicle owner did not request an informal review of a toll within the allotted timeframe.

Policy 206.2.2: By Statute, the Invoice Processing Fee cannot exceed \$48.00 in a twelve (12) month period for a single individual.

Policy 206.2.3: NC Quick Pass may grant a waiver of one invoice processing fee, per account, in a 24-month period.

Policy 206.2.4: NC Quick Pass may grant a waiver of a second invoice processing fee, per account, in a 24-month period, if the customer at the time of the waiver satisfies all requirements of these business policies for conversion to a NC Quick Pass Transponder Account.

Policy 206.2.5: The waiver does not eliminate the customer's responsibility for the payment of tolls, non-waived processing fees, and civil penalties.

Policy 206.2.6: Waived processing fees shall be documented in the NC Quick Pass system.

### Policy 206.3: Civil Penalty

Policy 206.3.1: A Civil Penalty is generally assessed to the third invoice after a customer does not pay the second invoice by the date due with a delinquent balance of approximately sixty (60) days.



- Policy 206.3.2: NC Quick Pass can assess a maximum of one Civil Penalty within a six (6) month period.
- Policy 206.3.3: An invoice carrying a Civil Penalty will clearly state the total amount due, and the manner in which it may be paid.
- Policy 206.3.4: The total amount due must be paid to NC Quick Pass within thirty (30) days of the invoice date.
- Policy 206.3.5: Any waivers must be preapproved by NC Quick Pass.
- Policy 206.3.6: When NC Quick Pass collects a Civil Penalty imposed for unpaid tolls, it will credit the clear proceeds to the Civil Penalty and Forfeiture Fund established in G.S. 115C-457.1.
- Policy 206.3.7: The guidelines used by the Office of State Budget and Management to determine an agency's actual costs of collecting a Civil Penalty and the clear proceeds of the Civil Penalty apply to the determination of the clear proceeds of a Civil Penalty imposed.



## **Policy 207: Bill by Mail Payment Order of Precedence**

Policy 207.1.1: The following is the order of precedence for payments to be applied to delinquent Bill by Mail invoice balances:

1. Previous invoice amounts (toll, fees, penalties)
2. Current tolls
3. Current fees
4. Current civil penalty





## **Policy 208: NCDMV Registration Hold and Release**

### **Policy 208.1: Bill by Mail NCDMV Registration Hold and Release**

- Policy 208.1.1: Failure to pay a fourth invoice will result in the suspension of a customer's vehicle registration renewal for vehicles registered in North Carolina.
- Policy 208.1.2: NC Quick Pass notes NCDMV registration hold eligibility on all invoices.
- Policy 208.1.3: For a registrant with multiple vehicles registered in North Carolina that are associated with a delinquent Bill by Mail invoice, NC Quick Pass can suspend the registration renewal for each vehicle registered in North Carolina.
- Policy 208.1.4: Vehicle registration will be held from renewal until all unpaid tolls, fees, and penalties are paid in full.
- Policy 208.1.5: Payment can be made with a credit card (by phone), or by cash, check, money order, or credit card payment at an NC Quick Pass CSC Walk-In Center.
- Policy 208.1.6: Once the full payment is verified and approved, NC Quick Pass will process a registration release to NCDMV.
- Policy 208.1.7: With the exception of check payments over \$250, an NC Quick Pass CSC will remove a NCDMV registration hold within two (2) business days of receipt of the payment.
- Policy 208.1.8: In the event payment is made by check in the amount of \$250 or more, NC Quick Pass will remove the NCDMV registration hold within ten (10) business days in order to verify clearance of the check.
- Policy 208.1.9: In the event a check of any amount is returned, NC Quick Pass will re-establish the NCDMV registration hold.



## **Policy 209: Bill by Mail Collection Process**

### **Policy 209.1: General Collections Policies**

- Policy 209.1.1: After a Bill by Mail\_customer neglects to pay tolls, fees, and/or penalties that have escalated to a fourth invoice, the customer will be placed in collections.
- Policy 209.1.2: All fees and penalties invoiced are eligible for collections.
- Policy 209.1.3: All delinquent tolls, fees and penalties must be paid in full to be removed from collections.
- Policy 209.1.4: NC Quick Pass can place in-state customers on NCDMV registration hold and into collections simultaneously.

### **Policy 209.2: Collection Agency**

- Policy 209.2.1: The collection agency will have one (1) year to collect a debt from the time a debt is placed in collections.
- Policy 209.2.2: After one (1) year, the account debt reverts back to NC Quick Pass.
- Policy 209.2.3: The collection agency will initiate letters for all past due Bill by Mail\_invoice balances received from NC Quick Pass.
- Policy 209.2.4: NC Quick Pass will send unpaid Bill by Mail\_invoices with a debt greater than \$500 to the collection agency after the fourth unpaid invoice.
- Policy 209.2.5: In-state unpaid Bill by Mail\_invoices with amounts less than \$500 will be sent to collections after being in NCDMV registration hold status for thirteen (13) months.
- Policy 209.2.6: Bill by Mail invoices associated with out-of-state customers are not subject to NCDMV registration hold, but will advance directly to collections after the fourth unpaid invoice.
- Policy 209.2.7: When an in-state Bill by Mail customer is placed on NCDMV registration hold and into collections simultaneously, the collection agency and NC Quick Pass will coordinate with the customer to ensure that all past due amounts are paid in full prior to removing the delinquent invoice balances from collections and/or NCDMV registration hold.
- Policy 209.2.8: Any delinquent invoice balance transferred to a collection agency is not noted on subsequent invoices sent to the customer.
- Policy 209.2.9: While in the collections process, customers have access to view Bill by Mail invoices that have been sent to collections, but do not have the ability to make payments for invoices that have been sent to collections. The customer will need to deal directly with the collection agency to settle delinquent invoice balances.



## **Policy 210: Uncollectible Invoice**

### **Policy 210.1: Uncollectible Invoice**

Policy 210.1.1: A Bill by Mail invoice is deemed as uncollectible if it has tolls or fees owed two (2) years after the last financial activity.

Policy 210.1.2: Bill by Mail invoices deemed uncollectible will be approved by the NCDOT Fiscal Unit.

Policy 210.1.3: A Bill by Mail invoice deemed uncollectible:

- Can:
  - Be in NCDMV registration hold
  - Be flagged as nixie and skip trace accounts
  - Contain either in-state and out-of-state plates
  - Be automatically marked as such at the end of each fiscal year quarter
- Cannot:
  - Be assigned to a collection agency
  - Be sent additional or special notifications

Policy 210.1.4: If a Bill by Mail invoice that has been previously deemed as uncollectible receives new activity (e.g. new transactions), the invoice will be reactivated and the customer will be responsible for both new and old toll transactions, fees and penalties.



## **Policy 211: Bill by Mail Bankruptcy**

### **Policy 211.1: Bill by Mail Bankruptcy Policies**

- Policy 211.1.1: When NC Quick Pass receives notification regarding a customer bankruptcy, NC Quick Pass will verify that the notification is an official Bankruptcy Court order, and document the proper information in the customer's account.
- Policy 211.1.2: NC Quick Pass reserves the right to file a proof of claim with the Bankruptcy Court.
- Policy 211.1.3: NC Quick Pass reserves the right to determine which claims to pursue. All documentation is retained within the account.
- Policy 211.1.4: While awaiting the outcome of a bankruptcy proceeding, NC Quick Pass cannot make any attempt to collect on debt owed prior to the date of the bankruptcy filing, nor can NC Quick Pass send customers to NCDMV Hold or Collections for any tolls incurred prior to the date the Bankruptcy Petition was filed.
- Policy 211.1.5: Tolls and fees incurred prior to the date of the Petition filing must remain on the account until the bankruptcy case is resolved.
- Policy 211.1.6: If the Bankruptcy Court notifies NC Quick Pass in writing of a Discharge or Dismissal of a customer's pending bankruptcy proceeding, the transactions during the period covered by the Bankruptcy Petition are dismissed.
- Policy 211.1.7: Any new tolls that occur after the discharge date are the responsibility of the customer.
- Policy 211.1.8: A Dismissal or Discharge reinstates the customer's responsibility for paying all tolls, fees, and penalties that were not pursued while the bankruptcy proceeding was taking place.



## **Policy 212: Bill by Mail Refunds**

### **Policy 212.1: Refunds**

- Policy 212.1.1: When an overpayment is made to a Bill by Mail invoice, NC Quick Pass will not generate a refund unless requested by the customer.
- Policy 212.1.2: Should a customer request a refund after making an overpayment to a Bill by Mail invoice, the NCDOT Fiscal Unit will issue a refund check within ten (10) days after receiving the request.
- Policy 212.1.3: If a customer requests a refund, but continues to drive on the road, the refund amount will be reduced by any newly posted transactions.



## **Policy 213: Bill by Mail Customer Communications**

### **Policy 213.1: Customer Correspondence Filing**

Policy 213.1.1: Customer correspondence received at an NC Quick Pass CSC will be filed, indexed and retained based on North Carolina's Document Retention Schedule.



## **Policy 214: Bill by Mail - Returned US Mail and Email**

### **Policy 214.1: Forwarding Address Available**

Policy 214.1.1: NC Quick Pass will update a customer's invoice with the updated address upon notification from the Post Office of a mail forwarding or new address.

Policy 214.1.2: NC Quick Pass will manually forward any returned correspondence with a new address to the updated address.

### **Policy 214.2: Forwarding Address Not Available (Nixies)**

Policy 214.2.1: NC Quick Pass, upon receiving a returned invoice without a forwarding address, will update the Bill by Mail invoice with a flag stating it has a bad address.

Policy 214.2.2: When an invoice is flagged as having a bad address, invoice escalation stops, and fees and penalties are not applied to the invoice.

Policy 214.2.3: Any future mailings will be suppressed until a new address is obtained, and the bad address flag is removed.

Policy 214.2.4: If a customer has provided an email, a notice will be sent via email informing the customer the mailing address associated with their Bill by Mail invoices is no longer valid, and a new address must be provided to avoid any possible fees or penalties.

Policy 214.2.5: Once a customer has provided a new address, all correspondence will continue from the date the address was updated, and the bad address flag removed.

Policy 214.2.6: NC Quick Pass will not process or assess correspondence or fees retroactively.

### **Policy 214.3: Undeliverable Email**

Policy 214.3.1: Should an email address associated with the Bill by Email program become invalid, the NC Quick Pass system will flag the invoice as having a bad email address, and the invoice delivery method will be changed to mail until the vehicle owner provides a new email address.

Policy 214.3.2: NC Quick Pass will notify the vehicle owner by mail that they must update their electronic address to avoid any possible fees or penalties.

Policy 214.3.3: Once the vehicle owner provides an updated email address, the bad email address flag will be removed, and any future invoices will be delivered via email.



## **Policy 215: Bill by Mail Interoperability**

### **Policy 215.1: Bill by Mail Interoperability**

Policy 215.1.1: The NC Quick Pass Bill by Mail Program is only applicable on North Carolina Turnpike Projects.

Policy 215.1.2: If a customer intends to travel on an interoperable toll road in another state, the customer must convert to an NC Quick Pass Transponder Account.





## **Policy 216: Bill by Mail Conversion**

### **Policy 216.1: Bill by Mail Converted to NC Quick Pass Transponder Account**

Policy 216.1.1: A Bill by Mail customer may convert to an NC Quick Pass Transponder Account online, or by calling or visiting an NC Quick Pass CSC.

Policy 216.1.2: When converting to an NC Quick Pass Transponder Account, the customer will be required to:

Policy 216.1.2.1: Pay all unpaid tolls, fees and penalties (including any balances with a collection agency) associated with a Bill by Mail invoice

Policy 216.1.2.2: Select an account type

Policy 216.1.2.3: Pay the appropriate prepaid toll balance (if required)

Policy 216.1.2.4: Purchase a transponder(s) (if necessary)

Policy 216.1.2.5: Provide all required information and/or complete an application

Policy 216.1.2.6: Agree to the NC Quick Pass terms and conditions

Policy 216.1.3: When converting from Bill by Mail to an NC Quick Pass Transponder Account, all license plates currently assigned to Bill by Mail will be added to the NC Quick Pass Transponder Account.

Policy 216.1.4: Tolls posting to Bill by Mail with a transaction date prior to the conversion date will be posted at the Bill by Mail toll rate.

Policy 216.1.5: Bill by Mail tolls that have not been invoiced will be reduced to the NC Quick Pass rate when a customer converts to an NC Quick Pass Transponder Account.

Policy 216.1.6: A customer with outstanding Bill by Mail invoices may open an NC Quick Pass Transponder Account if the license plate(s) registered on the new transponder account does not match the license plates associated with the unpaid Bill by Mail invoice(s).

Policy 216.1.7: A customer is restricted from converting accounts if a license plate, or identical address, is associated with an unpaid Bill by Mail invoice.

### **Policy 216.2: Bill by Mail Converted to a Registered Video Account**

Policy 216.2.1: After receiving authorization from NC Quick Pass, a Bill by Mail customer may convert to an NC Quick Pass Registered Video Account by calling or visiting an NC Quick Pass CSC.

Policy 216.2.2: The customer will be required to:



- Policy 216.2.2.1: Pay all unpaid tolls, fees and penalties (including any balances with a collection agency) associated with a Bill by Mail invoice
- Policy 216.2.2.2: Select an account type
- Policy 216.2.2.3: Pay the appropriate prepaid toll balance (if required)
- Policy 216.2.2.4: Provide all required information and/or complete an application
- Policy 216.2.2.5: Agree to the terms and conditions agreement
- Policy 216.2.3: When converting Bill by Mail to a Registered Video Account, all license plates currently assigned to Bill by Mail will be added to the Registered Video Account.
- Policy 216.2.4: NC Quick Pass Registered Video Accounts must be approved by NC Quick Pass.



## **Policy 300: Disputes**

### **Policy 300.1: Customer Disputes**

- Policy 300.1.1: Under North Carolina law, the registered owner of the motor vehicle is responsible for payment of tolls incurred unless the registered owner establishes that the motor vehicle was in the care, custody, and control of another person when it was driven on a North Carolina Turnpike Project.
- Policy 300.1.2: Customers are entitled to dispute any toll transaction(s) incurred in North Carolina.
- Policy 300.1.3: In order to dispute tolls on away agency toll roads, the customer must contact the applicable agency directly regarding their dispute process. Contact information for each agency can be found on the NC Quick Pass website.
- Policy 300.1.4: If a charge or fee is rescinded, NC Quick Pass will credit the customer's account.

### **Policy 300.2: Request for Informal Review**

- Policy 300.2.1: A vehicle owner may dispute responsibility for a toll by requesting an Informal Review with NC Quick Pass.
- Policy 300.2.2: Customers are entitled to dispute any toll transaction(s) incurred in North Carolina through the completion and submittal of the Request for Informal Review – Toll Dispute form.
- Policy 300.2.3: The Request for Informal Review – Toll Dispute form that can be obtained on the NC Quick Pass website, and at the NC Quick Pass CSC.
- Policy 300.2.4: Customers can submit the Request for Informal Review – Toll Dispute form to NC Quick Pass via the following channels:
- Mail
  - Email
  - Fax
  - In-person via an NC Quick Pass CSC
- Policy 300.2.5: A request for an informal review of a toll transaction(s) and fees must be submitted within thirty (30) days of the date on the customer statement or Bill by Mail invoice, or the vehicle owner waives the right to dispute the invoice.
- Policy 300.2.6: Recipients of a Bill by Mail invoice containing an incorrect vehicle, license plate or other information may contest responsibility for the toll and associated fees at any time in writing, in person or by phone, and they are not subject to the thirty (30) day limit.
- Policy 300.2.7: If a dispute is filed by mail, the request must be postmarked within thirty (30) days of the invoice date, or the date a transaction posted to an NC Quick Pass Transponder Account.



Policy 300.2.8: If the request for an Informal Review is received after the thirty (30) day period, the request will be denied, and NC Quick Pass will send an Informal Review Determination Reject letter to the customer stating that the time to request a review has expired.

Policy 300.2.9: A customer who did not receive an invoice (verified by returned mail status or proof of alternate address) must contest responsibility for the toll within thirty (30) days of the invoice date on the subsequent invoice.

### **Policy 300.3: NC Quick Pass' Receipt of Informal Review Request**

Policy 300.3.1: Within five (5) business days of receipt of a Request for an Informal Review, NC Quick Pass reviews the dispute, and renders a decision based on the information provided by the vehicle owner and internal records pertaining to the dispute.

Policy 300.3.2: When NC Quick Pass receives a request for informal review, collection of the toll and fees, as well as the escalation process, is suspended pending a decision by NC Quick Pass.

### **Policy 300.4: Informal Review Determination**

Policy 300.4.1: Potential outcomes of an informal review are:

Policy 300.4.1.1: The vehicle owner is found responsible for the disputed toll(s), and the vehicle owner may file with the Office of Administrative Hearings (OAH). Once the decision is recorded in the NC Quick Pass system, a denied notification of denial will be sent to the vehicle owner informing them of the determination.

Policy 300.4.1.2: The vehicle owner is found responsible for the disputed toll(s), and the disputed toll is charged to the vehicle owner's account or applied to the customer's Bill by Mail invoice balance.

Policy 300.4.1.3: The vehicle owner is found not responsible for the disputed toll(s). The determination will be documented in the NC Quick Pass system, and a waived notification will be sent to the vehicle owner informing them of the decision. No payment will be required from the vehicle owner.

Policy 300.4.1.4: The vehicle owner is found not responsible for the disputed toll(s), and a transfer of responsibility is required. The correct license plate, vehicle owner, or responsible party (driver) will be resubmitted for invoice processing. Under G.S. 136-89.212(c), NC Quick Pass may send an invoice to the person with care, custody, or control of the car (driver). The vehicle driver has the right to contest the toll. The invoice sent to the vehicle driver must include a copy of the sworn affidavit submitted by the vehicle owner stating that the vehicle driver incurred the toll.

**Policy 300.5: Sworn Affidavit**

Policy 300.5.1: A vehicle owner may establish that a motor vehicle was in the care, custody and control of another person when it was driven on a North Carolina Turnpike Project by submitting a Sworn Affidavit specifying one of the two options as described below:

Policy 300.5.1.1: A sworn affidavit stating that the vehicle involved was, at the time, stolen. The affidavit must be supported with evidence, including insurance or a police report.

Policy 300.5.1.2: A sworn affidavit stating that prior to the time the vehicle was driven on a facility North Carolina Turnpike Project, it had been sold, transferred, or leased/rented by the registered owner to another person prior to the date of the alleged unpaid toll. The affidavit must be supported by a copy of the certificate of title, a copy of the lease/rental agreement, or other evidence of the transfer. The sworn affidavit requires signature of both parties in order for NC Quick Pass CSC management to review the disputed toll.

Policy 300.5.2: A sworn affidavit must provide the name and address of the person or company that had the care, custody, and control of the vehicle when it was driven on facility North Carolina Turnpike Project.

Policy 300.5.3: NC Quick Pass pursues, as provided by State law, the responsible person/company responsible for the toll.



## **Policy 400: I-77 Express Lanes NC Quick Pass Customer Service Center Business Policies**

Under development.



## **Policy 500: Privacy**

### **Policy 500.1: Privacy Policies**

- Policy 500.1.1: Except as permissible by state and federal law Information regarding, information related to NC Quick Pass Transponder Accounts, NC Quick Pass Registered Video Accounts and the Bill by Mail Program will not be disclosed to third parties without prior written consent from the primary account holder.
- Policy 500.1.2: Pursuant to G.S. 136-89.213, identifying information obtained by NC Quick Pass through an agreement is not a public record, and is subject to the disclosure limitations in 18 U.S.C. § 2721, the Federal Driver's Privacy Protection Act.
- Policy 500.1.3: NC Quick Pass shall maintain the confidentiality of all information required which is kept confidential under 18 U.S.C. § 2721(a), as well as any financial information, transaction history, and information related to the collection of a toll or user fee from a person, including, but not limited to, photographs or other recorded images or automatic vehicle identification or driver account information generated by radio-frequency identification or other electronic means.
- Policy 500.1.4: NC Quick Pass may use account information only for the purpose of collecting and enforcing tolls.
- Policy 500.1.5: NC Quick Pass may disclose customer account information to other interoperable agencies for the purpose of toll collection. The customers' name and address shall not be provided to any agency or company with whom NC Quick Pass has established interoperability agreements. Requests for this data shall follow the disclosure limitations in 18 U.S.C. § 2721 (Federal Driver's Privacy Protection Act), and shall only be provided to agencies in which NC Quick Pass has reciprocal agreements.
- Policy 500.1.6: Driver/customer information will not be made available for any reason other than to support payment of toll transactions or comply with a valid order of a court of competent jurisdiction.
- Policy 500.1.7: Account information may be disclosed to the public if such disclosure is required by law or by court order from a court of competent jurisdiction.



## Policy 600: Business Policy Modification Process

### Policy 600.1: Modification Policies

- Policy 600.1.1: NC Quick Pass will complete an annual review of its Business Policies at the end of each fiscal year.
- Policy 600.1.2: A redline version of the Business Policies will be created by the Director of Toll Operations (DTO) that indicates revisions, and distributed to the NC Quick Pass Policy Committee. The Committee will come together to review the redline document and make any final decisions/edits. The Business Policies will be finalized by the DTO, and retained in electronic and hard copy format. The file naming convention will be "NC Quick Pass Business Policies v#. #<year><month><day>.docx.
- Policy 600.1.3: The need for modification of these policies may be identified through day-to-day toll operations, toll program growth or legislative changes.
- Policy 600.1.4: Policies should be focused on providing greater efficiency, improving customer service and/or adding new or expanding current toll roads.
- Policy 600.1.5: All modifications shall be processed through the DTO, and the following process will be utilized.
- Policy 600.1.5.1: The NC Quick Pass staff member requesting a modification is required to complete the Business Policy Modification Form (BPMF), and submit the completed form to the DTO for further action.
  - Policy 600.1.5.2: Upon receipt and review of the form, the DTO will distribute the BPMF to the NC Quick Pass Review Committee. The scope of the proposed modification will identify the staff required to review the material.
  - Policy 600.1.5.3: A meeting will be scheduled to discuss the modifications submitted, and make any further adjustments to finalize the change in policy.
  - Policy 600.1.5.4: The Committee will then make a recommendation to the NCTA Executive Director.
  - Policy 600.1.5.5: The Business Policy Review/Approval form will be used to document the meeting, and the final determination by the NCTA Executive Director.
  - Policy 600.1.5.6: The DTO will update the BPMF (if applicable), and incorporate the approved modifications into a revised Business Policy document (redline and clean versions).
  - Policy 600.1.5.7: Once the Business Policy version is finalized with signatures, the revised Business Policy document will be scanned and uploaded by the DBA into NC Quick Pass's CTA'S document retention system and the original securely filed for NC Quick Pass.



# Appendix E

## Morrisville Lease Agreement

**CONCOURSE BUSINESS CENTER**  
(Schedule of Lease Terms)

1.

Landlord:

VCG Investors, LLC,  
a North Carolina limited liability company
2.

Tenant:

URS Energy & Construction, Inc.,  
an Ohio corporation
3.

Address of Tenant:

200 Sorrells Grove Church Road  
Morrisville, NC
4.

Premises:

Notices – copies sent to Tenant address above with a copy sent to John Schimek @ URS Corporation, 720 Park Blvd., Boise ID 83729  
Concourse Business Center  
200 Sorrells Grove Church Road  
Morrisville, NC
- Square Footage of Premises:

14,786
5.

Square Footage of Building:  
Lease Term (in months):

24,705  
Seventy Two (72) months
6.

Commencement Date:

The date of full execution of this Lease
- Rent Commencement Date

The earliest of: (a) the date on which Tenant occupies any portion of the Premises and begins conducting business therein; (b) the date on which the Work (as defined in Exhibit A-2 hereto) in the Premises is Substantially Completed (as defined in Exhibit A-2 hereto); or (c) the date on which the Work in the Premises would have been Substantially Completed but for the occurrence of any Tenant Delay Days (as defined in Exhibit A-2 hereto).
7.

Expiration Date:

Seventy two (72) months after the Rent Commencement Date
8.

Rent

(a) Base Monthly Rent:

<u>Period (Months)</u>	<u>Monthly Rent</u>
1 - 12	\$11,952.02
13 – 24	\$12,310.58
25 – 36	\$12,679.89
37 – 49	\$13,060.29
49 – 60	\$13,452.10
61 – 72	\$13,855.66

(b) Tenant’s Proportionate Share:

60%

(c) Initial Estimated Monthly Additional Rent Payable by Tenant:

\$3,080.42 per month (for calendar year 2010). This is for CAM charges estimated at \$2.50 per square foot per year for year one.
- All Payments to be made to:

VCG Investors, LLC  
905 Williamson Drive  
Raleigh, North Carolina 27608
9.

Expansion Options:

In addition to the Renewal Option set forth below, Tenant will have a one (1) time First Right of Refusal to lease any space that is either currently available or becomes available in the building during the term of the Lease at Fair Market Rent.

If space becomes available, or is scheduled to become available in the Building, Landlord agrees to notify Tenant and offer all of the space to Tenant. If Landlord receives a bona fide written offer to lease space in the Building, Tenant shall respond within ten (10) business days with a notice of exercise or a notice of waiver. In any instance where Tenant leases such space , the economic terms will be in accordance with Fair Market Rent (defined below).
10.

Renewal Options:

Tenant will have two (2) renewal options of three (3) years each by written notice to Landlord at least six (6) months prior to the Expiration Date of the original term or the prior renewal term (as applicable). Basic rental will be adjusted to “Fair Market Rent” (as defined in the Lease) at the commencement of each option term. Fair Market Rent will include considerations for operating expense base year, tenant improvements and other concessions that impact economic rent.
11.

Termination Option/Payment:

Provided that Tenant is not in default of this Lease beyond any

applicable notice and cure periods, Tenant shall have an ongoing right to terminate this Lease upon written notice to Landlord (the "Termination Notice"). The Termination Notice shall set forth the date on which Tenant shall surrender the Premises to Landlord (the "Termination Date"), said Termination Date being no earlier than one hundred twenty (120) days after the date of the Termination Notice. If Tenant sends a Termination Notice to Landlord, the termination shall not be effective until Tenant pays to Landlord, no later than ten (10) days prior to the Termination Date the following amounts as a Termination Payment:

- (a) the unamortized portions of the leasing commissions, amortized at an interest rate of eight percent (8%); and
- (b) if the Termination Notice is given during Months 1-36 of the Lease, then a penalty of eighteen (18) months Base Monthly Rent at the rent rates that would be in effect for eighteen (18) months after Termination Date, OR if the Termination Notice is given after the 36<sup>th</sup> Month of the Lease, a penalty of twelve (12) months Base Monthly Rent at the rent rates that would be in effect for twelve (12) months after Termination Date will be due from Tenant.

12.

Security Deposit:

Waived
13.

Broker(s):

Landlord's:

Hillman C. Duncan, CCIM, SIOR  
Brian E. Carr, CCIM  
Cassidy Turley  
3110 Edwards Mill Road, Suite 210  
Raleigh, NC 27612  
Ph: 919-791-2105

Tenant's:

Jones Lange LaSalle & PALCAP
14.

Guarantor:

N/A

- EXHIBITS -
- Exhibit A – The Premises

Exhibit A-1 – Standard Building Finishes

Exhibit A-2 – Landlord Work

Exhibit A-3 – Budget Estimate

Exhibit B – Building Site Plan

Exhibit C – Building Rules and Regulations

Exhibit D – HVAC Maintenance Requirements

Exhibit E – Signs

Exhibit F – List of Leased Furniture

Exhibit G – Janitorial Specifications

## LEASE

THIS LEASE is entered into as of the \_\_\_\_ day of May, 2010 by and between VCG Investors,, LLC, a North Carolina limited liability company, having an address of 905 Williamson Drive, Raleigh, North Carolina 27608, ("Landlord") and the Tenant identified on the Schedule of Terms (the "Schedule") attached hereto and incorporated herein by this reference and made a part hereof. All terms defined in the Schedule shall have the same meaning for purposes of this Lease as they do for the Schedule.

1. **LEASE OF PREMISES.** Landlord leases to Tenant and Tenant leases from Landlord the Premises, as outlined on Exhibit "A" attached hereto and incorporated herein by this reference and made a part hereof, in the building located at 200 Sorrell Grove Church Road, Morrisville, North Carolina (the "Building"), as outlined on Exhibit "B" attached hereto and incorporated herein by this reference and made a part hereof. The Premises shall include the nonexclusive right to use the common areas of the Building, including the parking areas, which are open for use by all tenants in general.

2. **TERM.** Unless sooner terminated as hereinafter provided, the term of this Lease shall be for the number of months set forth on the Schedule, commencing on earlier of the Rent Commencement Date or the date all improvements in the Premises have been substantially completed. Tenant waives any claims against Landlord if Landlord cannot deliver possession of the Premises, with all improvements to be done by Landlord substantially completed, by the date set forth above; and in such case, unless Tenant caused the delay, the Rent Commencement Date of this Lease shall be delayed until Landlord can deliver possession of the Premises to Tenant with such work substantially completed, and the termination date of this Lease shall be deferred for an equal amount of time. Landlord and Tenant presently anticipate that the Rent Commencement Date will occur on or about the date which is One Hundred Twenty (120) days after the Commencement Date (the "Estimated Rent Commencement Date"). In the event the Rent Commencement Date has not occurred by the date which is One Hundred Fifty (150) days after the Commencement Date, Tenant shall be entitled to a credit of two and one-half (2.5) days of free Rent for every one (1) day of delay in delivery by Landlord after the One Hundred Fiftieth (150) day following the Commencement Date.

Landlord shall not be deemed to have made any promises to improve the Premises or any representation or warranty as to the condition of the Premises unless stated in a separate work letter signed by Landlord and Tenant and Tenant hereby accepts the Premises in the "as-is, where-is, with all faults" condition. Tenant's taking possession of the Premises shall be conclusive evidence that the Premises were in good order and satisfactory condition when Tenant took possession.

Tenant shall have access to the Premises beginning on the Commencement Date in order to coordinate installation of its telephone and data equipment, wiring, furniture, and other related infrastructure items with the contractor handling the Work pursuant to Exhibit A-2 of this Lease. In no event shall Tenant interfere with the contractor or such interference shall be deemed a Tenant Delay Day under Exhibit A-2. Furthermore, Landlord represents and warrants to Tenant that Tenant shall have full access to the Server Room at the Premises on or before August 15th, 2010, but such early access shall not constitute the Rent Commencement Date. Tenant agrees to assume the cost of all electricity service for the Premises beginning on the date on which Tenant takes access to the Server Room through the date on which a Certificate of Occupancy is issued for the Premises. The costs of the electricity paid by Tenant during this interim period shall not exceed \$750. Any electricity costs exceeding \$750 will be paid by Landlord. After a Certificate of Occupancy has been issued for the Premises, Tenant will place electricity service in Tenant's name and thereafter, Tenant will be responsible for all electricity related expenses for the Premises.

### 3. **RENT.**

A. **Base Rent.** Tenant agrees to pay Landlord, without setoff or demand, the Annual Base Rent for the Premises, payable in monthly installments equal to the Monthly Base Rent on or before the first day of each month of the Term. In addition, Tenant shall pay Landlord Tenant's Proportionate Share of the Expenses (as hereinafter defined) for the Building incurred by Landlord each year during the Term, as additional rent hereunder; provided, however, if the Building is not fully leased during any year, Landlord may adjust the Expenses to what they would reasonably be expected to have been if the Building were ninety-five (95%) leased. Any and all sums and amounts due and payable by Tenant to Landlord under or pursuant to this Lease shall constitute "Rent" for all purposes hereunder. The receipt by Landlord of less than the full rent due shall not be construed to be other than a payment on account of rent then due, nor shall any statement on any check submitted by Tenant or any letter accompanying a check from Tenant be deemed an accord and satisfaction, and Landlord may accept such payment without prejudice to Landlord's right to recover the balance of the rent due or to pursue any other remedies provided in this Lease.

B. **Additional Rent.** Landlord shall estimate the amount of Expenses for each year, and Tenant shall pay Landlord 1/12<sup>th</sup> of Tenant's Proportionate Share of such estimate on the first day of each month during the year. As soon as reasonably possible after the end of each year, Landlord shall provide Tenant with an itemization of the Expenses incurred during such year. If the estimated payments by Tenant were less than the amount due Landlord as shown on such itemization, Tenant shall pay Landlord such deficiency within thirty (30) days after receipt of such itemization; and, if the estimated payments by Tenant were more than the amount due Landlord, Landlord shall credit such excess against the next rent payments due from Tenant or, if the Term has already ended, pay such excess to Tenant within thirty (30) days of such receipt. For purposes hereof, Expenses shall mean Taxes (as hereinafter defined) and Operating Expenses (as hereinafter defined). The term "Operating Expenses" shall mean the actual cost incurred by Landlord with respect to the operation, maintenance, repair and

replacements (non-capital in nature unless otherwise permitted by this Section) and administration of the Building, including, without limitation or duplication, rubbish removal from Common Areas; general landscaping and maintenance; window washing; electricity, water, fuel and lighting for the Common Areas; management fees not to exceed 4% of gross rents for the Building per year); protection and security services; repairs, replacements as qualified above, and maintenance, fire, extended coverage, public liability and property damage insurance (including loss of rental income insurance); supplies; wages, salaries, disability benefits, pensions, hospitalization, social security, unemployment taxes, retirement plans and group insurance respecting service and maintenance employees and management staff; accounting and administrative staff; expenses imposed pursuant to any collective bargaining agreement with respect to such employees with respect only to those employees who are solely working for the Building and on Building matters and/or the pro-rata portion of such employees when working on Building matters, all of which shall be at fair market rates as determined by comparison to other similarly situated employees in the general area; fees of independent contractors; sales, use and other similar taxes; water rates and sewer charges and personal property taxes; advertising, public relations and promotions; depreciation of movable equipment and personal property which is, or should be, capitalized, as well as the cost of maintaining all such movable equipment, and any other costs, charges and expenses which, under commercially reasonable accounting principles and practices, would be regarded as maintenance and operating expenses, and the cost of any capital improvements made to the Building by Landlord after the Commencement Date that reduce other Expenses, or are required under any governmental law or regulation that was not applicable to the Building at the time constructed, such cost to be amortized over their useful life (and only the amortized portion shall be included in Operating Expenses) as Landlord shall determine (consistent with commercially reasonable accounting principals and practices). The term "Taxes" shall mean the amount paid or payable by Landlord for all ad valorem real property taxes and assessments, special or otherwise, levied upon or with respect to the Building, or the rent and additional charges payable hereunder, imposed by any taxing authority having jurisdiction. Taxes shall also include all taxes, levies and charge which may be assessed, levied or imposed in replacement of, or in addition to all or any part of ad valorem real property taxes as revenue sources, and which in whole or in part are measured or calculated by or based upon the Building, the freehold and/or leasehold estate of Landlord or Tenant, or the rent and other charges payable hereunder. Taxes shall include any expenses incurred by Landlord in determining or attempting to obtain a reduction of Taxes. Expenses shall not include (a) the costs of capital improvements (other than those to save or reduce operating expenses or comply with laws, which shall be amortized over their useful life as set forth above), (b) costs of tenant alterations or any leasing expenses, (c) payments on mortgages, deeds of trust and ground leases, (d) casualty losses to the extent covered by the net proceeds of insurance, (e) income and franchise taxes, or (f) salaries and benefits paid to any employee above the grade of building manager. Tenant, at its sole cost and expense, shall have the right to inspect Landlord's books and records relative to the Expenses and make any objection thereto provided Tenant gives written notice of such objection within thirty (30) days after receipt of Landlord's annual itemization, and Tenant waives the right to challenge any Expenses not objected to within such thirty (30) day period. If Tenant timely objects to any Expenses, the issue shall be conclusively determined by an accounting firm selected by Landlord, and reasonably approved by Tenant, and the costs of any audit or review shall be at the sole cost and expense of Tenant unless a variation of five percent (5%) or greater is discovered, in which case Landlord shall bear the costs of the audit.

Notwithstanding the foregoing, for purposes of determining Tenant's share of Operating Expenses during the Lease Term, the Operating Expenses which are controllable by Landlord (the "Controllable OE") shall not exceed the Controllable OE for the first (1st) calendar year of the Term increased at a rate of five percent (5%), compounded annually. There shall be no such limitation with respect to taxes, insurance, utilities, weather related cleanup, and any other Operating Expenses which are not within Landlord's reasonable control or for which Landlord cannot obtain competitive bids.

Standard exclusions from Expenses will include, but not necessarily be limited to:

- Initial costs of the Building
- Debt service
- Ground lease rental and related costs
- Specific costs for specific tenants
- Costs reimbursed by insurance proceeds, condemnation awards, warranties and services contracts or any tenant of the Building
- Commissions, fees in lieu of commissions or any other costs associated with procuring tenants for the Building or Project
- Salaries of officers, executives or partners of Landlord above the level of Building Manager
- any cost included in Expenses representing an amount paid to an employee or agent of Landlord which is in excess of the amount which would have been paid on an arms length basis in the absence of such relationship;
- Non-cash items (depreciation)
- Capital items of any kind or nature or any "reserve" for same unless amortized as outlined above

- Legal fees related to leasing the Building
- Electricity for which any tenant is separately metered or sub metered and pays Landlord directly or pays directly to the public service company
- Late payment fees and tax penalties
- Costs of sculptures, paintings or other objects of art
- Bad debt or rent loss Costs for entertainment, gifts, dining, travel, etc.

C. Payment of Rent. All rent due hereunder shall be payable in U.S. funds without prior written notice or demand and without any right of deduction or offset and shall be payable to Landlord at the address specified by Landlord.

D. Rent Due Date. All rent due hereunder shall be payable on the first (1st) day of each month (and for any portion of a calendar month at the beginning or end of the Term) without prior written notice or demand and without any right of deduction or offset and shall be payable to Landlord at the address specified by Landlord. If any rent or other amounts due under this Lease are not received by Landlord within five (5) days of its due date, Tenant shall pay Landlord a late charge of five percent (5%) of the amount not received when due and any amount which is not received by the date due shall bear interest from the date due to the date received at the rate of four percent (4%) over the Prime Rate established by the Wall Street Journal or any substitute therefore at the time of the late payment or the maximum rate permitted by law, whichever is lower.

4. SECURITY DEPOSIT. *INTENTIONALLY DELETED*

5. USE OF PREMISES; SIGNAGE; PARKING.

A. Use. The Premises shall be occupied and used by Tenant exclusively as office space in conformity with all laws, statutes, ordinances, rules, restrictions and orders of any governments having jurisdiction over the Premises. Tenant covenants and agrees to (a) use the Premises in a safe, careful and lawful manner and in conformance with all rules and regulations imposed by Landlord from time to time, (b) keep the Premises, including all building fixtures located therein and all parking areas, driveways, truck aprons, loading docks and grounds surrounding the Premises, in good order and condition and not disturb any other tenants in the Building or create any nuisances, including odors and noises which would disrupt other tenants in the Building normal wear and tear exempted, (c) upon twenty four (24) hours prior written notice, permit Landlord and its employees and agents access to the Premises at all reasonable times for the purposes of making repairs and alterations, and so long as the Premises are still occupied by Tenant, for the purposes of inspecting and showing the Premises during the last six (6) months of the tenancy, (d) except for repairs required to be made by Landlord under this Lease, make and pay for all repairs to the Premises, including any windows or plate glass, exterior doors, special storefronts and office entries, interior improvements, fixtures and utility lines (including the Tenant's sanitary sewer lateral line up to the Building main), and (e) make all arrangements directly with the appropriate utility companies for all utilities to the Premises, not use any utilities other than for normal usage in the ordinary course of business (washing of vehicles is prohibited), and pay all fees, expenses and charges incurred with respect thereto, including any connection fees, the costs of separate meters and any service fees. In addition, Tenant shall be solely responsible for any security systems in connection with the Premises, and Landlord shall have no obligation in connection therewith. Tenant agrees to provide Landlord with keys or key card access to all doors within the Premises.

Tenant shall bear the risk of complying with Title III of the Americans With Disabilities Act of 1990, any state laws governing handicapped access or architectural barriers, and all rules, regulations, and guidelines promulgated under such laws, as amended from time to time (the "Disabilities Acts") in the Premises. Landlord shall bear the risk of complying with the Disabilities Acts for the exterior of the Building (subject to reimbursement as set forth in Section 3(b) above), other than compliance that is necessitated by the use of the Premises or as a result of any alterations or additions to the Premises made by Tenant (which risk and responsibility for compliance within the Premises shall be borne by Tenant).

B. Signage. At Tenant's sole cost and expense, Tenant shall have the right to install building, monument and lobby signage, the maximum allowable under the city ordinances. Tenant is responsible for ensuring such signage shall be in compliance with all applicable municipal laws and regulations, Tenant shall remove such signage upon the expiration or earlier termination of this Lease and immediately repair any damage caused by such removal.

C. Parking. Tenant shall be provided with the right to use four and one-half (4.5) unassigned spaces per each 1,000 rentable square feet leased by Tenant, in such areas or spaces (the "Non-Exclusive Parking"). The Non-Exclusive Parking shall be available for use by Tenant on a "non-reserved" and "space available" basis during regular Business Hours. Tenant shall have the right to designate up to seven (7) spots in front of the Premises for visitor parking exclusively for Tenant (the "Exclusive Parking Spaces"). All costs and expenses related to the Exclusive Parking Spaces, including the installation of any signage designating the Exclusive Parking Spaces, shall be at Tenant's sole cost and expense, and any signage shall comply with all municipal sign ordinances.

6. HAZARDOUS MATERIALS. The Tenant agrees that it will not discharge, release, generate, store, place, hold, produce, deposit or dispose of any Hazardous Material (defined hereinafter) on, under or at the Premises or the Building, except in accordance with all laws, rules and regulations, and that it will not use the

Premises or the Building as a treatment, storage, or disposal site for any Hazardous Material, except in accordance with all laws, rules and regulations. At least once per calendar quarter, Tenant shall provide Landlord with a list of all Hazardous Material which is being used by Tenant within the Premises. Tenant shall comply with all Environmental Laws at all times. For purposes of this Lease, "Hazardous Material" means and includes any hazardous substance, pollutant or contaminant, and/or any medical wastes and/or dangerous materials or substances, as now or hereafter defined as such in the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other Federal, state or local law ("Environmental Laws"). Tenant hereby indemnifies, defends and holds the Landlord harmless against any and all losses, liabilities, damages, injuries, costs, expenses and claims (including without limitation, court costs and attorneys' fees) which at any time may be incurred by Landlord as result of (A) a breach or violation by Tenant of any Environmental Laws, (B) the introduction into the Premises or Building of any Hazardous Materials by or on behalf of Tenant, its employees, agents, contractors, licensees or invitees, or (C) any breach of this Section 6 by Tenant. The provisions set out in this paragraph shall survive the termination of this Lease.

The Landlord is providing a generator and a one thousand (1,000) gallon above-ground fuel tank for the exclusive use of the Tenant. Landlord shall indemnify and hold the Tenant harmless from any liability for the use of the generator and the above-ground fuel tank prior to the Commencement Date of this Lease. Tenant shall indemnify and hold harmless the Landlord from any liability for the use of the generator and above-ground fuel tank after the Commencement Date of this Lease, including any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Tenant's use of the generator and/or above-ground fuel tank or arising from alleged injury or threat of injury to health, safety or the environment due to Tenant's use of the generator and/or above-ground fuel tank, but such indemnification by Tenant shall only be to the extent that any contamination or injury is caused by Tenant or Tenant's use of the generator and/or above ground fuel tank.

7. REPAIR AND MAINTENANCE OF BUILDING. During the term of this Lease, Landlord shall maintain the foundation, exterior walls (excluding windows, plate glass, doors, dock doors, special storefronts and office entries) and roof of the building in which the Premises is located, except for reasonable wear and tear and repairs rendered necessary by the negligence or willful misconduct of Tenant, Tenant's agents, employees, invitees, licensees and contractors. Subject to reimbursement as provided herein, Landlord shall maintain in good order and repair the landscaped areas, paved parking areas and paved driveways surrounding the Building and shall be responsible for exterior painting as well as maintenance of exterior common water and sewer lines. Landlord reserves the right to modify the Building to comply with applicable laws; and the cost of such modifications shall be amortized over the useful life thereof and included in Expenses, unless such modifications where necessitated by Tenant's particular use of the Premises in which case Tenant shall promptly reimburse Landlord for the cost thereof upon demand. Landlord shall be under no obligation to inspect the Building and Tenant shall promptly report to Landlord in writing any defective condition known to Tenant that Landlord is required hereunder to repair.

Landlord agrees to deliver the HVAC system, the generator, and all systems (plumbing, electric, etc.) serving the Premises in good working order as of the Commencement Date.

In addition, Tenant shall be solely responsible for the maintenance, repair and replacement of the HVAC System which may arise from Tenant's use of the Premises. Tenant agrees to maintain the HVAC System pursuant to Exhibit "D" attached hereto and made a part hereof. Landlord agrees that Tenant's obligation for maintenance, repair and replacement costs related to the HVAC System incurred by Tenant shall be capped at One Thousand Five Hundred and No/100 Dollars (\$1,500.00) annually per unit of the HVAC System. Landlord shall pay all repair and maintenance costs of the HVAC System in excess of Tenant's cap set forth above.

Notwithstanding the foregoing, however, the cap on Tenant's HVAC System costs are solely for the HVAC System serving the Premises, and the cap does not apply to any costs associated with the two (2) Liebert units which are used in connection with the server room at the Premises. Tenant shall be solely responsible for all maintenance, repair and replacement of the two (2) Liebert units during the term of the Lease.

At the election of Tenant which must be given to Landlord no later than thirty (30) days prior to the Rent Commencement Date, Landlord will provide for janitorial service for the Premises, at a cost of \$14,786.00 annually. The scope of such janitorial service is outlined on Exhibit "G" attached hereto and incorporated herein by reference. In the event Tenant wishes for Landlord to provide janitorial service, Tenant shall provide written notice of same to Landlord, and thereafter, Tenant shall pay the additional sum of \$1,231.16 monthly to Landlord, as Additional Rent, for such janitorial services.

8. ALTERATIONS OR IMPROVEMENTS. After the Rent Commencement Date, Tenant may make alterations or improvements to the Premises, but only with the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, provided that the alterations or improvements in question (a) cost less than \$5,000.00, (b) are not visible from the exterior of the Premises, and (c) do not materially affect the structure of the building in which the Premises is located or materially increase the usage of utilities or Landlord's Operating Expenses. Such alterations or improvements shall be made by a contractor reasonably acceptable to Landlord, in accordance with all applicable laws and building codes, in a good and workmanlike manner and shall comply with all reasonable requirements of Landlord. Tenant shall promptly repair any damage to the Premises or to the Building in which the Premises caused by any such alterations or improvements. Tenant shall promptly pay all costs attributable to such alterations and improvements as well as any repairs to the Premises performed by or on behalf of Tenant and provide Landlord with proof of payment for same, and Tenant shall indemnify Landlord against any mechanics' liens or other liens or claims filed or asserted as a result thereof. Tenant

shall, unless Landlord otherwise elects, remove any alterations made after the Rent Commencement Date by Tenant and restore the Premises to their original condition by the expiration date of this Lease or upon the earlier termination of this Lease; provided, however, that if Landlord elects prior to such expiration date or earlier termination of this Lease, such alterations shall become the property of Landlord as of the expiration date or earlier termination of this Lease and shall be delivered up to Landlord with the Premises. Any trade fixtures and personal property installed on the Premises by Tenant at its own expenses may and, at the request of Landlord, shall be removed on the termination of this Lease, provided that Tenant is not then in default and repairs at its own expense any and all damage to the Premises resulting from such removal. Unless otherwise agreed in writing by Landlord prior to termination of the Lease, upon termination of the Lease the Tenant shall remove, at Tenant's sole cost and expense, any submeters and any data and/or voice network wiring and cabling which was installed to serve the Premises by or on behalf of Tenant, whether such wiring and cabling is located within the Premises or within chases or other common areas in the Building through which such data and/or voice network wiring and cabling has been installed to serve the Premises.

Landlord reserves (a) the right from time to time to make changes, alterations, additions, improvements, repairs or replacements in or to the Building, provided such changes do not reduce the usable square footage of the Premises, nor unreasonably interfere with Tenant's operations (including the Premises) and the fixtures and equipment thereof, as well as in or to the other parts of the Building, and the addresses, suite numbers, names and locations of streets and street entrances to the parking areas, and to erect, maintain, and use pipes, ducts and conduits in and through the Premises, all as Landlord may reasonably deem necessary or desirable, (b) the right to eliminate, substitute and/or rearrange the Common Areas (which may theretofore have been so designated) as Landlord deems appropriate in its reasonable discretion, (c) the right from time to time to construct additional stories onto the Building and (d) the right from time to time to construct additional buildings; provided, in the case of (b), (c) and (d), such changes will not unreasonably interfere with Tenant's operations (including the Premises) and the fixtures and equipment thereto.

#### 9. INSURANCE; WAIVERS; SUBROGATION; INDEMNITY.

A. Insurance. Tenant shall procure and maintain at its own expense and throughout the Term the following insurance policies:

(1) Commercial general liability insurance, on an occurrence basis, which shall afford at a minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate and product and completed operations aggregate or such other amounts as Landlord may from time to time reasonably require, against all liability for injury to or death of a person or persons or damage to property arising from the use, occupancy or maintenance of the Premises and the Building. This coverage shall include blanket contractual liability, broad form property damage and shall contain an exception to any pollution exclusion which insures damage or injury arising out of heat smoke or fumes from a hostile fire;

(2) Business auto liability which insures against bodily injury and property damage claims arising out of the ownership, maintenance or use of "any auto". A minimum of \$1,000,000 combined single limit per accident shall apply;

(3) Worker's compensation and employer's liability insurance. Workers compensation insurance in statutory limits is required for all employees. The employer's liability insurance shall afford limits not less than \$1,000,000 per employee, \$1,000,000 per accident, and \$1,000,000 policy limit for bodily injury by disease;

(4) All risk property insurance covering the full replacement value of Tenant's fixtures and personal property and improvements or betterments, and other property (including property of others) in the Premises, which coverage shall name Landlord as loss payee as respects Landlord's interest in any improvements or betterments and shall include business income and extra expense insurance with limits not less than 100% of Tenant's gross revenue from the Premises for a period of eighteen (18) months. Landlord will not carry insurance on Tenant's property or improvements to the Premises made by Tenant;

(5) Umbrella excess liability insurance, on an occurrence basis, that applies excess of required commercial general liability, business auto liability, and employers liability policies with a minimum limit of \$3,000,000 each occurrence and annual aggregate. The umbrella insurance coverage limit shall be in addition to those limits stated for the commercial general liability, business auto liability, and employers liability policies; and

(6) Insurance against such other perils and in such amounts Landlord may from time to time reasonably require.

Tenant shall furnish to Landlord certificates of such insurance, affording additional insured and loss payee status as required below, and such other evidence satisfactory to Landlord of the maintenance of all insurance coverages required hereunder prior to delivery of possession of the Premises and thirty (30) days prior to each renewal date. Tenant shall not cancel such policy without thirty (30) days' prior notice to Landlord. Prior to the expiration or cancellation of any such policy, Tenant shall supply Landlord with a substitute therefore or with evidence of payment of premiums therefore. Within thirty (30) days of any cancellation of any such policy by the carrier, Tenant shall replace such cancelled policy with another of commercially available equivalent coverage and terms at Tenant's sole expense. All such insurance policies shall be: (i) in form, and issued by companies licensed to do business in the state in which the property is located with a minimum Best's Rating of "A- XII" or better, unless



otherwise approved and reasonably satisfactory to Landlord; (ii) be endorsed to be primary to all insurance available to Landlord, with Landlord's being excess, secondary or noncontributory; (iii) contain only standard and/or usual exclusions or restrictions; (iv) have a deductible or self-insured retention of no more than \$25,000.00 unless approved in writing by Landlord; (v) provide that the policies cannot be canceled, non-renewed, or coverage materially reduced except after at least 30 days' prior notice to Landlord; (vi) contain a "severability of interest" clause or endorsement which precludes the insurer from denying the claim of either Landlord or Tenant because of the negligence or other acts of the other; and (vii) name Landlord, Landlord's agents and their respective affiliates and Landlord's mortgagee as additional insureds. The term "Affiliate" shall mean any person or entity, directly or indirectly, controlling, controlled by, or under common control with the party in question. In the event that Tenant fails to provide evidence of required insurance, within ten (10) days following Landlord's request thereof, Landlord shall be authorized (but not required) to procure such coverage in the amount stated with all costs thereto to be chargeable to Tenant and payable upon written invoice thereof. The limits of insurance required by this Lease, or as carried by Tenant, shall not limit the liability of Tenant or relieve Tenant of any obligation hereunder except to the extent provided for in Section 9(D). Any deductibles selected by Tenant shall be the sole responsibility of Tenant. Tenant shall also obtain such other standard insurance or any changes or endorsements to the insurance required herein, including increased limits of coverage as any mortgagee of Landlord, may reasonably require from time to time. Such changes will be made to conform to common insurance requirements for similar properties in similar geographic locations.

Tenant shall ensure that all of Tenant's contractors performing work on or about the Premises have in place a commercially reasonable policy of general liability insurance and workers compensation insurance and that Landlord and Landlord's mortgagee are named as additional insured under such policy. In the event Landlord is to be named as an additional insured under such a policy pursuant to the provisions hereof, Tenant shall cause a certificate of liability insurance to promptly be delivered to Landlord in connection with any such policies.

B. Mutual Waiver of Subrogation. All policies of insurance carried or maintained pursuant to this Lease shall contain or be endorsed to contain a provision whereby the insurer waives all rights of subrogation against both Tenant and Landlord, as the case may be, provided such a provision shall be obtainable. If insurance policies with such waiver of subrogation provisions shall not be obtainable, then the provisions relating to waiver of subrogation as contained in this Section 9 shall have no effect during such time as such insurance policies with waiver of subrogation provisions shall not be obtainable. If any provision relating to waiver or subrogation as set forth in this Section 9 shall contravene any present or future law with respect to exculpatory agreements, the liability of the party affected shall be deemed not released but shall be secondary to the other's insurer.

C. Tenant's Waiver of Claims. To the extent permitted by Law, Tenant waives all claims, actions, recoveries and causes of action it may have against Landlord, its agents (including partners, both general and limited, trustees, officers, directors and employees) for any injury, loss, cost or damage to persons or to the Premises or any other casualty, to the extent such claim is or would be covered by any insurance that Tenant is required hereunder to carry, regardless of cause or origin. Particularly, but not in limitation of the foregoing sentence, all property belonging to Tenant or any occupant of the Premises or the Building will be there at the risk of Tenant or other person only, and Landlord or its agents or employees will not be liable for damage to or theft of or misappropriation of such property, nor for any damage to property resulting from fire, explosion, flooding of basements or other subsurface areas, falling plaster, steam, gas, electricity, snow, water or rain which may leak from any part of the Building or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place or resulting from dampness or any other cause whatsoever, nor for any latent defect in the Premises or in the Building, to the extent that such claim is or would be covered by any insurance that Tenant is required hereunder to carry. Provided, however, that this release shall be applicable only with respect to loss or damage occurring during such time as Tenant's policies of insurance contain a clause or endorsement (which Tenant shall make best efforts to obtain) to the effect that any such release shall not adversely affect or impair such policies or prejudice the right of the Landlord to recover thereunder.

D. Landlord's Waiver of Claims. To the extent permitted by Law, Landlord waives all claims, actions, recoveries and causes of action it may have against Tenant, its agents (including partners, both general and limited, trustees, officers, directors and employees) for injury, loss, cost or damage to persons or to the Premises or any other casualty, to the extent that such claim is covered by any property insurance which Landlord carries under this Lease; provided, however, that this release shall be applicable only with respect to loss or damage occurring during such time as Landlord's policies of insurance contain a clause or endorsement to the effect that any such release shall not adversely affect or impair such policies or prejudice the right of the Landlord to recover thereunder.

E. Tenant's Indemnity. Subject to the insurance requirements, releases and mutual waivers of subrogation set forth herein, and except to the extent caused by Landlord's gross negligence or willful misconduct, Tenant shall indemnify, defend and hold harmless Landlord and Landlord's agents and their respective officers, directors, beneficiaries, shareholders, partners, employees, agents (the "Parties Indemnified by Tenant") from and against any and all loss, damage, claim, demand, liability or expense (including reasonable attorneys' fees actually incurred) to or for any person or property, whether based on contract, tort, negligence or otherwise, arising directly or indirectly out of or in connection with the condition of the Premises, the use or misuse thereof by Tenant or any other person, the acts or omissions of Tenants, its licensees, servants, agents, employees or contractors, the failure of Tenant to comply with any provision of this Lease, or any other event on or relating to the Premises, whatever the cause. The provisions of this paragraph will survive the expiration or sooner termination of this Lease.

F. Landlord's Indemnity. Subject to the insurance requirements, releases and mutual waivers of subrogation set forth herein, and except to the extent caused by Tenant's gross negligence or willful misconduct, Landlord shall indemnify, defend and hold harmless Tenant and Tenant's agents and their respective officers, directors, beneficiaries, shareholders, partners, employees, agents and contractors (the "Parties Indemnified by Landlord") from and against any and all loss, damage, claim, demand, liability or expense (including reasonable

attorneys' fees actually incurred) resulting from claims by third parties and based on any negligent acts or omissions of Landlord, its employees, agents and contractors in connection with the common areas of the Building. Landlord will have the right and obligation to assume the defense of any claim covered by this indemnity on behalf of both itself and the Parties Indemnified by Landlord, and the Parties Indemnified by Landlord may not settle such claim without the consent of Landlord, provided (i) Landlord acknowledges to the Parties Indemnified by Landlord in writing that it is responsible for such claim under the terms of this paragraph and (ii) the lawyers selected by Landlord to handle such defense are reasonably satisfactory to the Parties Indemnified by Landlord and such representation does not result in a conflict of interest for such lawyers. The Parties Indemnified by Landlord may participate in the defense of such claim at their own expense unless Landlord is not representing the Parties Indemnified by Landlord in which case the reasonable expense of the Parties Indemnified by Landlord in defending against such claim will be paid by Landlord. The provisions of this paragraph will survive the expiration or sooner termination of this Lease.

10. **DAMAGE AND DESTRUCTION.** If either the Building or the Premises should be partially or wholly destroyed or damaged by fire or other casualty and such damage or destruction cannot in Landlord's reasonable judgment be substantially repaired within one hundred twenty days (120) days from the date on which a building permit is issued to repair such damage or destruction, then Landlord shall so notify Tenant within thirty (30) days of the date of such casualty and either party hereto may, at its option, terminate this Lease by giving written notice thereof to the other party within thirty (30) days after the date of Landlord's notice. In such event, rent shall be apportioned to and shall cease as of the date of such casualty. If neither party exercises this option or if the Building or the Premises should be damaged by fire or other casualty which can be repaired within one hundred twenty days (120) days from the date on which a building permit is issued to repair such damage, then the Premises shall be restored at Landlord's expense to substantially the same condition as they were prior to the casualty, provided that, if Tenant has made any alterations or improvements to the Premises, Tenant shall deposit with Landlord prior to the commencement of repairs the cost of reconstructing such alterations or improvements. Rent shall be abated for the damaged portion of the Premises from the date of the casualty until substantial completion of the repairs to the Premises, excluding Tenant's alterations and improvements.

11. **EMINENT DOMAIN.** If a material part of the Premises shall be taken by a governmental or other authority having the power of eminent domain or shall be conveyed to such authority in lieu of such taking, as determined by Landlord in its reasonable discretion, this Lease shall terminate as of the date of such taking. If less than a material part of the Premises shall be taken or conveyed and Tenant is able to use the remaining Premises for its purposes, then this Lease shall be terminated only as to the part taken or conveyed, and Landlord shall make such repairs as may be necessary to render the part not taken or conveyed tenantable, and the rent shall be reduced proportionate to the amount (based on square footage) of the Premises taken. All compensation awarded for such taking or conveyance shall be the property of Landlord, and Tenant shall have no claim to such compensation, provided, however, Tenant shall have the right to recover from such authority but not from Landlord, such compensation as may be awarded to Tenant on account of moving and relocation expenses.

12. **SUBLEASE OR ASSIGNMENT.** Tenant may not assign, mortgage, pledge or otherwise transfer this Lease (whether voluntarily or by operation of law), in whole or in part, nor shall all or part of the Premises be sublet without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, provided that the assignee or sublessee (a) is not an existing tenant or a party with whom Landlord is negotiating to become a tenant; (b) is reasonably creditworthy given the nature and extent of the liabilities being undertaken; (c) will not materially increase usage of parking, utilities or other services; (d) has a use that is allowed by the current zoning for the Premises; and (e) has a use which is compatible with the other uses within the Building, in Landlord's reasonable discretion. In the case of an assignment or transfer, such assignee shall execute and deliver to Landlord an agreement whereby such assignee shall assume all of the obligations of Tenant under this Lease; but no such assignment or transfer shall release Tenant from its obligations hereunder, and Tenant shall continue to be liable to Landlord for Tenant's obligations under this Lease. In the case of a proposed sublease or assignment Landlord shall at its option either (a) receive from Tenant 50% of the excess, on a square footage basis, which the assignee or subtenant pays Tenant over the amount which Tenant is obligated to pay Landlord as rent pursuant to this Lease, or (b) have the right (but not the obligation) to terminate this Lease by written notice to Tenant, which termination shall take effect ninety (90) days after Landlord has so notified Tenant. Tenant shall be deemed to have assigned its interest hereunder within the meaning of this Section if fifty percent (50%) or more of the direct or indirect interests in the Tenant are transferred by any means to any third party. If this Lease is assigned or if any part of the Premises is sublet, Landlord may, after default by Tenant, collect rent from the assignee or subtenant and apply the net amount collected to the rent herein reserved but no such collection shall be deemed a waiver or release by Landlord of any of Tenant's obligations in this Lease. Furthermore, in the event Tenant shall request Landlord's consent to an assignment of this Lease or subletting of the Premises, Tenant shall pay Landlord, as a condition to obtaining Landlord's consent, the reasonable costs and expenses incurred by Landlord to review and/or prepare documents in connection with such assignment or sublease (including Landlord's reasonable attorneys' fees), which costs shall be capped at Five Hundred and 00/100 Dollars (\$500.00) per request, regardless of whether such assignment or sublease is consummated by Tenant.

Notwithstanding the foregoing, Tenant shall have the absolute right to assign this Lease to any affiliate of URS Corporation, the North Carolina Turnpike Authority, or any successor governmental agency to the North Carolina Turnpike Authority without the prior consent of Landlord and without the requirement of a consent fee paid to Landlord (each an "Approved Assignment"). Landlord shall not share in any excess rents in the event of an Approved Assignment. However, Tenant shall provide written notice of such assignment to Landlord no later than ten (10) days prior to the effective date of any such assignment.

13. **RELOCATION OF TENANT.** *Intentionally Deleted.*

14. SUBORDINATION. This Lease and all of the rights of Tenant hereunder are subject and subordinate at all times to all deeds of trust, deeds to secure debt, ground leases or mortgages (collectively, a "mortgage") which may now or hereafter affect the Building, and to all renewals and modifications thereof; provided, however, if the holder of any mortgage elects in writing to have this Lease superior to its mortgage, then this Lease shall be superior to such mortgage. Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of the exercise of power of sale under, any mortgage covering the Premises and/or the Building, at the election of the purchaser at any such sale, attorn to such purchaser and recognize such purchaser as the Landlord hereunder.

15. TENANT'S DEFAULT. The occurrence of any one or more of the following events shall be a default under this Lease by Tenant: (a) Tenant fails to pay any installment of rent within five (5) days after the same shall be due and payable; (b) Tenant fails to perform or observe any of its covenants or obligations under this Lease for a period of ten (10) days after written notice thereof from Landlord; provided, however, that if such covenant or obligation is of such nature that the same cannot reasonably be cured within ten (10) days and if Tenant commences such performance within said ten (10) day period and thereafter diligently undertakes to complete the same, then such failure shall not be a default hereunder if it is cured within thirty (30) days following Landlord's notice; (c) Tenant vacates or abandons the Premises or ceases doing business in the Premises, or (d) a petition in bankruptcy, insolvency or for reorganization or arrangement is filed by or against Tenant or any guarantor of Tenant's obligations under this Lease pursuant to any Federal or state statute, and, with respect to any such petition filed against it, Tenant or such guarantor fails to secure a stay or discharge thereof within sixty (60) days after the filing of the same; or (e) Tenant shall repeatedly fail to pay rent when due or any other charges required to be paid, or shall repeatedly default in keeping, observing or performing any other covenant, agreement, condition or provision of this Lease, whether or not Tenant shall timely cure any such payment or other default. For the purposes of subsection (e) hereunder, the occurrence of similar defaults (including failure to pay rent under subsection (a) above) two (2) or more times during any twelve (12) month period shall constitute a repeated default.

Upon the occurrence of any event of default, Landlord shall have the following rights and remedies, in addition to those allowed by law, any one or more of which may be exercised without further notice to or demand upon Tenant:

A. Landlord may re-enter the Premises and perform any obligations and/or take any actions which Tenant has failed to perform, in which event Tenant shall reimburse Landlord as additional rent for any reasonable cost and expenses which Landlord may incur in connection therewith; and Landlord shall not be liable to Tenant for any loss or damage which Tenant may sustain by reason of Landlord's action, unless caused by Landlord's gross negligence or willful misconduct.

B. Landlord may terminate this Lease or Tenant's right to possession under this Lease as of the date of such default, in which event Tenant shall immediately thereafter surrender the Premises to Landlord; and Landlord may re-enter the Premises and dispossess Tenant or any other occupants of the Premises and their property by summary proceedings, ejectment or otherwise. If Landlord terminates this Lease, Tenant shall immediately pay Landlord all rent which would have been due under this Lease for the balance of the term, less the reasonable rental value of the Premises as determined by Landlord in its sole discretion based upon leases completed in the Building in the preceding twelve (12) month period. If Landlord elects to terminate Tenant's right to possession without terminating the Lease, Tenant shall pay to Landlord the difference between the rent provided for herein and that provided for in any lease covering a subsequent re-letting of the Premises, for the period which would otherwise have constituted the balance of the term of this Lease. Tenant shall also pay all of Landlord's costs and expenses for preparing the Premises for re-letting, including all repairs, broker's and attorney's fees, and all loss or damage which Landlord may sustain by reason of such termination, re-entry and re-letting, it being expressly understood and agreed that the liabilities and remedies specified above are in addition to any other remedies available to Landlord under applicable law and shall survive the termination of this Lease or termination of Tenant's right to possession under this Lease. Should Landlord elect to continue this Lease in full force, Landlord shall use its reasonable efforts to rent the Premises, for the remainder of the term hereof, or for such longer or shorter periods as Landlord shall deem advisable, on such terms as Landlord deems appropriate in Landlord's sole discretion; but Landlord shall have no obligation to rent the Premises prior to Landlord's renting any other available space owned by Landlord in the Building.

16. EXCULPATION OF LANDLORD. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, TENANT HEREBY ACKNOWLEDGES AND AGREES THAT: (I) TENANT SHALL LOOK SOLELY TO LANDLORD'S INTEREST IN THE BUILDING FOR THE ENFORCEMENT OF ANY JUDGMENT REQUIRING THE PAYMENT OF MONEY BY LANDLORD TO TENANT, IT BEING INTENDED HEREBY THAT NO OTHER ASSETS OF LANDLORD, OR OF ANY OWNER, SHAREHOLDER, PARTNER, MEMBER, JOINT VENTURER, OFFICER, AGENT OR REPRESENTATIVE OF OR IN LANDLORD (COLLECTIVELY, THE "LANDLORD PARTIES"), SHALL BE SUBJECT TO LEVY, EXECUTION, ATTACHMENT OR ANY OTHER LEGAL PROCESS FOR THE ENFORCEMENT OR SATISFACTION OF THE REMEDIES PURSUED BY TENANT IN THE EVENT OF SUCH DEFAULT OR BREACH, AND THAT LANDLORD AND SUCH LANDLORD PARTIES SHALL HAVE NO PERSONAL LIABILITY UNDER THIS LEASE; (II) IN THE EVENT OF A SALE OR TRANSFER OF THE PREMISES OR BUILDING BY LANDLORD, THE TRANSFEROR SHALL BE RELEASED FROM ALL LIABILITY FOR THE PERFORMANCE OR OBSERVANCE OF LANDLORD'S COVENANTS AND OBLIGATIONS HEREUNDER ARISING OR ACCRUING AFTER THE DATE OF SUCH TRANSFER, AND THE TRANSFEREE SHALL BE DEEMED TO HAVE ASSUMED ALL OF SUCH COVENANTS AND

OBLIGATIONS, IT BEING INTENDED HEREBY THAT, SUBJECT TO THE LIMITATION ON LIABILITY SET FORTH IN CLAUSE (I) HEREOF, SUCH COVENANTS AND OBLIGATIONS SHALL BE BINDING UPON EACH PARTY COMPRISING LANDLORD ONLY DURING ITS PERIOD OF OWNERSHIP OF THE BUILDING; AND (III) TENANT UNDERSTANDS AND ACCEPTS THIS LEASE SUBJECT TO THE LIMITATION OF RECOURSE AND LIABILITY BY TENANT AS SET FORTH HEREIN, AND ACKNOWLEDGES AND AGREES THAT LANDLORD WOULD NOT HAVE ENTERED INTO THIS LEASE WITHOUT THE INCLUSION OF THIS SECTION 16. TENANT REPRESENTS AND WARRANTS TO LANDLORD THAT TENANT IS ENTERING INTO THIS LEASE WITH THE ADVICE OF COUNSEL AND OTHER EXPERTS OF ITS CHOOSING WITH RESPECT TO THE MEANING AND EFFECT OF THE PROVISIONS OF THIS LEASE, INCLUDING SPECIFICALLY BUT WITHOUT LIMITATION THIS EXCULPATION PROVISION.

17. **LANDLORD'S INABILITY TO PERFORM.** This Lease and the obligation of Tenant to perform all of its covenants and agreements hereunder shall not be impaired nor shall Landlord be in default hereunder because Landlord is unable to fulfill any of its obligations under this Lease, if Landlord is prevented or delayed from so doing by any accident, breakage, repairs, alterations, improvements, strike or labor troubles, or any other cause beyond the reasonable control of Landlord, including, but not limited to, energy shortages, or by reason of any government laws, rules, regulations or orders.

18. **MISCELLANEOUS PROVISIONS.**

A. **Notices.** Any notice required or permitted to be given under this Lease or by law shall be given in writing and delivered in person, delivered by reputable overnight courier or mailed by registered or certified mail, postage prepaid to the party who is to receive such notice. Notices shall be sent to the addresses set forth above and shall be effective as of the date it was received if sent by hand delivery, the date of refusal to accept delivery or inability to deliver, or the date of delivery as evidenced by the return receipt or other shipping receipt received by the party sending such notice. Each party may change its notice address hereunder by giving not less than ten (10) days written notice thereof to the other party.

B. **Estoppel Certificates; Subordination Agreements.** Tenant agrees, at any time and from time to time, upon not less than ten (10) business days prior written notice by Landlord, to execute, acknowledge and deliver to Landlord or Landlord's designee an instrument or statement in writing that is witnessed and notarized (i) certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications stating such modifications), (b) whether there are any defaults under this Lease, and (c) as to such other matters as Landlord may reasonably request (an "estoppel certificate"); and (ii) subordinating this Lease and Tenant's interest in the Premises to any mortgage (a "subordination agreement"). If Tenant fails to deliver any such estoppel certificate or subordination agreement within said ten (10) business days after a written request for the same, Tenant shall and does hereby irrevocably appoint Landlord as Tenant's attorney in fact to execute and deliver such estoppel certificate and/or such subordination agreement.

C. **Broker(s).** Except for the Broker(s), each party represents and warrants to the other that it has not dealt with any broker or agent in the negotiations for and procurement of this Lease and that no commissions, fees or compensation of any kind are due and payable to any broker or agent as result of its acts. Any fees due the Broker(s) in connection with this Lease shall be paid by Landlord pursuant to its separate agreement with the Broker(s).

D. **Governing Law; Venue.** This Lease shall be governed by the internal laws of the State of North Carolina. Both parties agree that any litigation between them with respect to this Lease shall be brought solely in the federal or state courts sitting in Raleigh, North Carolina, or in the Superior Court in the County in which the Building is located.

E. **Successors and Assigns.** Subject to the restrictions on assignment hereunder, this Lease shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

F. **Severability.** If any provision of this Lease shall be held to be invalid, void or unenforceable, the other provisions hereof shall not be affected or impaired and shall remain in full force and effect.

G. **Quiet Enjoyment.** As long as Tenant performs all of its obligations hereunder, Tenant shall during the term hereof have the peaceable and quiet enjoyment, possession and use of the Premises without any interference from Landlord or any person claiming by, through or under Landlord, subject to any mortgages, underlying leases or other matters of record to which this Lease is or may become subject.

H. **Holding Over.** If Tenant remains in possession after expiration of the term (or earlier termination) hereof without written agreement of the parties, Tenant shall be a tenant-at-sufferance upon all the other terms and conditions of this Lease. For a period of thirty (30) days after the termination or expiration, as the case may be, Tenant shall pay daily rent at a rate of one hundred twenty five percent (125%) of the Monthly Base Rent in effect at the end of the Term or earlier expiration for each month or portion thereof that Tenant holds over, and Tenant shall in addition pay for any and all other additional rents hereunder. For the period of thirty one (31) through sixty (60) days after the termination or expiration, as the case may be, Tenant shall pay daily rent at a rate of one hundred fifty percent (150%) of the Monthly Base Rent. In no event shall there be a renewal of this Lease by operation of law due to Tenant's hold over. If Tenant holds over past the expiration or earlier termination of this Lease, Tenant shall also be liable to Landlord for all costs, losses, claims or liabilities (including Landlord's reasonable attorneys' fees)

which Landlord may incur as a result of Tenant's failure to surrender possession of the Leased Premises to Landlord upon the expiration or earlier termination of this Lease.

I. Surrender of the Premises. Upon the expiration or earlier termination of this Lease, or upon the exercise by Landlord of its right to re-enter the Premises without terminating this Lease, Tenant shall immediately surrender the Premises to Landlord, together with all alterations, improvements and other property as provided elsewhere herein, in broom-clean condition and in good order, condition and repair, except for ordinary wear and tear and damage which Tenant is not obligated to repair, failing which Landlord may restore the Premises to such condition at Tenant's expense.

J. Complete Agreement; Amendments. This Lease constitutes the entire agreement between the parties hereto and supersedes all previous understandings and agreements between the parties, if any; and it may not be amended except by a written instrument executed by both parties hereto.

K. Non-Waiver of Default. The failure or delay by either party hereto to enforce or exercise at any time any of the rights or remedies or other provisions of this Lease shall not be construed to be a waiver thereof, nor affect the validity of any part of this Lease or the right of either party thereafter to enforce each and every such right or remedy or other provision. No waiver of any default and breach of this Lease shall be held to be a waiver of any other default and breach.

L. Waiver of Jury Trial; Attorneys' Fees. Both parties waive any right to trial by jury. If there is litigation between Landlord and Tenant with respect to this Lease, the losing party shall pay the prevailing party's reasonable and actual expenses in such litigation, including its court costs and reasonable attorneys' fees. As used in this Lease, the phrase "attorney's fees," "reasonable attorney's fees" or words of similar import shall mean fees and expenses actually incurred at customary hourly rates without regard to any statutory presumption.

M. No Option. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, or option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

N. Time is of the Essence. Time is of the essence of this Lease and each and all of its provisions.

O. No Estate. This Lease shall create the relationship of landlord and tenant only between Landlord and Tenant and no estate shall pass out of Landlord. Tenant shall have only a usufruct, not subject to levy and sale and not assignable in whole or in part by Tenant except as herein provided.

P. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

Q. Memo of Lease. At the request of Tenant, Landlord agrees to execute, acknowledge and deliver to Tenant, a memorandum of this Lease in form reasonably satisfactory to Landlord and suitable for recordation in the official records of the jurisdiction in which the Premises are located. In the event a memorandum of this Lease is recorded and thereafter Tenant is in default after expiration of any cure periods under the Lease, and the Lease is terminated by Landlord pursuant to a right contained in the Lease, Landlord may execute and file an affidavit in the public records of the county in which the Premises is located stating no less than the following (the "**Affidavit**"): (a) the Lease has been terminated; and (b) the date of termination; and (c) Tenant's rights under the Lease to occupy the Premises have been terminated pursuant to the terms of the Lease; and (d) the legal description of the Property shall be attached to the Affidavit to advise any third party who reviews the record title of the land on which the Premises are located that the Affidavit has been filed and the date of the filing.

The Affidavit shall be filed in the public records and a copy forwarded to Tenant pursuant to the notice provisions of this Lease. If Tenant fails to file in the public records an unequivocal statement that: (i) the Lease has not been terminated by Landlord; (ii) Tenant is entitled to continued possession of the Premises under the Lease; with (iii) a copy of the legal description attached (the "**Counter Affidavit**"), within thirty (30) days following the filing of the Affidavit and giving notice to Landlord with a copy of the Counter Affidavit as provided in the Lease, the recorded Lease or memorandum thereof shall cease to be notice, constructive or otherwise of the existence of a valid Lease encumbering the Premises granting rights to Tenant, and any third party may accept the filing of the Affidavit and failure of Tenant to file a Counter Affidavit, as provided herein, within the time provided, as termination of any rights that may otherwise exist by reason of the filing of the memorandum of this Lease.

In the event the Lease is terminated pursuant to the mutual agreement of Landlord and Tenant or by its terms because of expiration of the Term or otherwise by agreement, Tenant covenants and agrees to execute and deliver to Landlord a document in recordable form stating that the Lease has been terminated and is no longer in force and effect on the Premises.]

R. Fair Market Value. For the purpose of this Lease, the term "fair market rent" shall mean the rental amount per rentable square foot and the other terms and conditions and that a willing, comparable tenant would pay, and a willing, comparable landlord of the Building would accept, at arm's length, giving appropriate consideration to annual rental rates per rentable square foot, tenant credit ratings, length of lease term, size and location of the premises being leased, improvement allowances (if any) and any other concessions which would be granted or requirements which would be demanded by Landlord or a comparable landlord, and other generally applicable terms and conditions.

S. Use of Furniture. Tenant has requested and Landlord has agreed to allow Tenant to use certain furniture which Landlord has in the Premises during the term of the Lease (the "Leased Furniture"). A copy of the list of Leased Furniture is attached hereto as Exhibit "F" and incorporated herein by this reference. The quantities of each item of Leased Furniture described in Exhibit "F" are estimates only. Landlord shall not charge Tenant for the use of the Leased Furniture during the term of this Lease. Tenant acknowledges that Tenant is only being allowed to use the thirty five (35) custom/built in workstations during the term of the Lease, and Tenant shall return such workstations to Landlord at the expiration or earlier termination of this Lease in substantially the same condition, normal wear and tear excepted. Notwithstanding the foregoing, Landlord and Tenant agree that Tenant has the right to remove some portion or all of the custom/built in workstations during the term of this Lease. Tenant shall notify Landlord in writing pursuant to the notice provisions of this Lease at least ninety (90) days prior to Tenant's planned removal of any workstations. After Landlord's receipt of written notice from Tenant, Landlord will notify Tenant within thirty (30) days thereafter whether Landlord wishes to (a) store the workstations at its own expense or (b) allow Tenant to dispose of the workstations at Tenant's sole cost and expense. Tenant shall insure all the Leased Furniture under the provisions of the Lease. In addition, Tenant, at Tenant's sole costs and expense, shall maintain the Leased Furniture (including the built in workstations) in good and working condition throughout the term of this Lease.

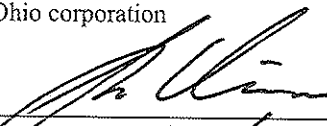
T. Use of Generator and Above Ground Fuel Tank. As set forth elsewhere in this Lease, Landlord is providing a generator and a one thousand (1,000) gallon above-ground fuel tank for the exclusive use of the Tenant. Tenant shall be responsible for all maintenance and repair of the generator and above ground fuel tank (including the purchase and delivery of fuel for the above ground fuel tank) serving the Premises during the Term of the Lease. It is specifically acknowledged and agreed by Landlord and Tenant that Landlord is providing the generator and the fuel tank as an accommodation to Tenant, and that neither Landlord nor Tenant will have to replace the generator or the fuel tank in the event either the generator or the fuel tank are damaged beyond repair and such damage was not caused by Tenant's neglect or failure to maintain.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed as of the day and year first above written.

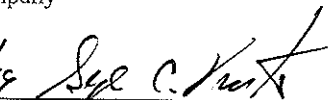
TENANT:

URS ENERGY & CONSTRUCTION, INC.,  
an Ohio corporation

By:   
Printed Name: G.C. Visco  
Title: VP

LANDLORD:

VGC INVESTORS, LLC,  
a North Carolina limited liability company

By:   
Printed Name: GEORGE C. VENTERS  
Title: MEMBER - MANAGER

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**EXHIBIT “A”**

To Be Provided to Short-listed Proposers.



**EXHIBIT “B”**

To Be Provided to Short-listed Proposers.

**EXHIBIT C****Building Rules and Regulations**

1. Sidewalks, doorways, vestibules and similar areas shall not be obstructed by tenants or used for any purpose other than access to and from the leased premises and for going from one to another part of the building.
2. Plumbing fixtures and appliances shall be used only for purposes constructed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed within the plumbing fixtures or appliances. Any damage resulting from such misuse of the plumbing fixtures or appliances shall be paid by Tenant, and Landlord shall not in any case be responsible for such.
3. No signs, advertisements or notices shall be painted or affixed on or to any windows or doors or other part of the building, except of such color, size and style and in such places as shall be first approved in writing by Landlord. No nails, hooks or screws shall be driven or interested in any part of the building, after Tenant's improvements are completed, except by the building maintenance personnel; nor shall any part of the building be defaced by tenants.
4. Tenants shall not do, or permit anything to be done, in or about the building or bring or keep anything there, that will in any way increase the rate of fire or other insurance on the building or on property kept there, or obstruct or interfere with the rights of, or otherwise injure or annoy other tenants, or do anything in conflict with the valid pertinent laws, rules or regulations of Landlord or any governmental authority.
5. Tenants shall not make or permit any improper notices in the building, or otherwise interfere in any way with other tenants, or persons having business with them.
6. No birds or animals shall be bought or kept in or about the building, unless specifically trained as a medically necessary guide dog.
7. No draperies, shutters, or other window coverings shall be installed on exterior windows, walls or doors without Landlord's prior written approval. Landlord shall have the right to require installation and use of uniform window treatments.
8. No portion of Tenant's area or any other part of the building shall at any time be occupied as sleeping or lodging quarters.
9. Tenant shall not commit, perform or do any of the following in or outside of the Premises, parking areas or other common area: wash, wax or repair vehicles; store or keep any boats, recreational vehicle, inoperable or unregistered vehicles; leave vehicle(s) in any parking area of the property for over three consecutive days without Landlord's prior written approval.
10. No materials or products shall be manufactured or stored that constitute a nuisance or cause the emission of noxious odors, gases or smoke. No burning of materials, outside or inside, will be permitted.
11. No fence, wall, loading facility, outside storage facility, or permanent improvements will be erected or constructed without the prior written approval of the landlord.
12. Tenants will keep their premises safe, clean, neat and provide for the removal of trash from their premises. No outside stacking or accumulation of any type is permitted other than in a disposal dumpster.
13. Occupants shall not cause or make any excessive noise, odor, harmful sewage or vibration that could be deemed objectionable to other occupants.
14. Tenant shall not do, or permit smoking at the front of the building. Smoking at the rear of the building shall be permitted; provided it does not constitute a nuisance though noxious odors, smoke or trash accumulation.
15. Nothing in these rules shall impose or impute any duty or obligation on Landlord not expressly set forth in a tenant's lease agreement.

**EXHIBIT "D"****HVAC Maintenance and Service Specifications**

In accordance with Section 7 of this Lease, a service and maintenance contract for the HVAC equipment (including the Liebert units for the server room) located at the Premises shall be obtained by Tenant, at Tenant's sole cost and expense.

**Quarterly:**

- Filter replacement
- Inspect drain pans and lines
- Inspect coils (Evaporator & Condenser)
- Inspect Belts and Bearings
- Inspect Motor Mounts and Brackets
- Refrigerant pressure
- Electrical connections
- Perform any needed repairs to prevent malfunction or breakdown

**Annually:**

- Chemically clean the evaporator and condenser coils pursuant to the manufacturer's specifications
- Clean and drain pans and drain lines
- Install time releasing Flow Plus Drain Tablets
- Replace all belts pursuant to the manufacturer's specifications
- Oil all motors and tighten motor mounts and brackets
- Tighten all electrical connection and check voltage
- Check refrigeration pressures
- Check Temperature Control
- Inspect Heating components (if applicable)
- Inspect ductwork and make repairs and adjustments
- Perform any needed repairs to prevent malfunction or breakdown

**EXHIBIT “E”**

Tenant signage shall be at the Tenant’s sole expense with the prior approval of the Landlord, not to be unreasonably withheld, conditioned or delayed.

**EXHIBIT “F”**  
**List of Leased Furniture**

Item	Amount	Dimensions	Comments
White Board	1	94x48"	
	1	36X48"	
	1	60X36"	
	1	36X24"	
	1	40X30"	
	1	45X45"	
Workstations	35	70x39"	Call Center
	3	96X96"	
	4	8.5X12'	
	18	72X72"	
	2	72X72"	(Not assembled)
Monitor/CPU	1		Access Control System
Advantor			Access Control System
IT Racks	6		
Desk Mounted Keyboard Trays	4		
Ladder	1	12'	
Filing Cabinet	1	36"	
Desk Trashcans	34		
Clocks	12		
UPS	2		
FM 200 Fire Suppression System			
UPS			
Davis Vantage Pro Weather System			
Caterpillar Generator	1		250 KW, 480 Volt 3 Phase
Fiber Optics			
Leibert Cooling	2		

**EXHIBIT "G"****Janitorial Specifications****Janitorial Service Specifications****General**

- A. The following work shall be performed Monday through Friday of each week, legal holidays such as New Year's Day, Christmas Day, Memorial Day, July 4<sup>th</sup>, Labor Day, Thanksgiving Day and Christmas Day and other tenant recognized holidays excepted, beginning no earlier than 5:30 pm.
- B. Contractor shall ensure that all external doors of all buildings remain locked at all times while his employees are in the building.
- C. Contractor shall report any suspicious or unusual activity in the building, broken or damaged fixtures, burned out lights or any other matter observed to appropriate personnel.
- D. Contractor's employee shall at all times be dressed neatly and wear a uniform clearly identifying them as janitorial employees.

**Scope of work**

- 1. Office Area
  - 1.1 Daily Cleaning
    - a. Empty all wastebaskets and replace liner as needed
    - b. Remove collected trash
    - c. Vacuum carpets as necessary. Traffic lanes are to be vacuumed daily
    - d. Remove cardboard and any other materials that are labeled as trash
    - e. Dust work surfaces that are reasonably accessible. Do not move anything.
    - f. Dust only those desks that are clear of all office materials.
    - g. Spot clean door glass
    - h. Spot clean walls and light switches
    - i. Spot clean carpet as necessary
    - j. Sweep and mop non-carpeted floors
    - k. Clean and wipe down all countertops and sinks in tenant kitchens
    - l. Wash and wipe down refrigerator and microwave(outside only)
  - 1.2 Weekly Cleaning
    - a. Detail vacuum corners and edges
    - b. Dust high reach area such as window sills, top of cabinets and partitions.
    - c. Detail dust low reach area
    - d. Dust picture frames and similar wall hangings
    - e. Dust base board
  - 1.3 Monthly Cleaning
    - a. Dust ceiling vents
    - b. Whisk clean upholstered furniture.
    - c. Machine buff and wax hard surfaces as necessary
  - 1.4 Quarterly Cleaning
    - a. Strip & Wax VCT floors
    - b. Dust blinds
- 2. Restrooms
  - 2.1 Daily Cleaning
    - a. Replenish toilet paper, soap dispensers and paper towels.

February 26, 2009

- b. Empty sanitary napkin receptacles and waste baskets and replace liners.
  - c. Clean and sanitize all urinals, chrome fixtures, sinks, counters and mirrors.
  - d. Sweep and mop floors
  - e. Spot clean walls and partitions
- 2.2 Weekly Cleaning
  - a. Deodorize all floor drains
  - b. Dust top of partitions and baseboard
- 2.3 Monthly Cleaning
  - a. Machine scrub tile floors
  - b. Dust air vents
  - c. Wash partitions and tile walls
- 3. Lobbies, Halls & Elevators
  - 3.1 Daily Cleaning
    - a. Vacuum all carpeted area and mats
    - b. Sweep and mop non-carpeted area
    - c. Spot clean carpet as necessary
    - d. Clean and polish drinking fountain
  - 3.2 Weekly Cleaning
    - a. Fully vacuum wall to wall
    - b. Dust all high areas
    - c. Scrub elevator thresholds
    - d. Dust all ledges and chairs
  - 3.3 Monthly Cleaning
    - a. Dust all ceiling vents
- 4. Stairways
  - 4.1 Daily Cleaning
    - a. Inspect stairs for litter
  - 4.2 Weekly Cleaning
    - a. Vacuum and sweep stairs
    - b. Dust railing ledges, spot clean
- 5. Main Lobby & Entrances
  - 5.1 Daily Cleaning
    - a. Clean both side of glass
    - b. Clean lobby signs-directions
    - c. Empty ashtrays and urns
    - d. Vacuum all carpeted area, rugs and mats
    - e. Sweep and mop all hard surfaces
  - 5.2 Weekly Cleaning
    - a. Dust ledges
    - b. Dust high reach areas
    - c. Detail clean threshold plate

February 26, 2009

**STATE OF NORTH CAROLINA  
COUNTY OF WAKE****AMENDMENT NUMBER ONE TO  
LEASE AGREEMENT AND AGREEMENT TO  
EXERCISE OPTION**

**THIS AMENDMENT TO LEASE AGREEMENT AND OPTION EXERCISE IS MADE AND ENTERED INTO THIS 31st DAY OF August, 2016, BY AND BETWEEN VCG Investors, LLC (George C Venters, Managing Partner), THE LESSOR and AECOM, a Delaware Corporation, THE LESSEE in reference to the original lease between the LESSOR and URS Energy & Construction, INC dated October 1. 2010 with expiration September 30, 2016.**

**WITNESSETH:**

**WHEREAS, the parties execute this Amendment Number One to Lease to make certain amendments to the Lease.**

**NOW, THEREFORE, for and in consideration of the premises (200 Sorrell Grove Church Road, Morrisville, NC 27560) and for and in consideration of the mutual promises and covenants herein contained, the parties hereby do agree as follows:**

- 1) It is agreed that the Lessee will be extended for three years until September 30, 2019.**
- 2) Rent: The present rent of \$13,855.66 per month shall increase three per cent (3 %) per year beginning October 1, 2016.**
- 3) TICAM payments to the LESSOR shall increase by \$300/month to \$3,380.42/month beginning October 1, 2016.**
- 4) Janitorial payments shall remain the same (\$1,312.16/month). At the end of each year janitorial expenses shall be reconciled so that the actual janitorial expenses paid by the LESSOR are reimbursed to the LESSOR by the LESSEE or if there is overpayment by the LESSEE the LESSOR shall reimburse the LESSEE.**
- 5) The Lessor and Lessee agree to clean the carpet and paint the interior walls of the leased premises at 50%/50% cost sharing at mutually agreed prices obtained from vendor estimates.**

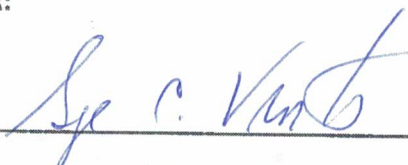
**The provisions of this Amendment Number One to Lease and Agreement to Exercise Option amend and supercede any contrary provisions in the Lease regarding rent payment terms, interest and late payment penalties on unpaid rent, and options on lease extension. Except as hereby amended, each and every other term of the Lease is ratified**



and affirmed and shall continue to apply during the term of this Amendment Number One and Exercise of Option as herein provided.

IN TESTIMONY WHEREOF the parties have caused this instrument to be signed in a manner as to be binding, this day and year first above written.

LESSOR:



VCG Investors, LLC (George C Venters, Managing Partner)

Date: September 13, 2016

LESSEE:

AECOM: 

Name: Timothy P. Anderson

Title: Vice President, Corporate Real Estate

Date: September 12, 2016

## SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (the “Second Amendment”) is entered into as of the 28th day of September, 2017 (the “Effective Date”) by and between **VCG INVESTORS, LLC**, a North Carolina limited liability company (“Landlord”) and **AECOM ENERGY AND CONSTRUCTION, INC.**, an Ohio corporation (“Tenant”).

### WITNESSETH:

WHEREAS, Landlord and Tenant’s predecessor (URS Energy & Construction, Inc.) entered into an Office Lease dated October 1, 2010 for the lease of approximately 14,786 rentable square feet of office space located at 200 Sorrells Grove Church Road (the “Original Premises”) at the office building commonly known as Concourse Business Center (the “Building”), as amended by that certain Addendum Number One to Lease Agreement dated September 13, 2016, which extended the term of the Lease to September 30, 2019 (collectively, the “Lease”); and

WHEREAS, Landlord and Tenant desire to further amend the Lease to expand the premises and upon such other terms as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. All capitalized terms not defined herein shall have the meaning given to them in the Lease.
2. Expansion Premises. The Original Premises shall be expanded by 6,930 rentable square feet by adding Suite A as shown on the attached **Exhibit A** (the “Expansion Premises”). As of the Second Amendment Commencement Date (defined below), the Lease will be modified such that all references in the Lease to the Premises shall include the Original Premises and the Expansion Premises for a total of 21,716 rentable square feet.
3. Second Amendment Term. The Second Amendment Term shall commence on the earlier to occur of: (i) December 1, 2017 or (ii) upon the issuance of a Certificate of Occupancy for the Expansion Premises (the “Second Amendment Term Commencement Date”) and continue until September 30, 2019 (the “Second Amendment Termination Date”).
4. Rent. Base Monthly Rent payable during the Second Amendment Term, and any extensions, shall be as set forth on **Exhibit B**, attached hereto and incorporated herein. In addition, Tenant shall be responsible for Operating Expenses for the Expansion Premises (“TICAM”) as set forth on Exhibit B. Operating Expenses will be reconciled each year in accordance with the terms of the Lease. Janitorial services are specifically excluded from Operating Expenses.

5. Janitorial Services. Landlord and Tenant shall co-negotiate the janitorial contract. Landlord will contract directly for the janitorial services, and Tenant shall reimburse Landlord on a monthly basis.

6. Option to Renew. Provided Tenant has not been in default under any of the terms and conditions set forth in the Lease, then Tenant shall have three (3) options of three (3) years each to extend the Second Amendment Term of the Lease (hereinafter referred to as the "Renewal Options," and each individually, a "Renewal Option"). Tenant is required to provide Landlord written notice of its intention to exercise each Renewal Option at least two hundred seventy (270) days prior to the Second Amendment Term Expiration Date or the prior Renewal Option, as applicable. Tenant's Base Monthly Rent during the Renewal Option shall be that as outlined in the paragraph below. If Tenant shall have subleased or assigned all or any portion of the Premises, then immediately upon such sublease or assignment, the Renewal Option herein granted shall simultaneously terminate and become null and void. Such right is personal to Tenant and non-transferable. Under no circumstances whatsoever shall the assignee under a complete or partial assignment of the Lease, or a subtenant under a sublease of the Premises, have any right to exercise the Renewal Options granted herein.

Notwithstanding anything herein to the contrary, the extension of this Lease shall, except as otherwise herein stated, be upon the same terms and conditions as are set forth in this Lease, except for the Base Monthly Rent, which be as set forth on the Rent Table attached hereto as Exhibit B.

Any and all renewal options previously granted to Tenant by Landlord are hereby null and void. Upon the execution of this Second Amendment, the only valid option to renew under the Lease is the foregoing.

7. Right of First Refusal. Provided that Tenant is not in default of the Lease beyond any applicable notice and cure period, during the Second Amendment Term of the Lease, and any Renewal Options, Tenant shall have the ongoing Right of First Refusal ("ROFR") for Suite B, containing 3,050 rentable square feet. (the "ROFR Space"). Landlord shall notify Tenant in writing upon receipt of a request for proposal for leasing the ROFR Space. Tenant shall then have ten (10) days in which to notify Landlord in writing exercising Tenant's right to lease the ROFR Space on the terms described below. If Tenant exercises the right to lease the ROFR Space, Landlord and Tenant shall enter into an amendment to the Lease to add the ROFR Space within thirty (30) days thereafter. The right to lease the ROFR Space shall, at Landlord's election, be null and void if Tenant is in default under the Lease beyond any applicable notice and cure period on the date that Landlord would otherwise notify Tenant of the availability of the ROFR Space or at any time thereafter and prior to commencement of the lease for the ROFR Space. Landlord and Tenant shall enter into a Lease amendment evidencing the ROFR Space.

If Tenant exercises this ROFR, the ROFR Space shall be added to the Premises on the terms contained in the Lease and the following additional terms:

(a) The Monthly Base Rent for the ROFR Space shall be at the same rate as the Monthly Base Rent for the Expansion Premises.



(b) The lease of the ROFR Space will be co-terminus with the Term of the Lease, as amended or extended.

The foregoing ROFR shall apply only with respect to the entire ROFR Space and may not be exercised with respect to only a portion thereof. If Tenant shall fail to exercise such ROFR, after notice by Landlord of the request for proposal for the leasing of the ROFR Space, as provided herein, such right with respect to such ROFR Space shall be deemed to have lapsed and expired and shall be of no further force or effect. Landlord may thereafter freely lease all or a portion of the ROFR Space to any other party, at any time, on any terms, in Landlord's sole discretion.

If the Lease or Tenant's right to possession of the Premises shall terminate in any manner whatsoever before Tenant shall exercise the right herein provided, or if Tenant shall have subleased or assigned more than fifty percent (50%) of the Premises, the expansion right herein granted shall simultaneously terminate and become null and void. Such right is personal to Tenant and non-transferable. UNDER NO CIRCUMSTANCES WHATSOEVER, EXCEPT FOR A RELATED ENTITY ASSIGNMENT OR SUBLETTING PERMITTED UNDER THE LEASE, SHALL THE ASSIGNEE UNDER A COMPLETE OR PARTIAL ASSIGNMENT OF THE LEASE, OR A SUBTENANT UNDER A SUBLEASE OF THE PREMISES, HAVE ANY RIGHT TO EXERCISE THE EXPANSION RIGHT GRANTED HEREIN.

Notwithstanding the foregoing, the ROFR is expressly conditioned upon Tenant paying all Operating Expenses for the proportionate share of Suite B during the Second Amendment Term and any extensions, on a monthly basis, as set forth on Exhibit B.

In the event that Tenant either does not exercise the ROFR to lease the ROFR Space, or is not permitted to lease the ROFR Space in accordance with the terms herein, and Landlord is successful in leasing Suite B to a new tenant, Tenant shall maintain the right to use the restrooms and common corridor with the "Employee Entrance" accessible through Suite B.

8. Improvements. Landlord shall, at Tenant's sole cost and expense:

- (a) Erect all walls as necessary to separate the Expansion Premises from Suite B, paint said wall(s), and such electrical/mechanical work as necessary to complete the separation of the Expansion Premises from Suite B.
- (b) All improvements shall be constructed pursuant to code, Building Standard at a minimum, and any walls constructed must be noncombustible. Demising walls between Suite A and Suite B must be fire rated.

Landlord shall contract directly with the architect, engineer, and general contractor and Tenant shall be responsible for reimbursing Landlord for all expenses within fourteen (14) days after Landlord notifies Tenant that Landlord has remitted such payment. If Tenant fails to reimburse Landlord within thirty (30) days, it shall be a default of the Lease.

9. Broker: Landlord and Tenant represent and warrant to each other that each has incurred no liabilities or claims for brokerage commissions or finder's fees in connection with the execution of this Second Amendment and that it has not dealt with, nor has knowledge of any broker, agent or salesperson in connection with this Lease.

10. Except as amended hereby, all terms and conditions of the Lease shall remain in full force and effect, and the parties hereto hereby ratify and affirm the terms and conditions of the Lease, as those terms and conditions are amended hereby.

11. This Second Amendment shall be binding upon and shall inure to the benefit of Landlord and Tenant and their respective successors and assigns, and shall be construed under and enforceable in accordance with the laws of the State of North Carolina.

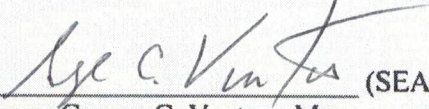
12. This Second Amendment may contain more than one counterpart of the signature page, and may be executed by affixing the signatures of each party to one of such counterpart signature pages; all of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page to this Second Amendment.

[SIGNATURES FOLLOW ON NEXT PAGE]



IN WITNESS WHEREOF, the Landlord and the Tenant have caused this Second Amendment to be duly executed, under seal, as of the day and year first set forth above.

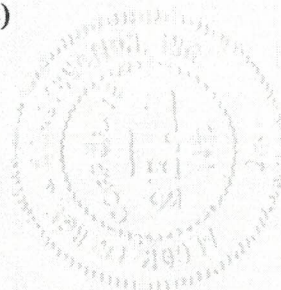
**LANDLORD:** **VCG INVESTORS LLC,** (SEAL)  
a North Carolina limited liability company

By:  (SEAL)  
Printed Name: George C. Venters, Manager

**TENANT:** **AECOM ENERGY & CONSTRUCTION, INC.,** (SEAL)  
An Ohio Corporation

By:  (SEAL)  
Printed Name: Brad White  
Title: Vice President

Digitally signed by  
White, Brad  
Date: 2017.09.27  
18:04:38 -04'00'



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## **EXHIBIT A**

To Be Provided to Short-listed Proposers.

## EXHIBIT B

To Be Provided to Short-listed Proposers.



# Appendix F

## Monroe Lease Agreement

**NOVANT HEALTH, INC. AND AFFILIATED ENTITIES  
LEASEHOLD ASSURANCE AND CERTIFICATION LETTER**

To Whom It May Concern:

In order to assure that the proposed lease agreement for the Premises located at 3034 Winston Avenue, Monroe, NC between AECOM Energy & Construction, Inc. ("Certifying Party") as tenant and Novant Health, Inc. ("Recipient") as landlord meets the requirements of the Novant Health, Inc. Policy on Financial Transactions with Physicians and Physician Family Members for purposes of compliance with applicable laws and regulations, including the Stark Law, Certifying Party hereby identifies each person (including but not limited to, partners, shareholders or other investors of Certifying Party) who has a direct or indirect investment or ownership interest in the Premises that would be leased in a transaction with Recipient and who is a physician, dentist, osteopath, podiatrist, optometrist or chiropractor or who is an immediate family member (as that term is defined below) of any of the foregoing listed types of practitioners.


NAME OF PRACTITIONER,  
OR IMMEDIATE FAMILY MEMBER

UPIN NO./NPI NO. (if practitioner)  
OR RELATIONSHIP (if a family member)

**The terms and conditions of this Section are not applicable to the named Tenant of this Lease, as the named Tenant of this Lease is a public company**

The foregoing is a certification offered by Certifying Party as a representation and warranty for the purpose of inducing Recipient to enter into the real estate transaction or transactions contemplated between Certifying Party and Recipient and it is understood that Recipient shall rely upon the same for purposes of legal and regulatory compliance.

CERTIFYING PARTY: \_\_\_\_\_ (print full legal name of Certifying Party)

By:  (signature) Dated: 4-26-18  
Print Name: S. W. Adams  
Title\*: CS-CFO (see note below)

Note: "Immediate family member" means spouse, natural or adoptive parent, child or sibling, stepparent, stepchild, stepbrother, stepsister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, or grandchild, or a spouse of a grandparent or grandchild.

\*Signer must be: a) an officer (e.g., President or Vice President) of Certifying Party is a corporation; b) a Member or Manager of Certifying Party is a limited liability company (LLC); c) a general partner if Certifying Party is a general or limited partnership; d) an authorized agent hereby represents and warrants that he or she is duly authorized to bind the Certifying Party by his or her execution of this document.

Drawn By and Return to Johnson, Allison & Hord, P.A. (JWA) (RD Box 50)

**STATE OF NORTH CAROLINA**

**MEMORANDUM OF LEASE**

**COUNTY OF MECKLENBURG**

KNOW ALL MEN BY THESE PRESENTS, that **NOVANT HEALTH, INC.**, a North Carolina nonprofit corporation ("Landlord"), has leased to **AECOM ENERGY & CORPORATION, INC.**, an Ohio corporation ("Tenant"), certain office space containing approximately 2,140 square feet located at 3034 Winston Avenue, Monroe, North Carolina 28110 (the "Premises") in the shopping center known as The Park at Monroe located at 2976 Monroe Way, Monroe, NC 28110 (the "Shopping Center").

The Lease Agreement, dated \_\_\_\_\_, 2018 (the "Lease"), provides for a Term expiring on September 31, 2022, as more fully set forth in the Lease. Tenant has the right to extend the Term for one (1) additional period of three (3) years, as more fully set forth in the Lease.

All terms, covenants and conditions contained in the Lease are incorporated herein by reference. Capitalized terms, unless otherwise defined herein, shall have the meanings ascribed to such terms in the Lease. In the event of any conflict between this Memorandum of Lease and the Lease, the terms of the Lease shall control.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Lease all pursuant to authority given duly with the intent that such document shall be recorded in the public records of Mecklenburg County, North Carolina.

LANDLORD:

**NOVANT HEALTH, INC.**

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

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

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

*[Signature]*  
David G. Park  
Sr. VP

STATE OF NORTH CAROLINA

COUNTY OF Forsyth

I, Regina N. Winning, a Notary Public of the County and State aforesaid, certify that David G. Park personally came before me this day and acknowledged that he/she is the Sr. VP of Novant Health, Inc., a nonprofit corporation, and that by authority duly given and as the act of the said nonprofit corporation, the foregoing instrument was signed by him/her on behalf of the said nonprofit corporation.

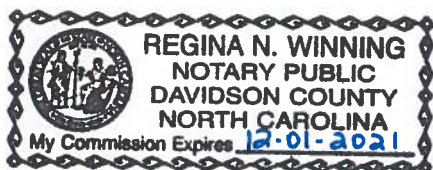
WITNESS my hand and notarial seal, this 24<sup>th</sup> day of April, 2018.

Regina N. Winning  
Notary Public

Regina N. Winning  
Printed Name

My commission expires: 12-01-2021

(NOTARIAL SEAL)



TENANT:**AECOM ENERGY & CONSTRUCTION, INC.**By: [Signature]Name: S. W. AdamsTitle: CS-CFOSTATE OF ARIZONA  
~~NORTH CAROLINA~~COUNTY OF MARICOPA

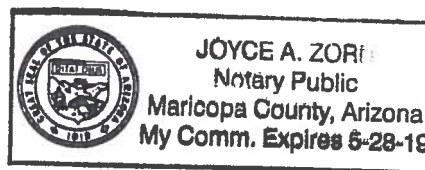
I, Joyce A. Zorn, a Notary Public of the County and State aforesaid, certify that Steve Atkins personally came before me this day and acknowledged that he/she is the CS-CFO of AECOM Energy & Construction, Inc., an Ohio corporation, and that by authority duly given and as the act of the said corporation, the foregoing instrument was signed by him/her on behalf of the said corporation.

WITNESS my hand and notarial seal, this 26<sup>th</sup> day of April, 2018.

[Signature]  
Notary Public  
JOYCE A. ZORN  
Printed Name

My commission expires: May 28, 2019

(NOTARIAL SEAL)



# **The Park at Monroe**

## **LEASE AGREEMENT**

between

**NOVANT HEALTH, INC.**  
(a North Carolina non-profit corporation)

and

**AECOM ENERGY & CONSTRUCTION, INC.**  
(an Ohio corporation)

Dated: \_\_\_\_\_, 2018

**FUNDAMENTAL LEASE PROVISIONS**

**Date:** \_\_\_\_\_, 2018

**Landlord:** Novant Health, Inc.

**Address of Landlord:** Novant Health, Inc.  
2085 Frontis Plaza Boulevard  
Winston-Salem, NC 27103  
Attn: Manager of Lease Administration

**Remittance Address of Rental Payments:** Novant Health, Inc.  
2085 Frontis Plaza Boulevard  
Winston-Salem, NC 27103  
Attn: Manager of Lease Administration

**Tenant:** AECOM Energy & Construction, Inc.

**Address of Tenant:** AECOM Energy & Construction, Inc.  
200 Sorrells Grove Church Road  
Morrisville, NC 27560  
Attn: \_\_\_\_\_

and

AECOM  
One California Plaza  
300 South Grand Avenue, Suite 200  
Los Angeles, CA 90071  
Attn: Real Estate Services

**Tenant's Trade Name:** N/A

**Shopping Center:** The Park at Monroe

**Address of Shopping Center:** 2976 Monroe Way  
Monroe, NC 28110  
And more specifically described on Exhibit "A".

**Premises:** That space containing approximately 2,140 square feet, as shown highlighted in yellow on attached Exhibit "B", located at 3034 Winston Avenue, Monroe, North Carolina 28110.

**Permitted Uses:** General office use, subject to the REA (as hereinafter defined) and other tenant exclusive uses in the Shopping Center existing as of the date hereof, which are listed on attached Exhibit "K".

**Advance Rental:** N/A

**Lease Term:** Beginning on the Commencement Date (hereinafter defined) and ending at midnight on September 31, 2022 (the "Expiration Date").

**Rent Commencement Date:** The earlier of (a) the date Tenant commences business operations from the Premises, or (b) one hundred twenty (120) days ("Tenant's Design / Construction Period") following the full execution of this Lease by the parties hereto, which Tenant's Design / Construction Period shall be extended one (1) day for each day of Landlord Delay (as hereinafter defined in Section 2.9) and delay due to events of force majeure.

<b>Minimum Rental:</b>	<b><u>Period</u></b>	<b><u>Per SF</u></b>	<b><u>Per Month</u></b>	<b><u>Per Annum</u></b>
	Initial Lease Term	\$18.00	\$3,210.00	\$38,520.00
	Renewal Term	\$19.80	\$3,531.00	\$42,372.00

**Additional Rent:** Additional Rent begins on the Rent Commencement Date.

Additional Rent shall include those charges hereafter designated as such in this Lease. The Additional Rent for the first twelve (12) months (calendar year) of the Lease Term is estimated by Landlord to be Three and 50/100 Dollars (\$3.50) per square foot. Such amounts shall thereafter be adjusted at the end of each calendar year per the terms of the Lease Agreement.

**Rent:** A collective reference to Minimum Rental, Additional Rent and all other amounts to be paid by Tenant to Landlord under this Lease.

**Effect of Reference to a Fundamental Lease Provision:** Each of the Fundamental Lease Provisions contained above shall be construed to incorporate all the references thereto contained in the other provisions of this Lease and shall be limited by such provisions. Each reference in this Lease to any of the Fundamental Lease Provisions shall be construed to incorporate all of the terms provided under each such Fundamental Lease Provision. In the event of any conflict between any Fundamental Lease Provision and the remainder of the Lease, the remainder of the Lease shall be controlling.

### LIST OF EXHIBITS

EXHIBIT "A"	Legal Description
EXHIBIT "B"	Floor Plan of Premises
EXHIBIT "C"	Landlord's Work
EXHIBIT "D"	Tenant's Work
EXHIBIT "E"	Form of Declaration of Commencement Date
EXHIBIT "F"	Rules and Regulations
EXHIBIT "G"	Signage Criteria
EXHIBIT "H"	<u>[Intentionally Deleted]</u>
EXHIBIT "I"	Special Stipulations
EXHIBIT "J"	Prohibited Uses
EXHIBIT "K"	Exclusive Uses



**The Park at Monroe**  
**Lease Agreement**

THIS LEASE AGREEMENT (the "Lease") is made this \_\_\_\_ day of \_\_\_\_\_, 2018 (the "Effective Date"), by and between NOVANT HEALTH, INC., a North Carolina non-profit corporation (hereinafter referred to as "Landlord"), and AECOM ENERGY & CONSTRUCTION, INC., an Ohio corporation, whose mailing address is 6200 South Quebec Street, Greenwood Village, CO 80111 (hereinafter referred to, together, as "Tenant").

**SECTION 1**  
**DEFINITIONS**

1.1 Shopping Center. The term "Shopping Center" means all that certain land and all buildings, improvements, equipment and facilities now or hereafter erected thereon known as The Park at Monroe Retail located in Union County, State of North Carolina, as more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof, as same may be altered, expanded or reduced by Landlord from time to time.

1.2 Building. The term "Building" means that certain building known as Building D1, located within the Shopping Center at 3034 Winston Avenue, Monroe, North Carolina 28110, in which the Premises are located.

1.3 Lease Year. As used herein, the term "Lease Year" shall mean each year of the term (as same may be extended) commencing on the Commencement Date (as hereinafter defined) or any anniversary thereof, and ending at the expiration of twelve (12) calendar months thereafter.

1.4 Common Areas. The term "Common Areas" means those areas, facilities, utilities, improvements, equipment and installations in the Shopping Center which are from time to time designated by Landlord for the nonexclusive use or benefit of Landlord and tenants of the Shopping Center, their employees, agents, customers, licensees and other invitees.

1.5 REA. The term "REA" means that certain Declaration of Covenants, Conditions, Restrictions and Easements for the Park at Monroe (as amended) made as of January 31, 2008 and recorded February 5, 2008 in Book 4801, Page 801, Official Records of Union County, North Carolina.

**SECTION 2**  
**DEMISE OF PREMISES AND TERM**

2.1 Lease. Landlord hereby leases and demises to Tenant those certain Premises shown in yellow on the Floor Plan attached hereto as Exhibit "B" and by this reference made a part hereof, containing approximately 2,140 square feet (hereinafter referred to as the "Premises") in the Shopping Center together with the nonexclusive license to use the Common Areas subject to such rules and regulations as Landlord shall adopt.

2.2 Commencement and Expiration Dates of Term. The Lease is effective and the term of this Lease shall commence on the date of execution by the parties (hereinafter called the "Commencement Date").

This Lease shall expire at midnight on the Expiration Date.

Except for those items set forth as Tenant's obligations upon delivery of possession, Tenant's obligation to pay rent hereunder shall commence on the Rent Commencement Date.

Provided Tenant is not currently in default beyond any applicable notice and/or cure periods, Tenant may extend the term of this Lease for one (1) additional period of three (3) years immediately following the initial term (the "Extension Term"), by providing Landlord with written notice thereof at least one hundred twenty (120) days prior to the Expiration Date.

2.3 Expiration/Termination. This Lease shall terminate on the Expiration Date set forth hereinabove or upon the earlier termination as herein provided, or at the end of the Extension Term (if applicable), without the necessity of any notice from either Landlord or Tenant to terminate the same, and Tenant hereby waives notice to vacate or quit the Premises and agrees that Landlord shall be entitled to the benefit of all provisions of law respecting the summary recovery of possession of the Premises from a tenant holding over to the same extent if a statutory notice has been given. Tenant hereby agrees that if it fails to surrender the Premises at the end of the term, or any renewal thereof, Tenant will pay holdover Minimum Rental in an amount equal to 150% of the Minimum Rental in effect as of the last month of the Lease Term or the Extension Term (if applicable), as more particularly set forth in Section 14.15 below.

2.4 Landlord's Work. Except as specified herein, Landlord makes no warranty or representation to Tenant concerning the condition of the Premises thereof.

2.5 Delivery of Possession. Landlord shall deliver the Premises to Tenant in its present condition, (i.e. a cold dark shell). Landlord has no obligation to build out the premises or perform any Tenant Improvements in the Premises, and Tenant accepts the Premises "AS IS" "WHERE IS" from Landlord.

2.6 License to Enter the Premises. Upon execution of the Lease by all parties, Landlord shall make the Premises available to Tenant for its work and installations, at Tenant's sole risk. The foregoing shall in no way be construed as notice that Tenant may open the Premises for business, except in strict accordance with the terms and conditions of this Lease. Tenant agrees to hold Landlord harmless from any loss, casualty or damage, which Tenant or Tenant's agents may incur during the aforementioned period.

2.7 Tenant's Work. Upon delivery of possession of the Premises by Landlord, Tenant will proceed with due diligence, at its own expense (subject to the Tenant Improvement Allowance), to perform all work and supply all installations and to fully equip the Premises with all trade fixtures, lighting fixtures, furniture, furnishings, floor and wall coverings, exterior signs, and special equipment and other items of construction and personal property necessary for the completion of the Premises and the proper operation of Tenant's business therein (collectively, the

“Tenant’s Work”). Tenant’s Work shall be performed with materials of good quality and in a proper workmanlike manner, and all items installed by Tenant in the Premises shall be new unless with the prior written consent of the Landlord. Tenant shall not do any construction work or alterations, nor shall Tenant install any equipment other than trade fixtures and personal property without first obtaining Landlord’s written approval of the contractors (which approval shall be granted or withheld for specific reasons within ten (10) days of Landlord’s receipt of Tenant’s request), plans and specifications (which approval shall be granted or withheld for specific reasons within ten (10) days of Landlord’s receipt of Tenant’s request) and the required approval from the Architectural Review Committee of The Park at Monroe as set forth in the REA. The approved plans and specifications shall be supplemented into this Lease as Exhibit “D” attached hereto and made a part hereof. The approval by Landlord of such plans and specifications shall not constitute the assumption of any liability on the part of the Landlord for their accuracy or their conformity with requirements of any building code, or other municipal or governmental regulation or ordinance, and Tenant shall be solely responsible for such plans and specifications and compliance of Tenant’s Work with all governmental requirements. Prior to commencement of any work upon the Premises by Tenant, Tenant shall deliver to Landlord a certificate of public liability and property damage insurance of a type and with the limits as shall be reasonably acceptable to Landlord, naming Landlord as additional insured, and evidence of Workman’s Compensation and Builder’s Risk coverage in such amounts as are required by law and are acceptable to Landlord. From and after the date of delivery of possession of the Premises, Tenant shall observe and perform all of its obligations under this Lease, including without limitation, payment of all utility charges, but excluding its obligations to pay Minimum Rental and Additional Rental, which are payable from and after the Rent Commencement Date.

Landlord shall contribute up to THIRTY FIVE AND NO/100 DOLLARS (\$35.00) per square foot (totaling \$74,900.00) (the “Tenant Improvement Allowance”) toward the cost of constructing Tenant’s Work in the Premises. As long as Tenant is not in default (with any applicable notice and cure periods having expired) and does not owe Landlord any outstanding Rent or other amounts under the Lease, the Tenant Improvement Allowance will be paid within thirty (30) days after written request by Tenant to Landlord of such payment, provided the following conditions have been met: (i) full completion of Tenant’s Work, as shown on the approved plans and specifications, and pursuant to and in accordance with all required licenses, permits, other municipal/governmental approvals, and all applicable laws, regulations and ordinances; (ii) Landlord has inspected and verified completion of Tenant’s Work; (iii) Tenant has opened for business; (iv) Tenant has paid Rent for the first month following the Rent Commencement Date; and (v) Tenant has delivered to Landlord and Landlord has received all of the Supporting Documents (defined herein). Any and all payments owed by Landlord to Tenant under this Section shall be limited to the costs actually incurred by Tenant in constructing Tenant’s Work. In the event the cost of Tenant’s Work exceeds the Tenant Improvement Allowance, such excess amount shall be borne solely by Tenant.

For purposes of this Lease, “Supporting Documents” shall mean all of the following: (a) a copy of the permanent certificate of occupancy for the Premises issued by the appropriate governmental authority adequate to support occupancy of the Premises; (b) a written certification reasonably satisfactory to Landlord, signed by a responsible officer of Tenant, certifying (i) that Tenant has opened for business in the Premises, (ii) an itemized statement of the final, actual

costs and expenses incurred by Tenant with respect to the work performed and the materials provided in connection with Tenant's Work, together with a true and complete copy of all relevant invoices from subcontractors to Tenant's contractor and from Tenant's contractor to Tenant therefor, and (iii) that all such costs and expenses either have been or will be (with payment of the disbursement of the Tenant Improvement Allowance) paid in full prior to delinquency; (c) an affidavit signed by Tenant's contractor affirming that all subcontractors, laborers, artisans, mechanics and material suppliers engaged in or supplying labor or materials for Tenant's Work have been or will be (with payment of the disbursement of the Tenant Improvement Allowance) paid in full prior to delinquency, with the exception only of labor and materials supplied to complete "punch list" items; (d) a waiver of liens with respect to the Premises and the Shopping Center executed by Tenant's contractor and, if obtainable on the condition that they not be delivered and released except upon payment to Tenant's contractor, a waiver of liens executed by all subcontractors, laborers, artisans, mechanics and material suppliers engaged in or supplying labor or materials for Tenant's Work; provided, however, if a claim of lien or a lien has been filed by any such subcontractor, laborer, artisan, mechanic or material supplier, Tenant shall obtain an unconditional waiver of such lien before Landlord shall be obligated to disburse the Tenant Improvement Allowance; (e) a written certification by Tenant's architect to the effect that all of Tenant's Work has been completed substantially (*i.e.*, subject only to the completion of "punch list" items) in accordance with the approved plans and specifications and all applicable legal requirements; (f) a complete set of "as built" plans for Tenant's Work; and (g) such other documents or statements as may be required by any governmental authority or as may be reasonably required by Landlord or Landlord's insurer or lender, including AIA documents G702 and G703 or their equivalents.

2.8 Declaration of Commencement; Tenant Estoppel Certificate. The parties agree that promptly upon the establishment of the Commencement Date, they will execute a stipulation acknowledging said date in the form attached hereto as Exhibit "E", which shall be attached to this Lease and made a part hereof. In addition, from time to time and within fifteen (15) days after written request by Landlord, Tenant will execute, acknowledge and deliver to Landlord or to such other party as may be designated by Landlord, a certificate stating that this Lease is in full force and effect and has not been modified, supplemented or amended in any way, except as indicated in such certificate; that all conditions and agreements hereunder to be performed by Landlord, including without limitation completion of Landlord's Work, if any, have been satisfied or performed, except as set forth in said certificate; that Tenant is not in default in the payment of rent or any of the other obligations required of Tenant hereunder; and that Tenant has paid Minimum Rental and Additional Rental and any other amounts to be paid by Tenant as set forth hereunder as of the date set forth in the certificate.

2.9 Landlord Delay. The term "Landlord Delay" shall mean any delay in the design and/or construction of the Tenant's Work which is solely due to any act or omission of Landlord, its agents or employees.

## SECTION 3 RENT

### 3.1 Minimum Rental.

a. During the full term of this Lease, Tenant shall pay to Landlord, without notice, demand, reduction, setoff or any defense, a minimum annual rental (the “Minimum Rental”) payable in equal monthly installments each in advance on or before the first day of each month. The Minimum Rental for any partial calendar month during the term hereof shall be prorated on a per diem basis. If the Rent Commencement Date is a day other than the first day of a calendar month, the prorated amount due shall be paid on the Rent Commencement Date.

b. From the Rent Commencement Date through the end of the initial Term, the annual Minimum Rental shall be payable in equal monthly installments as set forth on the Fundamental Lease Provisions attached hereto.

c. From the commencement of the Extension Term through the end of the Extension Term, the Minimum Rental shall be payable in equal monthly installments as set forth on the Fundamental Lease Provisions attached hereto.

d. The Minimum Rental, as adjusted, is referred to as the “Minimum Rental”.

e. “Additional Rental” or “Additional Rent” means all sums of money required to be paid by Tenant under the terms of this Lease with the exception of Minimum Rental and Percentage Rent, including without limitation Tenant’s proportionate share of Operating Costs.

3.2 Percentage Rent. There will be no Percentage Rent or sales reporting requirement.

3.3 Operating Costs.

a. Tenant shall pay to Landlord, as Additional Rental, Tenant’s proportionate share of all costs incurred by Landlord in maintaining, repairing, operating and insuring the portions of the Shopping Center which are the responsibility of the Landlord hereunder, hereinafter called “Operating Costs,” including, without limitation, assessments in accordance with the REA; the total costs of operating, repairing, lighting, cleaning (including without limitation trash removal), maintaining, replacing awnings, painting, securing, managing and insuring (including liability insurance for personal injury, wrongful arrest or detainer, death and property damage; insurance and extended coverage against fire, theft, flood or other casualty; rent insurance; Workman’s Compensation; and fidelity bonds for personnel) the Shopping Center and paying all taxes, public charges and assessments of whatsoever nature directly or indirectly assessed or imposed upon the land, buildings, equipment and improvements constituting the Shopping Center and the rents therefrom, including but not limited to all real property taxes, rates, duties and assessments, local improvement taxes, import charges or levies, whether general or special, that are levied, charged or assessed against the Shopping Center by any lawful taxing authority whether federal, state, county, municipal, school or otherwise (other than income, inheritance and franchise taxes thereon); and the cost of seeking a reduction in any utility charges, governmental levies, charges or assessments, or other components of Operating Costs, including but not limited to attorney fees or consultant fees. Landlord agrees to use good faith due diligence to keep the Operating Costs of the Shopping Center competitive with similar first class shopping centers in the locality of the Shopping Center.

b. Notwithstanding anything to the contrary in the definition of Operating Costs set forth above, Operating Costs shall not include the following, except to the extent specifically permitted by a specific exception to the following:

- (i) Any ground lease rental;
- (ii) Costs of items considered capital repairs, replacements, improvements and equipment under generally accepted accounting principles consistently applied or otherwise ("Capital Items"), except for (1) the annual amortization (amortized over the useful life) of costs, including financing costs, if any, incurred by Landlord after the Commencement Date for any capital improvements installed or paid for by Landlord and required by any new (or change in) laws, rules or regulations of any governmental or quasi-governmental authority which are enacted after the Commencement Date; or (2) the annual amortization (amortized over the useful life) of costs, including financing costs, if any, or any equipment, device or capital improvement purchased or incurred as a labor saving measure or to affect other economics in the operation or maintenance of the Shopping Center (provided the annual amortized costs does not exceed the actual cost savings realized and such savings do not redound primarily to the benefit of any particular tenant);
- (iii) Costs incurred by Landlord for the repair of damage to the Shopping Center, to the extent that Landlord is reimbursed by insurance proceeds, and costs of all capital repairs, regardless of whether such repairs are covered by insurance;
- (iv) Costs, including permit, license and inspection costs, incurred with respect to the installation of tenants' or other occupants' improvements in the Shopping Center or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Shopping Center;
- (v) Marketing costs including, without limitation, leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Shopping Center;
- (vi) Expenses in connection with services or other benefits which are not offered to Tenant or for which Tenant is charged for directly but which are provided to another tenant or occupant of the Shopping Center;
- (vii) Interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the Shopping Center;
- (viii) Landlord's general corporate overhead and general and administrative expenses;
- (ix) The cost of any electric power used by any tenant in the Shopping Center in excess of the Shopping Center standard amount, or electric power costs for which any tenant directly contracts with the local public service company or of which any tenant is

separately metered or submetered and pays Landlord directly; provided, however, that if any tenant in the Shopping Center contracts directly for electric power service or is separately metered or submetered during any portion of the relevant period, the total electric power costs for the Shopping Center shall be “grossed up” to reflect what those costs would have been had each tenant in the Shopping Center used the Shopping Center standard amount of electric power;

(x) Costs incurred in connection with upgrading the Shopping Center to comply with disability, life, fire and safety codes, ordinances, statutes, or other laws in effect prior to the Commencement Date, including, without limitation, the ADA, including penalties or damages incurred due to such noncompliance;

(xi) Notwithstanding any contrary provision of the Lease, including, without limitation, any provision relating to capital expenditures, any and all costs arising from the presence of hazardous materials or substances (as defined by applicable laws in effect on the date the Lease is executed) in or about the Premises or the Shopping Center;

(xii) Costs arising from latent defects in the base, shell or core of the Shopping Center or improvements installed by Landlord or repair thereof; and

(xiii) Costs incurred in connection with any environmental clean up, response action, or remediation on, in, under or about the Premises or the Shopping Center, including but not limited to, costs and expenses associated with the defense, administration, settlement, monitoring or management thereof.

Landlord shall in any year during which the Shopping Center is not ninety-five percent (95%) occupied during the entire calendar year, adjust the variable portion of Operating Costs to what the Operating Costs would have been had the Shopping Center been ninety-five percent (95%) occupied during the entire calendar year with all tenants paying full rent, as contrasted with free rent, half rent or the like.

c. Tenant’s proportionate share of Operating Costs shall be computed by multiplying Operating Costs by a fraction, the numerator of which shall be the number of gross square feet of the Premises (herein deemed conclusively to be 2,140 square feet set forth in Paragraph 2.1 above) and the denominator of which shall be the number of square feet of gross leasable area of the Shopping Center (54,292 square feet). Tenant shall pay its proportionate share (3.94%) of Operating Costs in monthly installments, without demand, deduction or setoff, along with monthly payments of Minimum Rental in such amounts as are, from time to time, estimated by Landlord. Landlord’s estimate of Tenant’s proportionate share of Operating Costs for the first Lease Year is \$3.50 per square foot (\$7,490.00 for the first Lease Year, or \$624.17 monthly). Estimates shall be revised not less than annually on the basis of actual Operating Costs for the preceding year of operations. Should Operating Costs be underestimated, Tenant shall pay any deficiency along with the payment of Minimum Rental next due (but in no event prior to thirty (30) days of Tenant’s receipt of Landlord’s documentation) and thereafter pay its adjusted proportionate share of Operating Costs in equal monthly installments as herein provided. Any excess payments shall be credited against the payments of Operating Costs next due.

### 3.4 Advance Rental. N/A.

3.5 Security Deposit. N/A.

3.6 Rent. As used herein, the term “rent” or “rental” shall include Minimum Rental, Additional Rental, Tenant’s share of Operating Costs and all other additional charges or sums payable to Landlord hereunder.

3.7 Place of Payment. Tenant shall pay all rentals and other charges and render all statements herein prescribed to the Landlord at the address therefor as set forth on the Fundamental Lease Provisions, or to such other person and at such other place as shall be designated by Landlord in writing at least ten (10) days prior to the next ensuing rental payment date.

3.8 Audit. In the event of any dispute regarding the amount due as Tenant’s proportionate share of Operating Costs, Tenant shall have the right, after reasonable notice and at reasonable times, to inspect and photocopy Landlord’s accounting records at Landlord’s office. If, after such inspection and photocopying, Tenant continues to dispute the amount of Tenant’s proportionate share of Operating Costs, Tenant, or an agent designated by Tenant, shall be entitled to audit and/or review Landlord’s records to determine the proper amount of Tenant’s proportionate share of Operating Costs. If such audit or review reveals that Landlord has overcharged Tenant, then within thirty (30) days after the results of such audit are made available to Landlord, Landlord shall reimburse Tenant the amount of such overcharge. If the audit reveals that Tenant was undercharged, then within thirty (30) days after the results of the audit are made available to Tenant, Tenant shall reimburse Landlord the amount of such undercharge. Tenant agrees to pay the cost of such audit, provided that if the audit reveals that Landlord’s determination of Tenant’s proportionate share of Operating Costs as set forth in any statement sent to Tenant was in error in Landlord’s favor by more than seven and one-half percent (7.5%), Landlord shall pay the cost of such audit. Landlord shall be required to maintain records of all Operating Costs and other rent adjustments for the entirety of the three-year period (“Review Period”) following Landlord’s delivery to Tenant of each statement setting forth Tenant’s proportionate share of Operating Costs. The payment by Tenant of any amounts pursuant to Lease Section 3.3 shall not preclude Tenant from questioning the correctness of any statement provided by Landlord at any time during the Review Period, but the failure of Tenant to object thereto prior to the expiration of the Review Period shall be conclusively deemed Tenant’s approval of the statement.

## **SECTION 4**

### **USAGE**

4.1 Use.

a. Tenant shall use, occupy, and operate in the Premises solely for the Permitted Use set forth on the Fundamental Lease Provisions, and for no other purpose whatsoever.



b. Tenant, at its sole cost and expense, shall comply with and shall cause the Premises to comply with (i) all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations affecting the Premises or any part thereof, or the use thereof, including, but not limited to, those which require the making of any structural, unforeseen or extraordinary changes, whether or not any such statutes, laws, rules, orders, regulations or ordinances which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same, and (ii) all rules, orders and regulations of the National Board of Fire Underwriters or Landlord's fire insurance rating organization or other bodies exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions which apply to the Premises; provided, however, that notwithstanding anything to the contrary set forth in this Lease, Tenant shall not be required to make any repair to, modification of, or addition to the structure and/or the systems of the Shopping Center, except to the extent required because of Tenant's use of the Premises for other than the Permitted Uses set forth in the Fundamental Lease Provisions.

4.2 Operations by Tenant. In regard to the use and occupancy of the Premises, Tenant will at its expense: (a) keep the inside and outside of all glass in the doors and windows of the Premises clean; (b) keep all exterior store surfaces of the Premises clean; (c) replace promptly any cracked or broken glass of the Premises with glass of like grade and quality; (d) maintain the Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; (e) keep any garbage, trash, rubbish or other refuse in rat-proof containers within the interior of the Premises until removed; (f) have such garbage, trash, rubbish and refuse removed from the Shopping Center on a daily basis; (g) keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the Premises; (h) comply with all laws, ordinances, rules and regulations of governmental authorities and all recommendations of Landlord's fire insurance rating organization now or hereafter in effect; (i) light the show windows of the Premises and exterior signs and turn the same off to the extent required by Landlord; (j) keep the Premises sufficiently heated to prevent freezing in water pipes; (k) comply with and observe all rules and regulations established by Landlord and/or the Architectural Review Committee under the REA from time to time which apply generally to all retail tenants in the Shopping Center; and (l) conduct its business in all respects in a dignified manner in accordance with high standards of store operation consistent with the quality of operation of the Shopping Center as determined by Landlord and provide an appropriate mercantile quality comparable with the entire Shopping Center.

Tenant acknowledges that it is Landlord's intent that the Shopping Center be operated as a first-class retail shopping center in a manner that is consistent with the highest standards of decency and morals prevailing in the community which it serves. Toward that end, Tenant agrees that it will not use the Premises or the Common Areas for any of the activities listed in Exhibit "J" ("Prohibited Uses") and shall not sell, distribute, display or offer for sale any item which, in Landlord's good faith judgment, is inconsistent with the quality of operation of the Shopping Center or may tend to injure or detract from the moral character or image of the Shopping Center within such community. Further, at no time shall Tenant, its successors or assigns, be permitted to use the Premises for any of the activities listed on Exhibit "K" ("Exclusive Uses").

4.3 Trade Name. N/A.

4.4 Rules and Regulations. Tenant shall observe faithfully and comply strictly with the Rules and Regulations attached hereto as Exhibit "F" and made a part hereof by this reference, and with all other Rules and Regulations (and amendments and modifications to same) that Landlord may from time to time reasonably adopt for the safety, operation, care and cleanliness of the Shopping Center or the preservation of good order therein. Landlord shall not be liable to Tenant for any violation of the Rules and Regulations, or for the breach of any covenant or condition in any lease, by any other tenant in the Shopping Center.

4.5 Intentionally Deleted.

4.6 Roof and Walls. As long as Tenant's access to and/or use of the Premises shall not be adversely affected in any material respect, Landlord shall have the exclusive right to use all or any part of the Premises for any purpose; to erect other structures over all or any part of the Premises; and to erect in connection with the construction thereof temporary scaffolds and other aids to construction on the exterior of the Premises. Tenant further agrees that Landlord may make any use it desires of the side or rear walls of the Premises, provided that there shall be no encroachment upon the interior of the Premises nor material interference with Tenant's signage on the side or rear walls of the Premises.

4.7 Common Area Control/Right of Relocation. Landlord grants to Tenant and its agents, employees and customers a non-exclusive license to use the Common Areas in common with others during the term, subject to the exclusive control and management thereof at all times by the Landlord and subject, further, to the rights of Landlord set forth hereinbelow. As long as Tenant's access to and/or use of the Premises shall not be adversely affected in any material respect, Landlord shall have the right at all times, in its sole discretion, to change the size, location, elevation, nature and/or use of any portion or all of the Common Areas, the Shopping Center or any part thereof as Landlord may from time to time determine, including the right to change the size thereof, to erect buildings thereon, to sell or lease part or parts thereof, to change the location and size of the landscaping and buildings on the site, and to make additions to, subtractions from or rearrangements of said buildings. Landlord shall not have the right to relocate the Premises.

4.8 Management and Operation of Common Areas. As long as Tenant's access to and/or use of the Premises shall not be adversely affected in any material respect, Landlord will operate and maintain or will cause to be operated and maintained the Common Areas in a manner deemed by Landlord to be reasonable and appropriate and in the best interests of the Shopping Center. As long as Tenant's access to and/or use of the Premises shall not be adversely affected in any material respect, Landlord will have the right (a) to establish, modify and enforce reasonable rules and regulations with respect to the Common Areas; (b) to enter into, modify and terminate easements and other agreements pertaining to the use and maintenance of the parking areas and other Common Areas; (c) to enforce parking charges (by operation of meters or otherwise) with appropriate provisions for free parking ticket validation by tenants; (d) to close all or any portion of said parking areas or other Common Areas to such extent as may, in the opinion of Landlord, be necessary to prevent a dedication thereof or the accrual of any rights to any person or to the public therein; (e) to close temporarily any or all portions of the Common Areas; (f) to discourage non-customer parking; and (g) to do and perform such other acts in and to said areas and improvements as, in the exercise of good business judgment, Landlord shall determine to be advisable.

4.9 Employee Parking Areas. Landlord shall designate five (5) spaces per 1,000 square feet of leased space in the Premises (i.e. ten (10) parking spaces based on 2,140 square feet) for Tenant's use. Tenant shall also be allowed to reserve one (1) space in front of the Premises for customer parking, and any signage installed in connection therewith shall be at the Tenant's sole cost and expense. Tenant and its employees shall park their cars only in such areas designated for that purpose by Landlord. If Tenant or its employees shall fail to park their cars in the designated parking areas, then without limiting any other remedy which Landlord may pursue in the event of Tenant's default, Landlord, after giving notice to Tenant, shall have the right to charge Tenant, as additional rental, the sum of TWENTY-FIVE AND NO/100 DOLLARS (\$25.00) per day per car parked in violation of the provisions of this paragraph. Tenant shall notify its employees in writing of the provisions of this paragraph.

## **SECTION 5**

### **ALTERATIONS, REPAIRS AND MAINTENANCE**

5.1 Alterations by Tenant. Tenant shall not make any alterations to the Premises (including but not limited to alterations to the exterior, the storefront, signs and/or utility lines or systems within or serving the Premises) nor secure any fixture or apparatus to the Premises without Landlord's prior written approval and Tenant shall promptly remove upon order from Landlord any decoration or alteration made or installed upon the Premises without Landlord's prior written consent. All alterations, fixtures, betterments and improvements made to or installed upon the Premises shall remain upon the Premises, and shall become Landlord's property upon the expiration or earlier termination of this Lease unless Landlord shall require Tenant to restore the Premises to its original condition (which removal requirement shall have been given by Landlord to Tenant at the time Landlord shall have granted its approval of such alteration). Notwithstanding the foregoing, Tenant shall have the right without Landlord's consent to make strictly cosmetic non-structural additions and alterations to the Premises, so long as the costs of such additions and/or alterations does not exceed Ten Thousand and No/100 Dollars (\$10,000.00) during any Lease Year.

5.2 Repairs and Maintenance by Tenant. Landlord shall keep the structural portions of the Premises and the Shopping Center, as applicable, in reasonable repair, provided that Tenant shall give Landlord written notice of the necessity for such repair as same affects the Premises. Tenant shall keep the interior of the Premises, together with the storefront and all windows, plate glass and doors of the Premises, and all electrical, plumbing, heating, ventilating, air conditioning, sprinkler systems and any other mechanical installations exclusively serving the Premises, whether or not in or under the floor slab or on the roof of the Premises, in good working order and repair, at its expense. Tenant, at its sole cost and expense, agrees to employ during the term of this Lease a suitable contractor approved by Landlord to perform Tenant's obligations for maintenance of the heating, cooling and ventilating units ("HVAC") of the Premises, including at least semiannual inspections and cleaning of the HVAC system together with such servicing as each such inspection discloses or as shall be reasonably required by Landlord. Tenant shall deliver to Landlord within thirty (30) days after the Commencement Date a copy of the Tenant's service agreement with an appropriate HVAC contractor. If Tenant ever enters into a different service agreement replacing the original agreement, Tenant shall deliver to Landlord within thirty (30) days after entering into the replacement service agreement a copy of such replacement service agreement. Tenant shall

promptly repair, at its expense, any damage to the Premises caused by bringing into the Premises any property for Tenant's use, or by the installation or removal of such property regardless of fault or by whom such damage may be caused, unless caused solely by the affirmative acts or negligence of Landlord, its agents or employees. In the event Tenant fails to make such repairs, Landlord may, at its option, but need not, make same and Tenant agrees to pay Landlord as additional rent the cost thereof promptly upon demand by Landlord. Tenant shall not overload the floor slab, electric wiring or utilities serving the Premises and shall install at Tenant's sole expense, after first obtaining Landlord's written approval, any additional electric wiring that may be required in connection with Tenant's apparatus, equipment or fixtures.

To the extent that the same are available and assignable, Landlord shall assign to Tenant any and all warranties with respect to the electrical, plumbing, heating, ventilating, air conditioning, sprinkler systems and any other mechanical installations exclusively servicing the Premises in existence prior to the Commencement Date. If any item of Tenant's repair and maintenance obligations set forth herein involves a capital repair, replacement, improvement and/or equipment under generally accepted accounting principles consistently applied ("Tenant Repair Capital Item"), Tenant shall make such Tenant Repair Capital Item, and following completion thereof, provide Landlord with written notice of (i) the total cost of such Tenant Repair Capital Item ("Tenant Repair Capital Item Cost"), (ii) the estimated useful life of such Tenant Repair Capital Item per generally accepted accounting principles consistently applied ("Useful Life"), (iii) the amortization of such Tenant Repair Capital Item Cost over such Useful Life at an interest rate equal to the "prime rate" as announced from time to time by Bank of America, N.A., plus one percent (1%) per annum, and (iv) the amount due and payable by Landlord to reimburse Tenant for that portion of the amortized Tenant Repair Capital Item Cost which is not applicable to the remainder of the Lease Term, which amount shall be paid by Landlord to Tenant within thirty (30) days of Tenant's completion of the Tenant Repair Capital Item.

5.3 Liens. Tenant hereby indemnifies Landlord against, and shall keep the Premises and the Shopping Center free from liens for any work performed, material furnished, or obligations incurred by the Tenant. Should liens or claims be filed against the Premises or the Shopping Center by reason of Tenant's acts or omissions, Tenant shall cause same to be discharged by bond or otherwise within ten (10) days after filing.

5.4 Sign and Displays. Except as set forth herein, Tenant shall not place or have placed or maintained on the exterior of or within the Premises, the Common Areas or at any other location within the boundaries of the Shopping Center any sign, awning or advertising without the prior written consent of Landlord. Upon the prior written consent of Landlord and subject to compliance with the REA and Sign Criteria attached hereto as Exhibit "G," Tenant will be allowed to install its signage on front and back of the building containing the Premises. Tenant may also have the right, at its sole cost and expense, to install a panel on the monument sign for the Shopping Center located on Roosevelt Boulevard in a space to be designated by Landlord. Any signage installed by Tenant at the Shopping Center shall identify the Premises as "North Carolina Turnpike Authority". All articles, displays, signs or other similar promotional materials and the arrangement, style, color and general appearance thereof, in the interior of the Premises including, without limitation, window displays, advertising matter, signs, merchandise and store fixtures, shall be in keeping with

the character and standards of the improvements within the Shopping Center, as determined by Landlord and shall be subject to approval by the appropriate governmental authority and the Architectural Review Committee under the REA. Landlord reserves the right to require Tenant to correct any nonconformity. In any event, Tenant shall follow and comply with the Sign Criteria attached as Exhibit "G" and incorporated herein.

5.5 Sidewalks. Tenant agrees that it shall keep the sidewalks immediately abutting the Premises free from obstructions of all nature, properly swept, and snow and ice removed therefrom.

5.6 Communications Equipment. Except as specifically granted herein, Landlord shall have the exclusive right to use the roof, or grant access and use of the roof to any tenants or licensees. Landlord grants to Tenant, during the term of this Lease so long as Tenant is not in Default, and at no Additional Rent, the ability to install on the roof, for its own use and for use by its customers in the Premises, antennae, satellite dishes or like telecommunications equipment, and permits Tenant to install wiring between the roof and the Premises as reasonably necessary to utilize the above-referenced telecommunications equipment, all subject to (i) Landlord's review of the installation and wiring plans and specifications; (ii) the prior written approval of Landlord, such approval not be unreasonably withheld, with the exception of location and size, which Landlord can approve in its sole discretion to ensure such equipment is not visible from the street or parking lot; (iii) Tenant shall not penetrate the roof without using Landlord's roofing contractor so as not to void Landlord's roof warranty; and (iv) Tenant indemnifying Landlord for any cost, expense or other consideration resulting from or associated with the installation of such equipment or wiring by Tenant.

## **SECTION 6**

### **DAMAGE, DESTRUCTION OR CONDEMNATION**

6.1 Casualty. Except as otherwise provided herein, if the Premises are damaged by fire or other insured casualty and such damage does not equal or exceed forty percent (40%) of the replacement cost thereof, the damage shall be promptly repaired by Landlord to the extent of the insurance proceeds available therefor. Tenant at its sole expense shall restore thereto all work and improvements originally installed or performed by Tenant immediately upon the completion of Landlord's work or simultaneously with such work to the extent practicable. Until repairs to the Premises are completed by Landlord, Minimum Rental shall be abated in proportion to the part of the Premises, if any, which is unusable by Tenant in the conduct of its business, but if the damage is due to the fault or neglect of Tenant or its employees, agents or invitees, there shall be no abatement of rent. If: (a) the Premises is damaged to the extent of more than forty percent (40%) of the replacement cost thereof; or (b) the Shopping Center or building in which the Premises is located is damaged by fire or other insured casualty to the extent of twenty-five percent (25%) or more of the replacement cost thereof; or (c) any damage to the Premises cannot, in Landlord's sole discretion, be repaired within ninety (90) days of the date of such damage; or (d) the Premises is damaged or destroyed during the last two (2) years of the term hereof; then Landlord may at its sole option terminate this Lease by written notice to the Tenant. Landlord shall notify Tenant of its election to terminate within thirty (30) days following its receipt of notification of the availability of insurance proceeds for such repairs or restorations. If Landlord does not elect to terminate this Lease, it will

commence promptly such repairs and restorations and prosecute it to completion with due diligence.

If Landlord should elect or be obligated pursuant to this Paragraph 6.1 to repair or rebuild because of any damage or destruction, Landlord's obligation shall be limited to the basic building and any other work or improvements which may have been originally performed or installed at Landlord's expense. If the cost of performing Landlord's obligation exceeds the actual proceeds of insurance paid or payable to Landlord on account of such casualty, Landlord may terminate this lease unless Tenant, within fifteen (15) days after demand therefor, deposits with Landlord a sum of money sufficient to pay the difference between the cost of repair and the proceeds of insurance available for such purpose.

Upon the termination of this Lease pursuant to the provisions of this Paragraph 6.1, the parties shall be released thereby without further obligations to the other party coincident with the surrender of possession of the Premises to Landlord, except for items that have theretofore accrued and be then unpaid. In the event of such termination, all of Tenant's insurance proceeds covering Tenant's leasehold improvements, but excluding proceeds for trade fixtures, merchandise, signs and other personal property, shall be disbursed and paid to Landlord.

6.2 Condemnation. If the whole of the Premises, or so much thereof as to render the balance unusable by Tenant, shall be taken under power of eminent domain, or otherwise transferred in lieu thereof, or if any part of the Shopping Center is taken and its continued operation is not in Landlord's sole opinion, economical, this Lease shall automatically terminate as of the date possession is taken by the condemning authority. No award for any total or partial taking shall be apportioned, and Tenant hereby unconditionally assigns to Landlord any award that may be made in such taking or condemnation. In the event of a partial taking or condemnation, which does not result in the termination of this Lease, Minimum Rental shall be apportioned according to the part of the Premises remaining useable by Tenant.

## **SECTION 7**

### **UTILITIES**

7.1 Payment. Tenant shall promptly pay all charges for utilities and other services furnished to the Premises whether by Landlord or the applicable utility company. Landlord shall not be liable for any interruptions or curtailment in utility services due to causes beyond the reasonable control of Landlord or due to Landlord's alteration, repair or improvement of the Premises or the Shopping Center. All utilities (including but not limited to electric, gas, water, sewer, cable, telephone and internet) are delivered to the Building. Tenant shall be responsible for extending all utilities to the Premises and separately meter its electric, gas, cable, telephone and internet, all such work at Tenant's sole cost and expense.

7.2 Utilities. Landlord shall have the right to run utility lines, pipes, roof drainage pipes, conduit, wire, ductwork or sprinkler systems where necessary, through, in or beneath the Premises and to maintain the same in a manner which does not unduly interfere with Tenant's use thereof.

## **SECTION 8**

## **INDEMNIFICATION**

8.1 **Indemnification.** Except due to the gross negligence or willful misconduct of Landlord or its agents, contractors or employees, Tenant hereby agrees to indemnify and hold Landlord harmless from any and all claims, damages, liabilities or expenses arising out of (a) Tenant's use of the Premises; (b) any and all claims arising from any breach or default in the performance of any obligation of Tenant; and (c) any act, omission or negligence of Tenant, its agents, contractors, licensees, invitees or employees. Tenant further releases Landlord from liability for any damages sustained by Tenant or any other person claiming by, through or under Tenant due to the Premises, or any part thereof or any appurtenances thereto becoming out of repair, or due to the happening of any accident, including but not limited to any damage caused by water, snow, windstorm, tornado, gas, steam, electrical wiring, sprinkler system, plumbing, heating and air conditioning apparatus and from any acts or omissions of co-tenants or other occupants of the Shopping Center except to the extent any such damages are caused solely by the gross negligence or willful misconduct of Landlord or its agents, contractors or employees. To the maximum extent permitted by law, Tenant agrees to use and occupy the Premises, and to use such other portions of the Shopping Center as Tenant is herein given the right to use, at Tenant's own risk. Landlord shall not be liable for any damage to or loss of Tenant's personal property, inventory, fixtures or improvements, from any cause whatsoever except the gross negligence or willful misconduct of Landlord or its agents, contractors or employees, and then only to the extent not covered by insurance to be obtained by Tenant in accordance with Section 9 hereof.

## **SECTION 9 INSURANCE**

9.1 **Insurance.** Tenant shall maintain at its sole expense during the term hereof, commercial liability insurance with broad form contractual liability coverage and with coverage limits of TWO MILLION DOLLARS (\$2,000,000.00) per occurrence / aggregate. Tenant shall also keep in force insurance against loss or damage to plate glass in or on the Premises and fire and extended coverage insurance for the full replacement value of Tenant's improvements and Tenant's property, including, but not limited to, inventory, trade fixtures, furnishings and other personal property. Tenant shall also maintain boiler and machinery insurance on the heating, ventilating and air conditioning system serving the Premises. All such policies shall be written by companies reasonably satisfactory to Landlord, and Tenant will cause such insurance policies to name Landlord as additional insured and to be written so as to provide that the insurer waives all right of recovery by way of subrogation against Landlord in connection with any loss or damage covered by the policy. In addition, Tenant shall keep in force Workman's Compensation or similar insurance to the extent required by law. Tenant shall deliver certificates thereof to Landlord within ten (10) days of the commencement of the term. Should Tenant fail to effect the insurance called for herein Landlord may, at its sole option, procure said insurance and pay the requisite premiums, in which event, Tenant shall pay all sums so expended to Landlord as Additional Rental following invoice and promptly upon demand. Each insurer under the policies required hereunder shall agree by endorsement on the policy issued by it or by independent instrument furnished to Landlord thirty (30) days' prior written notice before the policy or policies in question shall be cancelled.

9.2 Increase in Insurance Premium. Tenant will not do or suffer to be done, or keep or suffer to be kept, anything in, upon or about the Premises which will violate Landlord's policies of hazard or liability insurance or otherwise violate any other insurance policy(ies) carried by Landlord on the Premises or on the Shopping Center or which will prevent Landlord from procuring such policies in companies acceptable to Landlord. If anything done, permitted to be done or suffered by Tenant to be kept in, upon or about the Premises shall cause the premium or rate of fire or other insurance on the Premises or on other property of Landlord or of others within the Shopping Center to be increased beyond the minimum rate from time to time applicable to the Premises or to any such other property for the use or uses made thereof, Tenant will pay, as additional rental, the amount of any such increase promptly upon Landlord's demand.

## **SECTION 10**

### **DEFAULT**

10.1 Default by Tenant. In the event that Tenant (a) fails to pay all or any portion of any rent or other sum due from Tenant hereunder or pursuant to any Exhibit hereto within five (5) days following written notice from Landlord; provided, however, that Landlord shall only be obligated to provide such notice one (1) time during the Lease Term and one (1) time during the Extension Term, and any subsequent failure to pay such amounts due within five (5) days following the due date therefor shall constitute a Default by Tenant; (b) fails to cease all conduct prohibited hereby immediately upon receipt of written notice from Landlord; (c) becomes bankrupt, insolvent or files any debtor proceeding, takes or has taken against Tenant any petition of bankruptcy; takes action or has action taken against Tenant for the appointment of a receiver for all or a substantial portion of Tenant's assets; files a petition for a corporate reorganization; makes an assignment for the benefit of creditors, or if in any other manner Tenant's interest hereunder shall pass to another by operation of law (any or all of the occurrences in this paragraph 10.1(c) shall be deemed a default on account of bankruptcy for the purposes hereof); or (d) is otherwise in breach of Tenant's obligations hereunder and shall not have cured same within twenty (20) days following written notice from Landlord (unless such default is of such a nature that it cannot be cured within said twenty (20) day period, in which event Tenant shall not be in default hereunder if it shall have commenced to cure said default within said twenty (20) day period and diligently prosecute said cure to completion within forty-five (45) days following the original written notice from Landlord); then Tenant shall be in "Default" hereunder and Landlord may, at its option and without further notice to Tenant, terminate Tenant's right to possession of the Premises and without terminating this Lease re-enter and resume possession of the Premises and/or declare this Lease terminated, and may thereupon in either event remove all persons and property from the Premises, with or without resort to process of any court, either by force or otherwise. Notwithstanding such re-entry by Landlord, Tenant hereby indemnifies and holds Landlord harmless from any and all loss or damage that Tenant may incur by reason of the termination of this Lease and/or Tenant's right to possession hereunder. In no event shall Landlord's termination of this Lease and/or Tenant's right to possession of the Premises abrogate Tenant's agreement to pay rent and additional charges due hereunder for the full term hereof. Further, in the event of Landlord's termination of this Lease and/or Tenant's right to possession of the Premises, Tenant shall be responsible for paying to Landlord, within five (5) days of such termination, the unamortized portion of the Tenant Improvement Allowance and any brokerage commissions incurred in connection with this Lease. Following re-entry of the Premises by Landlord, Tenant shall continue to pay all such rent and additional charges as same become due



under the terms of this Lease, together with all other expenses incurred by Landlord in regaining possession until such time, if any, as Landlord relets same and the Premises are occupied by such successor, it being understood that Landlord shall have no obligations to mitigate Tenant's damages by reletting the Premises. Upon reletting, sums received from such new lessee by Landlord shall be applied first to payment of costs incident to reletting (including, without limitation, leasing brokerage commissions and reasonable attorneys' fees); any excess shall then be applied to any indebtedness to Landlord from Tenant other than for Minimum Rental and Additional Rental due and unpaid. The balance, if any, shall be applied against the deficiency between all amounts to be received hereunder and sums to be received by Landlord on reletting, which deficiency Tenant shall pay to Landlord within ten (10) business days of notice of same from Landlord. Tenant shall have no right to any proceeds of reletting that remain following application of same in the manner set forth herein.

Any action taken by Landlord under this Section shall not operate as a waiver of any right, which Landlord would otherwise have against Tenant for rent hereby or otherwise, and Tenant shall remain responsible to Landlord for any loss and/or damage suffered by Landlord by reason of Tenant's default or breach. The words "re-enter" and "re-entry" as used in this Lease is not restricted to their technical legal meaning.

10.2 Rights and Remedies of Landlord. The various rights and remedies herein granted to Landlord shall be cumulative and in addition to any other Landlord may be entitled to by law or in equity, and the exercise of one or more rights or remedies shall not impair Landlord's right to exercise any other right or remedy. In all events, Landlord shall have the right upon notice to Tenant to cure any breach by Tenant at Tenant's sole cost and expense, and Tenant shall reimburse Landlord for such expense upon demand.

10.3 Bankruptcy. If Landlord shall not be permitted to terminate this Lease as hereinabove provided because of the provisions of Title 11 of the United States Code relating to Bankruptcy, as amended (the "Bankruptcy Code") or such other laws or regulations as may then be applicable, then Tenant as a debtor in possession or any trustee for Tenant agrees promptly, within no more than fifteen (15) days following request by Landlord to the Bankruptcy Court, to assume or reject this Lease and Tenant on behalf of itself, and any trustee agrees not to seek or request any extension or adjournment of any application to assume or reject this Lease by Landlord with such Bankruptcy Court. In such event, Tenant or any trustee for Tenant may only assume this Lease if it (a) cures or provides adequate assurance that the Trustees will promptly cure any default hereunder; (b) compensates or provides adequate assurance that Tenant will promptly compensate Landlord for any actual pecuniary loss to Landlord resulting from Tenant's defaults; and (c) provides adequate assurance of performance during the fully stated term hereof of all of the terms, covenants, and provisions of this Lease to be performed by Tenant. In no event after the assumption of this Lease shall any then-existing default remain uncured for a period set forth herein. Adequate assurance of performance of this Lease as set forth hereinabove shall include, without limitation, adequate assurance (i) of the source of rent reserved hereunder; (ii) that any Percentage Rent due hereunder will not decline from the levels anticipated; and (iii) that the assumption of this Lease will not breach any provision hereunder. In the event of a filing of a petition under the Bankruptcy Code, Landlord shall have no obligation to provide Tenant with any services or utilities as herein required

unless Tenant shall have paid and be current in all payments of Operating Costs, utilities or other charges therefor.

10.4 Default by Landlord. If Landlord shall breach any warranty or fail to perform any covenant required to be performed by Landlord under the terms of this Lease and such breach or failure shall continue for a period of thirty (30) days after receipt by Landlord of written notice thereof from Tenant or if Landlord shall fail to pay any sums due to Tenant under this Lease on the date the same shall become due and payable hereunder, and such failure shall continue for a period of thirty (30) days after receipt by Landlord of written notice thereof from Tenant (unless such default is of such a nature that it cannot be cured within said thirty (30) day period, in which event Landlord shall not be in default hereunder if it shall have commenced to cure said default within said thirty (30) day period and diligently prosecute said cure to completion), then Tenant may, as its sole remedy under this Lease, exercise any of its rights provided in law or at equity, subject to any limitations expressly set forth in this Lease, including but not limited to, the limitation set forth in Section 14.17 below.

## **SECTION 11**

### **TRANSFERS, ASSIGNMENT AND SUBLETTING**

11.1 Assignment and Subletting. Tenant may not assign this Lease or sublet all or any part of the Premises unless and until the following conditions have been satisfied: (i) Tenant is not then in Default under this Lease; (ii) Landlord has approved the proposed assignee or subtenant and given its consent to such assignment or sublease in writing, which consent shall not be unreasonably withheld, conditioned or delayed; and (iii) Tenant remains primarily obligated under the Lease, unless otherwise waived by Landlord in its sole and absolute discretion. Landlord shall grant or deny its consent with an explanation within ten (10) business days of Landlord's receipt of Tenant's request. Any assignment or sublease by Tenant shall be subject to all the terms and conditions of this Lease. If Tenant assigns its interest in this Lease or subleases the Premises for rentals or other consideration in excess of those rentals reserved hereunder, Tenant will pay fifty percent (50%) of such excess rent to Landlord as Additional Rent. Notwithstanding the foregoing, without the consent of Landlord, Tenant may assign this Lease or sublease the Premises, in whole or in part (i) to a majority owned entity or controlled parent, subsidiary or affiliate of Tenant, (ii) to a successor entity as a result of a merger or consolidation of Tenant (and any affiliates and/or subsidiaries), (iii) to a successor entity as a result of a sale of all or substantially all of the assets of Tenant (and any affiliates and/or subsidiaries), (iv) to a successor entity as a result of a sale of all or substantially all of the stock of Tenant (and any affiliates and/or subsidiaries), or (v) to a successor of Tenant for the North Carolina Turnpike Authority ("NCTA") contract being serviced by Tenant out of the Premises or to any entity appointed by NCTA to take over the contract being serviced by Tenant out of the Premises. Tenant shall remain primarily obligated under the Lease in connection with any such permitted assignment or subletting, except in connection with the permitted assignment or subletting set forth in (v) of the preceding sentence.

Any transfer (other than a transfer by inheritance) of more than fifty percent (50%) of the voting stock in Tenant (and one transaction or a series of transactions), or a merger, consolidation, sale, dissolution or other reorganization of Tenant, will be deemed an assignment of this Lease and will be subject to the provisions of this Section 11.1. This paragraph will not be

applicable to any corporation which has all of its outstanding voting stock listed on a United States National Security Exchange.

Any proposed assignee or subtenant of Tenant will assume Tenant's obligations under this Lease and deliver to Landlord an Assumption Agreement in form satisfactory to Landlord within the timeframe required by Landlord.

Tenant shall have the right to mortgage the leasehold estate under this Lease (a "Leasehold Mortgage") without Landlord's consent. If the holder of a Leasehold Mortgage (a "Leasehold Mortgagee") has given notice to the Landlord stating the Leasehold Mortgagee's name and notice address, Landlord, upon giving Tenant any notice of default, shall simultaneously give a copy of such notice or communication to Leasehold Mortgagee in the same manner provided by this Lease for giving of notices to Tenant. Landlord has no obligation to subordinate Landlord's fee simple interest in the land and in the Premises to any Leasehold Mortgage. Landlord will execute and deliver a mutually acceptable Subordination, Nondisturbance and Attornment Agreement to Leasehold Mortgagee, or other reasonable and necessary documentation requested by the Leasehold Mortgagee which is in form and content acceptable to Landlord in its sole discretion.

## **SECTION 12**

### **SUCCESSION TO LANDLORD'S INTEREST**

12.1 Attornment. Tenant shall attorn and be bound to any of Landlord's successors under all terms, covenants and conditions of this Lease for the balance of the remaining term.

12.2 Subordination. This Lease shall be subordinate to the lien of any mortgages, deeds of trust or security agreements ("Mortgages") or the lien resulting from any other method of financing or refinancing now or hereafter in force against the Shopping Center, any portion thereof, or upon any buildings here-after placed upon the land upon which the Premises are a part, and to any and all advances to be made under such Mortgages, and all renewals, modifications, extensions, consolidations and replacements thereof upon the condition that such Mortgages (i) recognize the validity of this Lease and agree to be bound (including successors in foreclosure or otherwise) in the event of a foreclosure of Landlord's interest, and (ii) agree not to disturb Tenant's quiet enjoyment of the Premises so long as Tenant is not in Default under this Lease. The aforesaid provisions shall be self-operative and no further instrument of subordination shall be required to evidence such subordination. Tenant covenants and agrees to execute and deliver, upon demand, such further commercially reasonable instrument or instruments subordinating this Lease on the foregoing basis to the lien of any such Mortgages or other such financing as shall be desired by Landlord and any mortgages or proposed mortgagees.

12.3 Mortgagee's Approval. If any mortgagee or beneficiary under a deed of trust or security agreement ("Mortgagee") of the Shopping Center requires any modification of the terms and provisions of this Lease as a condition to such financing as Landlord may desire, then Landlord shall have the right to cancel this Lease if Tenant fails or refuses to approve and execute such modification(s) within twenty (20) days after Landlord's request therefor, provided said request is made at least twenty (20) days prior to delivery of possession. Upon cancellation by Landlord, this Lease shall be null and void and neither party shall have liability either for damages or otherwise to

the other by reason of such cancellation. In no event, however, shall Tenant be required to agree, and Landlord shall not have any right of cancellation for Tenant's refusal to agree, to any modification of the provisions of this Lease relating to: (a) the amount of rent or other charges reserved herein; (b) the size of the Premises; (c) the duration and/or Commencement Date of the term; (d) the construction of the improvements to be made by Landlord to the Premises prior to delivery of possession; or (e) any Lease provision that would materially increase Tenant's liability or obligations under this Lease.

12.4 REA. This Lease is and shall be at all times be subject and subordinate to the terms and provisions of the REA (as defined in Section 1.5 herein) and any improvements or signage contemplated herein shall be subject to the approval of the Architectural Review Committee in accordance with said REA.

### **SECTION 13**

#### **SURRENDER OF PREMISES**

13.1 Surrender. At the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in "broom clean" condition and in the same condition as when tendered by Landlord, reasonable wear and tear and insured casualty alone excepted; provided, however, that in no event shall Tenant have any obligation to remove any Tenant's Work or any improvements, additions or alterations made by Tenant during the Lease Term that are typical office type improvements. Tenant shall promptly repair any damage to the Premises caused by the removal of any furniture, trade fixtures or other personal property placed in the Premises.

### **SECTION 14**

#### **MISCELLANEOUS**

14.1 Attorney's Fees. The non-prevailing party shall pay reasonable attorney's fees incurred by the prevailing in the enforcement of any of the terms, covenants or provisions hereof.

14.2 Late Charges. In the event Tenant fails to make any payment to Landlord within five (5) days after Tenant's receipt of written notice from Landlord (or five (5) days after the same becomes due in the event that Landlord has already provided written notice to Tenant regarding its failure to make any payment during the Lease Term or Extension Term, as provided in Section 10.1), then in addition to all rights, powers and remedies provided herein, by law or otherwise, Landlord shall be entitled to recover from Tenant the greater of five percent (5%) of the amount due or \$100.00 as liquidated damages. Tenant will also pay to Landlord on demand, interest at the rate of eighteen percent (18%) per annum (or the highest rate permitted by applicable law, whichever is lower) on all overdue installments of Rent and on overdue amounts of any other monetary obligations of Tenant, in each case from the due date thereof until paid in full.

14.3 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the charges herein stipulated shall be deemed to be other than on account of the earliest stipulated charges, nor shall any endorsement or statement on any check or letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may

accept such check or payment without prejudice to Landlord's right to recover subsequently the balance of any amounts due hereunder or to pursue any other remedy provided herein.

14.4 Time of Essence. TIME IS OF THE ESSENCE WITH RESPECT TO THE TERMS, CONDITIONS AND PROVISIONS OF THIS LEASE.

14.5 Holding Over. Should Tenant, with Landlord's written consent, hold over at the end of the term, Tenant shall become a tenant at will and any such holding over shall not constitute an extension of this Lease. During such holding over, Tenant shall pay rent and other charges at the highest monthly rate provided for herein. Should Tenant hold over at the end of the term without Landlord's written consent (a) Tenant shall become a Tenant at will; (b) such holding over shall not constitute an extension of this Lease; and (c) during such holding over Tenant shall pay rent and other charges at 150% of the highest monthly rate provided for herein.

14.6 Severability. In the event any provision of this Lease to any extent is invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and the Lease and its provisions shall be valid and enforceable to the full extent permitted by law.

14.7 Brokers. With the exception of the broker commissions to be paid by Landlord to NAI SOUTHERN REAL ESTATE, Tenant agrees to indemnify Landlord against any other claims for brokerage commissions in connection herewith.

14.8 Waiver. No waiver by Landlord of any provision of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by Tenant of the same provision. Landlord's consent to or approval of any act by Tenant shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act. No agreement by Landlord to accept Tenant's surrender of the Premises shall be valid unless in writing.

14.9 Right of Entry. Landlord shall have reasonable access to the Premises at all reasonable times to inspect same and to make such repairs, additions, improvements, changes or alterations to the Premises or the Shopping Center, as Landlord may elect to make. Tenant agrees that on and after one hundred eighty (180) days next preceding the Expiration Date of the term hereof, Landlord or its agents shall have the right to show the Premises to potential tenants and to place notices offering the Premises for lease or sale on any part of the Premises.

14.10 Successors and Assigns. Except as otherwise provided herein, this Lease shall be binding and inure to the benefit of parties hereto and their respective heirs, personal representatives, executors, successors and assigns.

14.11 Headings, Captions and References. The section captions contained in this Lease are for convenience only and do not in any way limit or amplify any term or provision hereof. The use of the terms "hereof," "hereunder" and "herein" shall refer to this Lease as a whole except where noted otherwise. Additionally, feminine or neuter pronouns may be substituted for masculine and the plural may be substituted for singular or singular for plural.

14.12 Survival of Obligations. The provisions of this Lease with respect to any obligation of Tenant to pay any sum owing in order to perform any act after the expiration or other termination of this Lease shall survive the expiration or other termination of this Lease.

14.13 Landlord and Tenant Relationship. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any other party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto.

14.14 Quiet Enjoyment. Landlord hereby covenants and agrees that if Tenant shall fully and faithfully perform all of the covenants and agreements herein stipulated to be performed on Tenant's part, Tenant shall at all times during the term hereof have the peaceable and quiet enjoyment and possession of the Premises without hindrance from Landlord or any person or persons lawfully claiming the Premises.

14.15 Notices.

a. Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery, by reputable overnight courier (i.e. Federal Express) furnishing a receipt upon delivery, all charge prepaid, by U.S. certified or registered mail, postage prepaid, return receipt requested, addressed to Tenant, at the address as herein-above given, or by posting such notice on the Premises, and to Landlord at the address set forth on the Fundamental Lease Provisions. Notices and demands shall be deemed to have been given (i) upon the date of receipt if sent by overnight mail or by certified or registered mail, provided that if delivery cannot be made or if any party shall refuse delivery, notices shall be deemed given when mailed; and (ii) upon delivery if personally delivered.

b. If any Mortgagee of Landlord shall notify Tenant that it is the holder of a Mortgage effecting the Premises, no notice, request or demand thereafter sent by Tenant to Landlord shall be effective unless and until a copy of the same shall also be sent to such Mortgagee in the manner prescribed herein, and to such address as such Mortgagee shall designate.

14.16 Representations. Tenant acknowledges that neither Landlord nor Landlord's agents, employees or contractors have made any representations or promises with respect to the Premises, the Shopping Center or this Lease except as expressly set forth herein.

14.17 Limitation on Right of Recovery Against Landlord. Tenant acknowledges and agrees that the liability of Landlord under this Lease shall be limited to its interest in the Shopping Center and any judgments rendered against Landlord shall be satisfied solely out of the proceeds of sale of its interest in the Shopping Center. No personal judgment shall lie against Landlord upon extinguishment of its rights in the Shopping Center and any judgment so rendered shall not give rise to any right of execution or levy against Landlord's assets. The provisions hereof shall inure to Landlord's successors and assigns, including any Mortgagee. The foregoing provisions are not intended to relieve Landlord from the performance of any of Landlord's obligations under this Lease, but only to limit the personal liability of Landlord in case of recovery of a judgment against Landlord; nor shall the foregoing be deemed to limit Tenant's rights to obtain injunctive relief or

specific performance or to avail itself of any other right or remedy which may be awarded Tenant by law or under this Lease.

14.18 Joint and Several Liability. If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) shall sign this Lease as Tenant, the liability of each such individual, corporation, partnership or other business association to pay rent and perform all other obligations hereunder shall be deemed to be joint and several with the other signatories, and all notices, payments and agreements given or made by, with or to all of them. In like manner, if Tenant shall be a partnership or other business association, the members of which are, by virtue or statute or federal law, subject to personal liability of each such member shall be joint and several.

14.19 No Discrimination. It is intended that the Shopping Center shall be developed so that all prospective tenants thereof, and all customers, employees, licensees and invitees of all tenants shall have the opportunity to obtain all the goods, services, accommodations, advantages, facilities and privileges of the Shopping Center without discrimination because of race, creed, color, sex, age, national origin or ancestry. To that end, Tenant shall not discriminate in the conduct and operation of its business in the Premises against any person or group of persons because of the race, creed, color, sex, age, national origin or ancestry of such person or group of persons.

14.20 Corporate Tenants. In the event Tenant is a corporation, the persons executing this Lease on behalf of Tenant hereby covenant and warrant that: (a) Tenant is a duly constituted corporation qualified to do business in the state in which the Shopping Center is located; (b) all future forms, reports, fees and other documents necessary for Tenant to comply with applicable laws will be filed by Tenant when due; and (c) such persons are duly authorized by the board of directors of such corporation to execute and deliver this Lease on behalf of the corporation.

14.21 [Intentionally Deleted].

14.22 Force Majeure. In the event either Landlord or Tenant shall be delayed, hindered or prevented from the performance of any act required hereunder, by reason of war, governmental restrictions, civil commotion, shortage of labor or materials, strikes, fire, or any other reason beyond their control, the performance of such act shall be excused for the period of delay, and the period for performance of any such act shall be extended as necessary to complete performance after the delayed period. However, the provisions of this paragraph shall in no way be applicable to Tenant's obligations to pay rental or any other sums, monies, costs, charges or expenses required by this Lease.

14.23 Jurisdiction. The laws of the State of North Carolina shall govern the interpretation, validity, performance and enforcement of this Lease.

14.24 Entire Agreement. This Lease constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and no subsequent amendment or agreement shall be binding upon either party unless it is signed by each party. The submission of this Lease shall not constitute a reservation of or option for the Premises or an offer to lease by Landlord and this Lease shall not be binding unless and until it is signed by Landlord and Tenant.

14.25 Memorandum of Lease. This Lease shall not be recorded. If requested by Tenant, Landlord shall execute a recordable Memorandum or Short Form Lease, prepared at Tenant's expense, specifying the exact term of this Lease and such other terms as the parties shall mutually determine.

14.26 Mortgage Protection. Tenant acknowledges that there is currently or may hereafter be a deed of trust on the Shopping Center, and Landlord shall supply Tenant with the name and address of the holder of such deed of trust. Tenant agrees to give the holder of such deed of trust, together with any ground lessors and future mortgage and/or deed of trust holders, as to all or a portion of the Shopping Center, by registered mail, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified in writing (by way of notice or assignment of rents and leases, or otherwise) of the addresses of such parties. Tenant agrees not to exercise any remedies available by virtue of a Landlord's failure to cure a default within thirty (30) days after receipt of notice of default (or such additional time as may be reasonably necessary to cure such default) unless Tenant has also given such parties a reasonable opportunity to cure such default (including but not limited to foreclosure proceedings if necessary to effect such cure).

14.27 Hazardous Materials. Landlord makes no representation as to the environmental condition at the Shopping Center and/or of the Premises. Tenant shall not cause or permit the use, generation, storage or disposal in or about the Premises of any substances, materials or wastes subject to regulation under any federal, state or local law from time to time in effect concerning hazardous, toxic or radioactive materials (hereinafter "Hazardous Material") unless Tenant shall have received Landlord's prior written consent, which consent Landlord may withhold or at any time revoke at its sole discretion. Landlord hereby acknowledges and consents to Tenant's use of certain hazardous materials in connection with Tenant's permitted use so long as they are used in strict compliance with applicable law. If Tenant uses, generates, stores or disposes of any Hazardous Materials in or about the Premises, Tenant shall obtain all necessary permits and comply with all statutes, regulations, and rules applicable to such activity. Tenant shall indemnify and hold Landlord harmless from and against all liability, cost, claim, penalty, expense and fees (including court costs and attorney's fees) arising from Tenant's use, generation, storage or disposal of Hazardous Materials in or about the Premises. This section shall survive the expiration or earlier termination of this Lease.

14.28 Special Stipulations. Insofar as the Special Stipulations, if any, attached hereto as Exhibit "I" conflict with any of the foregoing provisions, the Special Stipulations shall apply and control.

[SIGNATURES BEGIN ON NEXT PAGE]



IN WITNESS WHEREOF, the parties hereto have executed this Lease this day and year first above written.

WITNESS:

LANDLORD:

NOVANT HEALTH, INC.,  
a North Carolina nonprofit corporation

Elveth Wilson  
Regina Winning

By: [Signature]  
Name: David G. Park  
Title: Sr. VP

WITNESS:

TENANT:

AECOM ENERGY & CONSTRUCTION, INC.,  
an Ohio corporation

Jackie Baker  
[Signature]

By: [Signature]  
Name: S. W. Atkins  
Title: CS - CFO

## EXHIBIT "A"

LEGAL DESCRIPTION OF SHOPPING CENTER

Being all of Lots 7, 8, 9 and 10 as shown on the Plat of The Park at Monroe entitled "A Final Major Subdivision Plat of: The Park at Monroe" and recorded in Plat Cabinet K, File 302 of the Union County, North Carolina Public Registry.

Exhibit "B" - To Be Provided to Short-Listed Proposers.

EXHIBIT “C”

LANDLORD’S WORK

None.

EXHIBIT “D”

TENANT’S WORK

This Exhibit needs to be prepared by Tenant and approved by Landlord.

Upon approval, this Exhibit will be added to the Lease as a supplement.

## EXHIBIT "E"

FORM OF DECLARATION OF COMMENCEMENT DATE

## DECLARATION OF COMMENCEMENT DATE

This Declaration of Commencement Date ("Declaration") is attached to and made a part of that certain Lease Agreement by and between Novant Health, Inc. ("Landlord") and AECOM Energy & Construction, Inc. ("Tenant"). The terms used in this Declaration that are defined in the Lease shall have the same meanings as provided in the Lease.

This Declaration is being provided pursuant to the terms and provisions of that certain Lease Agreement dated \_\_\_\_\_, 2018 (the "Lease"), between Landlord and Tenant. The parties to the Lease desire to confirm that the following terms which are defined in the Lease shall have the meanings set forth below for all purposes in the Lease:

The Commencement Date is: \_\_\_\_\_  
 The Rent Commencement Date is: \_\_\_\_\_  
 The Expiration Date is: \_\_\_\_\_

This Declaration shall be binding on the parties hereto, their successor and assigns and all subtenants of Tenant and any other party claiming under or through Tenant. The Lease is in full force and effect as of the date hereof in accordance with its terms, and Tenant is in possession of the Premises.

WITNESS:

LANDLORD:

NOVANT HEALTH, INC.,  
 a North Carolina nonprofit corporation

\_\_\_\_\_  
 \_\_\_\_\_

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

WITNESS:

TENANT:

AECOM ENERGY & CONSTRUCTION, INC.,  
 an Ohio corporation

\_\_\_\_\_  
 \_\_\_\_\_

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

## EXHIBIT "F"

RULES AND REGULATIONS

1. The sidewalks, roadways, and other public portions in the Shopping Center shall be used by each tenant for the purpose solely of ingress and egress to and from the Premises so demised to the tenants.

2. All waste paper, refuse, and garbage shall be kept by tenant in dumpster, to be located at the rear of the store, such waste paper, refuse and garbage to be removed at the Tenant's expense.

3. Each tenant shall keep the exterior and interior portions of its store, all windows, doors, and all other glass or plate fixtures in a clean condition. Each tenant shall keep its display window(s) illuminated during such hours as the windows throughout a major portion of the Shopping Center are illuminated.

4. No tenant shall keep or permit to be kept on its premises any inflammable or combustible fluid, chemical, or explosives.

5. No tenant shall hold any auction, fire or bankruptcy sale in its premises or otherwise in the Shopping Center.

6. Each tenant shall conduct its business in an orderly manner in the best interests of the Shopping Center. No tenant shall permit noises from the use of any radios, televisions, loudspeakers, talking machines, phonographs, or other instruments to reach outside its premises, which will in the sole judgment of the Landlord interfere in any way with other tenants in the Shopping Center.

7. No tenant shall burn any trash or garbage of any kind in or about the building(s), or on the grounds of the Shopping Center.

8. The plumbing facilities shall be used for the purposes for which they have been constructed, and no foreign substance of any kind shall be thrown therein. The expense of any breakage, stoppage, or damage resulting from a violation of this provision caused by any tenant, its employees, agents, or invitees shall be borne by such tenant.

9. The Landlord reserves the right to amend, rescind, or waive any of these rules or regulations listed herein, and further to make such other reasonable rules and regulations as may from time to time seem necessary or desirable, and any such other and further rules and regulations shall be binding upon each tenant.

10. The Landlord reserves the right to control and operate the Common Areas of the Shopping Center in such manner as the Landlord deems necessary or desirable for the best interests of the Shopping Center and the tenants and for the protection of the buildings and other property in

the Shopping Center. The Landlord, however, shall not be liable to any Tenant for any damages arising out of such control and operation.

11. Sidewalk sales, special promotional events or similar sales related activities outside of the Premises must be approved in writing by the Landlord.



## EXHIBIT "G"

### SIGNAGE CRITERIA

These basic standards have been made to govern the design, fabrication and installation of tenants signs and is intended to afford all tenants with good visual identification, both day and night, and to protect against badly designed and poorly proportioned signage. The sign standards have been selected to harmonize with and to compliment the building materials and will assist in creating the proper atmosphere for The Park at Monroe.

This criteria should be given to your sign company to serve as a guide in preparing their design and cost estimates for your approval.

Please inform your sign fabricator that detailed drawings to scale and accurate color samples of raceway and letter faces must be submitted to and approved by the Architectural Review Committee as required by the REA. You will be held liable and shall bear all costs for removal and/or correction of signs, sign installation and damage to the building by sign installations for your tenancy which do not conform to the following specifications.

### **SPECIFICATIONS**

1. All signs are to be in the form of individual face and channel letters, illuminated with neon tubing with plastic letter faces. No secondary information is allowed (i.e., no telephone numbers, activity conducted, etc.).
2. Letter Height: One horizontal line of lettering not to exceed 24" in height. If upon Landlord's determination, more than one horizontal line of lettering is necessary to provide adequate signage, Landlord will allow Tenant to use two horizontal lines of lettering not to exceed 21' in height with a 6" space between lines of copy, or a combination not to exceed 48" in combined height. Minimum height of letters shall be 16".
3. Letter Spread and Placement: Not to exceed 80% of the length of each section of façade allocated to the Tenant. Ten percent (10%) of the length of each section of façade allocated to the Tenant shall be retained as a margin on each side or end (example: a store frontage measuring 40' can have a sign length no longer than 32', and the sign must be set 4' in from each edge of the frontage). Lettering shall be installed in areas designated on attached building elevations not overlapping cornices and lintels.
4. Letter Style: Shall be Helvetica Medium. Other letter styles may be utilized provided that prior written approval is granted by the Landlord.
5. Letter Depth: Shall be 5".
6. Materials and Construction:

- a. Metal portions of Letters shall be dark bronze porcelain enamel or dark bronze prefinished aluminum. Interior of letter cans shall be painted white.
- b. Plastic letter faces shall be white, blue, or red Plexiglas of 1/8" thickness.
- c. Face retainers shall be 1" jewelite trimcap to match Plexiglas.
- d. Neon tubing shall be 12-mm clear rod.
- e. Raceway or Wiring Bar shall match the color the substrate to which it is attached and fabricated of prefinished aluminum (.50 x .063) and shall be uniformly 7" x 7" in cross section to allow appropriate internal reinforcing and adequate service access to all hardware. Exposed electrical conduit is not allowed. All sign supports shall be painted to match Raceway.

7. Attachment:

- a. Sign letters shall be mounted directly to the wall or parapet or fastened to a continuous metal wiring bar (raceway) which shall house all wiring, transformers and supports for the sign letters and will be centered horizontally on the back of the letters.
  - b. The Raceway shall be attached to the façade with throughbolts passing through the wall to securely installed blocking. Wall flashing shall be patched by the Landlord's roofing contractor at the sign fabricator's expense. Raceways which cross over raised portions of the façade shall employ aluminum ferrules over the bolts passing through the foam (stucco base) to act as spacers between the wall's internal plywood back-up and the rear face of the Raceway.
  - c. Electrical power requirements shall be circuited through the Tenant's own electrical service panel. All work shall comply with the NEC and be performed by licensed and permitted electricians.
8. Emblems or Logos: Emblems or logos may be utilized in conjunction with letter signage provided that prior written approval is granted by the Landlord. Box signs are not allowed and will not be approved. The contoured form of logos or emblems shall be constructed of the same materials, colors and finished as specified above and may not exceed 30" in height.
9. Quantity of Signs: Except as otherwise permitted by Landlord, Tenants are limited to one sign per store frontage.

10. Secondary Signs:

- a. No sandwich, easel, or portable signs are allowed outside of the Premises.
- b. No window signs are allowed without prior written express approval from the Landlord.
- c. White Helvetica Medium vinyl numerals 5" maximum height above entrance doors are permitted for postal identification only.
- d. White vinyl letters indicating hours of operation not to exceed 2-1/2' in height will be permitted.

## 11. Approvals:

- a. Two copies of detailed drawings to scale must be submitted to and approved by the Architectural Review Committee for The Park at Monroe prior to fabrication. The Tenant's fabricator/installer will be held liable and shall bear all costs for removal and/or installations which do not conform to the specifications.
- b. The signs must comply with all applicable signage ordinance, zoning requirements or other governmental regulations applicable thereto.
- c. The Tenant's fabricator/installer shall secure all other necessary permits.

EXHIBIT “H”

[Intentionally Deleted]

## EXHIBIT "T"

SPECIAL STIPULATIONS

Modification to Comply with Health Law. It is the desire of Landlord and Tenant that this Lease comply in all respects with applicable federal and state laws and regulations relating to health, particularly those relating to Medicare and Medicaid reimbursement. Therefore, as long as Tenant's liabilities and/or obligations under this Lease shall not be materially affected or increased, Landlord and Tenant agree to negotiate in good faith to modify this Lease in any manner necessary to ensure such compliance with applicable laws, rules and regulations, including those relating to Medicare and Medicaid reimbursement and to eliminate the imposition of intermediate sanctions under Section 4958 of the Internal Revenue Code. The terms of this Section will survive the termination or expiration of this Lease.

## EXHIBIT "J"

PROHIBITED USES

In accordance with the REA, Tenant shall not be permitted to conduct certain activities within the Shopping Center; including the following:

(i) Any use which emits an obnoxious odor, noise or sound which can be heard or smelled outside of any Building in the Shopping Center.

(ii) An operation primarily used as a storage warehouse operation and any assembling, manufacturing, distilling, refining, smelting, agricultural or mining operation.

(iii) Any "second hand" store, "surplus" store, head shop, or pawn shop; provided, however, that the foregoing shall not prevent the operation of a Play It Again Sports, TJ Maxx, Marshalls, Ross, Nordstrom Rack, or such other nationally recognized upscale retailers in the same or similar business.

(iv) Any mobile home park, trailer court, labor camp, junkyard, or stockyard; provided, however, this prohibition shall not be applicable to the temporary use of construction trailers during periods of construction, reconstruction or maintenance.

(v) Any dumping, disposing, incineration or reduction of garbage; provided, however, this prohibition shall not be applicable to garbage compactors located near the rear of any Building.

(vi) Any fire sale, bankruptcy sale (unless pursuant to a court order) or auction house operation.

(vii) Any central laundry, dry cleaning plant or laundromat; provided, however, this prohibition shall not be applicable to nominal supportive facilities for on-site service oriented to pickup and delivery by the ultimate consumer as the same may be found in retail shopping centers in the metropolitan area where the Shopping Center is located.

(viii) Any automobile, truck, trailer or recreational vehicle sales, leasing, display or body shop repair operation.

(ix) Any bowling alley or skating rink.

(x) Any movie theater or live performance theater.

(xi) Any veterinary hospital or animal raising or boarding facility; provided, however, this prohibition shall not be applicable to pet shops. Notwithstanding the foregoing exception, any veterinary or boarding services provided in connection with the operation of a pet shop shall only be incidental to such operation; the boarding of pets as a separate customer service shall be prohibited; all kennels, runs and pens shall be located inside the Building; and the combined

incidental veterinary and boarding facilities shall occupy no more than fifteen percent (15%) of the Floor Area of the pet shop.

(xii) Any mortuary or funeral home.

(xiii) Any establishment selling or exhibiting "obscene" material, except that this provision shall not prohibit: (i) videotape sale and rental stores which sell or rent non "x-rated" videotapes (that is, "G" to "R" rated video stores) for off-premises viewing only (e.g. Blockbuster Video or Hollywood Video) or (ii) book stores or other stores that sell general audience books and other reading/listening materials (e.g. Barnes & Noble, Waldenbooks. or Books-a-Million).

(xiv) Any establishment selling or exhibiting drug-related paraphernalia or which exhibits either live or by other means to any degree, nude or partially clothed dancers or wait staff.

(xv) Any flea market, amusement or video arcade, pool or billiard hall, car wash or dance hall.

(xvi) Any training or educational facility, including but not limited to: beauty schools, barber colleges, reading rooms, places of instruction or other operations catering primarily to students or trainees rather than to customers; provided, however, this prohibition shall not be applicable to (i) on-site employee training by an Occupant incidental to the conduct of its business at the Shopping Center or (ii) specialized K-12 learning centers that are commonly located in first class shopping centers (e.g., Sylvan Learning Centers, Huntington Learning Centers, Kaplan Learning Center, or other similar nationally recognized chain of learning centers) not to exceed 3,500 square feet of Floor Area.

(xvii) Any gambling facility or operation, including but not limited to: off-track or sports betting parlor; table games such as blackjack or poker; slot machines, video poker/blackjack/keno machines or similar devices; or bingo hall. Notwithstanding the foregoing, this prohibition shall not be applicable to government sponsored gambling activities or charitable gambling activities, so long as such activities are incidental to the business operation being conducted by the Occupant.

EXHIBIT “K”

EXCLUSIVE USES

Tenant hereby covenants and agrees that it is bound to only engage in the Permitted Use and that it will at all times comply with the restricted uses imposed pursuant to the REA.



**Appendix G**  
**Amendment No. 6 to the Comprehensive**  
**Agreement Relating to the I-77 HOT Lanes**  
**Project**  
(To be provided to Short-listed Proposers)

# Appendix H

## North Carolina Turnpike Authority and I-77 Mobility Partners Level 2 Customer Service Rules

# **North Carolina Turnpike Authority and I77 Mobility Partners**

## **Level 2 Customer Service Rules**

## Contents

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## 1. Purpose

The purpose of this document is to record the Level 2 Customer Service rules which will govern the processing customer inquiries for the I77 Mobility Partners through use of the Interface Control Document (ICD) and JIRA ticketing system.

## 2. Definitions and Acronyms

Acronym	Acronym definition
I77	I77 Mobility Partners
ICD	Interface Control Document
SFTP	Secure File Transfer Protocol
Service Provider	An entity that operates a back office system for toll account customer management and trip transaction processing and is a party to interoperability protocols, agreements, and arrangements. Also known as TSP.
Developer	Any entity which (a) manages and operates a tolled facility and who (b) utilizes a Service Provider in order to process trip transactions. Also known as Developer.
Transponder Issuer	Any entity which (a) issues transponders directly to customers, and (b) maintains the association of those transponders with a customer account
TSP	Toll Service Provider.

## 3. REFERENCE DOCUMENTS

This section lists the applicable versions of the documents referenced hereafter:

Document Name	Document Version
41311_NCTA_BOS_RTCS_File_Exchanges_ICD_V3.1_Final_20180103	3.1

#### 4. DOCUMENT HISTORY

Version	Author	Date	Notes
1.0	Travis Fustes	2/11/2016	Template
1.1	Tim Baird	10/16/2017	Update to conform to new Toll Collections Model.
1.2	Tim Baird	10/17/2017	Changes made to document as per input from Guy R., Manuel T., and Rick T.
1.3	Tim Baird	10/30/2017	Changes made to document as per meeting with Rick, Guy, Manuel, and Enrique.
1.3	Tim Baird	1/11/2018	Updated Appendix A with name changes for Level 1 and Level 2 CSRs
1.4	Tim Baird	1/17/2018	Updated Appendix A with changes from Andy L.
1.5	Tim Baird	1/25/2018	Changes made to section 5.1.5 as per input from NCTA

## 5. LEVEL 2 CUSTOMER SERVICE

### 5.1 RULES TO ENGAGE LEVEL 2 CUSTOMER SERVICE

Rule ID	Rule	NCTA Responsibility	I77 Responsibility	Document References	Status	Submitted by
5.1.1	Interaction between Level 1 Customer Service and Level 2 Customer Service will be carried out following workflow available on Appendix A of this document				01/18/18: Approved	Developer
5.1.2	Level 2 Customer Service may have specific scenarios defined that allow PRE-APPROVAL of certain adjustments	NCTA will provide the information specified in the "Disposition File Data Record" per ICD in Excel file format to the Developer to identify exactly which transaction(s) related pre-approved adjustment type in Appendix B are being presented for adjustment, the reason for the adjustment, dispute id, and the amount of the requested adjustment.			11/15: List of pre-approved adjustments has been agreed and included in Appendix B	Developer

Rule ID	Rule	NCTA Responsibility	I77 Responsibility	Document References	Status	Submitted by
5.1.3	Level 2 Customer Service approval is required for all customer inquiries that involve a full or partial financial adjustment to I77MP of a transaction previously charged to a customer and NCTA is expecting I77MP to issue a credit back to NCTA or is part of the pre-approved list.				05/19: Approved	Developer
5.1.4	Level 2 decisions over escalated inquiries will be final and cannot be disputed by NCTA; however that does not preclude the customer from contesting the Level 2 decision through the Administrative Hearing process or judicial review in Superior Court as set forth in NCTA's Business Policies.			<p>NCTA Policy 4.6.1: Administrative Hearing (G.S. 136-89.218(b)) The OWNER may contest the Informal Review determination by filing a petition for a contested case hearing with the Office of Administrative Hearing.</p> <p>NCTA Policy 4.6.2: Judicial Review (G.S. 136-89.218(c)) An OWNER aggrieved by the final decision, and who has exhausted all administrative remedies, may file a petition for judicial review in Superior Court.</p>	05/19: Approved.	

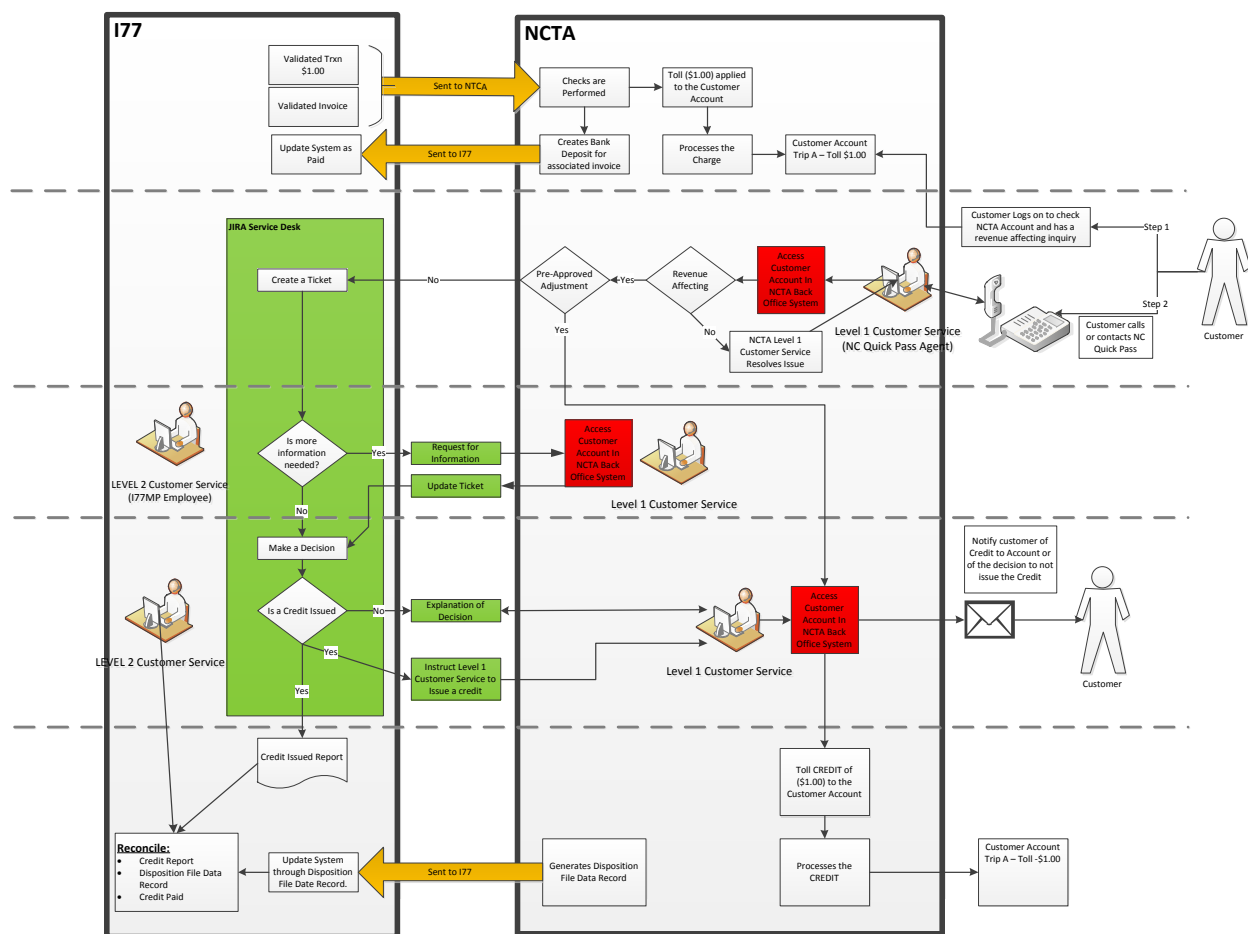


Rule ID	Rule	NCTA Responsibility	I77 Responsibility	Document References	Status	Submitted by
5.1.5	<p>Level 1 and Level 2 Customer Service will formally communicate customer disputes and inquiries using a Service Desk Portal (JIRA).</p> <p>This does not limit the ability for NCTA's Level 1 team to occasionally phone Level 2 team members regarding existing tickets if this could contribute to solve certain requests more efficiently</p>	<p>Level 1 Customer Service will create a ticket in the Service Desk Portal to escalate any customer inquiry that needs to be reviewed by Level 2 Customer Service. The following information will be provided by the Level 1 Customer Service for each ticket escalated to the Level 2:</p> <ul style="list-style-type: none"> <li>• Plate Id</li> <li>• State</li> <li>• Transaction id (list of all transactions involved separated by commas)</li> <li>• Total Amount disputed by the customer</li> <li>• Dispute Reason (drop-down)</li> <li>• Level 1 Service Representative Name</li> <li>• Transponder number (optional)</li> <li>• Details (optional)</li> <li>• Transaction date time (optional)</li> <li>• Attachment (optional)</li> <li>• Customer Name (optional)</li> </ul> <p>The Service Desk Portal will provide some means of notification (e.g. email) to inform Level 2 Customer Service every time a ticket is created or updated.</p>	Level 2 will respond to the tickets escalated by Level 1		01/25/18 Approved	Developer
5.1.6	Level 2 Customer Service will have no direct interaction with the customer.				05/19 Approved	Developer

Rule ID	Rule	NCTA Responsibility	I77 Responsibility	Document References	Status	Submitted by
5.1.7	<b>Production Days</b> will be measured using Level 1 Customer Service Calendar.	To provide a yearly Calendar a month in advance to be able to organize level 2 customer service accordingly  Additional changes on a current yearly calendar could be sent during the year by NCTA, provided they are submitted a month in advance of the date of the change.	Organize level 2 customer service according to the Calendar provided		05/19: Approved.	
5.1.8	Response time for tickets escalated to Level 2 Customer Service		Level 2 Customer Service will update the ticket providing the resolution to the customer inquiry within 2 business days from the time of receiving the ticket.		05/19 Approved  NCTA would like to link this to certain SLAs (exhibit 18) in the contract Provided any new SLA is reasonable and measurable and not as a penalty for any and every exception, Developer may entertain this notion	Developer
5.1.9	Level 1 Customer Service will update the NCTA BOS with the appropriate adjustment based on the Level 2 customer service ticket within 2 <b>Production Days</b> of receiving the ticket update.	NCTA will provide the information specified in the "Disposition File Data Record" per ICD in Excel file format to the Developer to identify exactly which transaction(s) related to Level 2 customer service tickets that are being presented for adjustment, the reason for the adjustment, the amount of the requested adjustment, and the corresponding dispute_id field in Appendix B.			05/19 Approved	Developer
5.1.10	Level 2 adjustments will be reconciled between Disposition File Data Records and Service Desk Portal during the exceptions meeting.		The Service Desk Portal will provide a report including all customer inquiries that were escalated to Level 2 Customer Service on a certain period.		05/19: Approved	Developer

Rule ID	Rule	NCTA Responsibility	I77 Responsibility	Document References	Status	Submitted by
5.1.11	A CSR Report will be accessible to Level 1 Customer Service	Level 1 Customer Service will be able to pull up the report using transaction id as a parameter	Make CSR report accessible to Level 1 Customer Service using transaction id or plate/date combination as lookup fields. CSR reports will be available for all open transactions and closed transactions of 1 year old or less.		05/19 Approved	Developer

## APPENDIX A – LEVEL 2 CUSTOMER SERVICE WORKFLOW



## APPENDIX B – TYPES OF CUSTOMER DISPUTES

According to the Level 2 Customer Service Rules that will govern Customer Service for the I77, Level 2 Customer Service approval is required from I77 before NCTA Level 1 Customer Service can apply a full or partial financial adjustment to a customer account due to an I77 transaction where I77 is expected to compensate NCTA for such adjustment. Certain types of transaction and financial adjustments will be considered “pre-approved” by I77 Level 2 Customer service, allowing NCTA to make the necessary adjustment without the need to follow the full approval process.

The following table represents transaction disputes by type/category and their disposition, where these can be considered pre-approved by I77. Any other financial adjustments affecting I77 revenue, for reasons that are not included in this table, must be elevated to I77 Level 2 representatives for approval prior to such adjustment taking place.

Items 1 and 2 relate to disputes that can be resolved by NCTA by use of I77’s automated CSR report, allowing Customer Service representatives to confirm the customer dispute by using I77 systems in real time. For customer relations and record keeping, NCTA will keep account notes and evidences for each dispute to ensure that customers are not able to take advantage of the tolling system. NCTA will also forward to I77 all evidences and account notes for each dispute that is sent for I77 Level 2 approval.

Dispute_id	NCTA Business Policy	Dispute Type/Category	Specific Conditions	Outcome	I77 Approval
1	N	Pre-Approved: Different Rate Seen by Customer on Sign	Customer saw a different rate on the Toll Rate Sign and the automated I77 CSR report allows such change.	Rate change applied	No approval required by I77 if CSR Report supports rate change.
2	N	Pre-Approved: Customer did not receive an HOV discount that was due	Customer was expecting a discount which was not applied to their invoice, and the automated I77 CSR report allows such change.	HOV Discount applied	No approval required by I77 if CSR Report supports rate change.

All other customer disputes requiring financial adjustments that can affect the value of I77 transactions must be provided to I77 Level 2 Customer Service Representatives for approval prior to making such adjustment, following the process defined in the Business Rules agreed between I77 and NCTA. This includes, but is not limited to, the dispute reasons indicated in the table below.

For customer relations and record keeping NCTA will keep account notes for each dispute/disposition to ensure that customers are not able to take advantage of the tolling system. NCTA will also forward to I77 all evidences and account notes for each dispute that is sent for I77 Level 2 approval.

Dispute_Id	NCTA Business Policy	Dispute Type/Category	Examples	Outcome	I77 Approval
3	N	Waiver – Toll	<ul style="list-style-type: none"> <li>Not the customer's vehicle;</li> <li>No TOR information available;</li> <li>Stolen vehicle;</li> <li>Non-revenue account mismatched</li> </ul>	Toll due waived	Elevate to I77 Level 2 Customer Service for Approval
4	N	Dismissed – Toll	<ul style="list-style-type: none"> <li>Not the customer's vehicle;</li> <li>TOR information available;</li> <li>Stolen vehicle – police report provided;</li> </ul>	Toll due dismissed	Elevate to I77 Level 2 Customer Service for Approval
5	N	Adjustment/waiver – Toll (Express Lane Specific)	<ul style="list-style-type: none"> <li>Level of Service (LOS) missed;</li> <li>Forced into the lane due to an accident or directed by police;</li> </ul>	Toll due adjusted or waived	Elevate to I77 Level 2 Customer Service for Approval

# Appendix I

## Potential Operational Pass-through Items

### Typical Operational Pass-Through Item Examples

Proposers should anticipate that Pass-Through costs for the three NC Quick Pass facilities combined (Morrisville Operations Center / Customer Service Center, Monroe Customer Service Center, Charlotte Customer Service Center) will range from \$50,000 per month to \$120,000 per month, but could be higher depending on timing of invoices and fulfillment postage funding needs. Based on historical operations, NCTA estimates that reimbursable Pass-Through operating expenses are less than \$1 million annually.

Proposers should note, this list provides Pass-Through costs seen during typical normal operations and maintenance. It is not intended to be all-inclusive and may not contain certain 'one-time' or annual purchases.

#### Typical Pass-Through Items:

- Transponder supplies - static shield bags, labels, mounting strips
- Storage items - cardboard boxes, labeling device supplies
- Uniform/shirts for customer facing CSRs, Team Leads, and Supervisors
- Cleaning contracts (e.g.: floor mats, carpets, windows)
- Janitorial services
- HVAC preventative maintenance contracts and repair services
- Electrical maintenance and repairs
- Plumbing maintenance and repairs
- Generator preventative maintenance and repair services
- Generator fuel
- Postage for Fulfillment
- Mailing envelopes and pouches
- Pre-sort mail services
- Security system monitoring contracts
- Security system communication costs
- Security and Fire protection system maintenance contracts and inspections
- Pest Control, both remedial and preventative maintenance
- Office supplies and consumables used for NC Quick Pass Operations
- Copier, fax, and printer supplies (paper, ink, toner)
- Specialty papers (e.g.: fulfillment profiles)
- Lease payments for facility rent
- Utilities for facilities
- UPS service contracts
- Marketing materials, graphics, logo items, posters, printed items
- Special event supplies, signs, tent and table rentals, food/snack/beverages for event
- Restroom supplies
- Document storage services
- Telephone headsets and supplies (e.g.: adapter cables, ear cushions)
- Shredding services
- Office and cubical furniture and fixture replacements and repairs
- Office hand tool replacements (e.g.: hand truck, dollies, etc.)
- Copier leases and maintenance/repair contracts

- Office equipment purchases and maintenance (printers, fax machines, small-use shredders, recycling bins, desk / cube supplies, bulletin / white boards, etc...) for office items used for NC Quick Pass and NC Ferry Customer Service Operations
- Repairs and replacement of iPad equipment
- Storefront waiting room background music subscriptions
- Pre-approved Contractor travel related to NC Quick Pass events
- Contractor staff lodging for special circumstances/weather



## Appendix J

### Forecasted NCTA Project Transaction Table

		Transactions (in Thousands) by Project										
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Triangle Expressway</b> <i>CDM Smith - Sep. 2018 *</i>	Total	63,399	72,237	73,856	75,304	90,274	107,874	113,607	117,697	120,482	122,751	125,087
	ETC	41,835	48,219	49,742	51,170	61,697	74,065	78,605	82,154	84,879	87,292	89,782
	Video	21,564	24,018	24,114	24,135	28,578	33,810	35,002	35,542	35,603	35,459	35,305
<b>I-77 Express Lanes</b> <i>C&amp;M Associates - Apr. 2015</i>	Total	29,572	30,118	30,658	31,193	31,723	32,247	32,765	33,280	33,787	34,289	34,787
	ETC	11,829	12,650	13,490	14,349	15,227	16,124	17,038	17,971	18,921	19,888	20,872
	Video	17,743	17,468	17,168	16,844	16,496	16,124	15,727	15,309	14,866	14,401	13,915
<b>Monroe Expressway</b> <i>CDM Smith - Nov. 2016 *</i>	Total	34,082	44,034	50,717	53,804	55,682	57,251	58,261	29,065	59,889	60,732	61,507
	ETC	20,559	26,723	30,965	33,049	34,411	35,596	36,470	37,248	38,045	38,861	39,640
	Video	13,523	17,311	19,753	20,755	21,270	21,655	21,791	21,817	21,844	21,871	21,867
<b>I-485 Express Lanes</b> <i>Stantec - May 2018</i>	Total				8,489	9,114	9,357	9,568	9,779	9,958	10,149	10,360
	ETC				3,812	4,262	4,521	4,778	5,053	5,302	5,566	5,807
	Video				4,677	4,853	4,837	4,790	4,725	4,656	4,583	4,552
<b>Complete 540</b> <i>CDM Smith - Sep. 2018 *</i>	Total					13,758	32,887	41,814	47,195	49,533	50,573	51,635
	ETC					9,557	22,946	29,407	33,475	35,433	36,487	37,570
	Video					4,202	9,941	12,407	13,721	14,100	14,086	14,064
<b>Mid-Currituck Bridge</b> <i>Stantec - Mar. 2019</i>	Total						900	1,040	1,190	1,280	1,300	1,320
	ETC						450	541	643	717	754	792
	Cash						450	499	547	563	546	528
<b>US 74 Express Lanes</b> <i>Stantec - May 2018</i>	Total						9,822	11,400	12,380	13,422	14,532	14,969
	ETC						4,911	5,928	6,685	7,516	8,283	8,832
	Video						4,911	5,472	5,695	5,906	6,249	6,137
<b>Total</b>	Total	127,053	146,389	155,231	168,790	200,552	250,339	268,455	250,586	288,351	294,326	299,664
	ETC	74,223	87,592	94,197	102,380	125,153	158,611	172,767	183,229	190,813	197,131	203,296
	Video	52,830	58,798	61,035	66,410	75,398	91,727	95,688	97,356	97,538	97,195	96,368

Note: Projects designated with "\*" have values presented in Fiscal Year (July 1 - June 30); all others are presented in Calendar Year.