

RESOLUTION WITH RESPECT TO ISSUANCE OF TRIANGLE EXPRESSWAY SYSTEM APPROPRIATION REVENUE REFUNDING BOND

WHEREAS, the North Carolina Turnpike Authority (the "*Authority*") is duly organized and existing under the laws of the State of North Carolina (the "*State*") within the State Department of Transportation, and is authorized under Article 6H (Public Toll Roads and Bridges) of Chapter 136, as amended (the "*Act*"), of the North Carolina General Statutes (the "*NCGS*") and The State and Local Government Revenue Bond Act, Article 5 of Chapter 159, as amended, of the NCGS (the "*Revenue Bond Act*"), to issue revenue bonds for the purpose of financing and refinancing the cost of acquiring, constructing and equipping "turnpike projects," as defined in the Act;

WHEREAS, pursuant to the Act and the Revenue Bond Act, the Authority and Wells Fargo Bank, N.A., as Trustee (the "*Trustee*"), have heretofore entered into the Trust Agreement, dated as of July 1, 2009 (the "*Original Trust Agreement*"), providing for, among other things, the issuance by the Authority its Triangle Expressway System State Annual Appropriation Revenue Bonds, Series 2009B (Federally Taxable – Issuer Subsidy – Build America Bonds) (the "*Series 2009B Bonds*") to provide funds, together with other available funds, to pay costs of land acquisition, design, construction and equipping of the Triangle Expressway System and, among other things, pay the costs incurred in connection with the issuance of the Series 2009B Bonds;

WHEREAS, it is now proposed that the Authority, pursuant to the Original Trust Agreement and a First Supplemental Trust Agreement between the Authority and the Trustee to be dated on or about December 1, 2018 (the "*First Supplemental Trust Agreement*" and, together with the Original Trust Agreement, the "*Trust Agreement*") and a Bond Order to be adopted by the Authority (the "*Bond Order*"), issue its Triangle Expressway System Appropriation Revenue Refunding Bond (the "*Refunding Bond*") in a principal amount not to exceed \$162,000,000 to provide funds, together with other available funds, to (a) refund certain Series 2009B Bonds, and (b) pay costs incurred in connection with the issuance of the Refunding Bond;

WHEREAS, the Refunding Bond will be delivered to Bank of America, N.A. or an affiliate (the "*Purchaser*"), on or before January 1, 2019, pursuant to, and as evidence of the Authority's obligation to repay the loan from the Purchaser to the Authority of the proceeds of the Refunding Bond;

WHEREAS, based in part on information provided by PFM Financial Advisors, LLC, as financial advisor to the Authority, the Authority will obtain significant savings in the debt service to be paid with respect to the Series 2009B Bonds by refunding certain of such bonds pursuant to the issuance of the Refunding Bond;

WHEREAS, pursuant to G.S. 136-176 of the North Carolina General Statutes, as amended, the North Carolina General Assembly has provided for an annual appropriation to the Authority in the amount of \$25,000,000 to be used to pay debt service or related financing costs and expenses on revenue bonds issued by the Authority to finance the

Triangle Expressway System and that such appropriation shall constitute “revenues” of the Authority within the meaning of the Revenue Bond Act;

WHEREAS, the Refunding Bond will be secured by and payable from such revenues under the Trust Agreement, and neither the faith and credit nor the taxing power of the State or any political subdivision or agency thereof, including the Authority, will be pledged to the payment of the principal of and interest on the Refunding Bond;

WHEREAS, the selection of the Purchaser as lender for the Refunding Bond and agreement on the terms and conditions thereof were made pursuant to a Request for Proposal process with the circulation thereof on June 20, 2017, and four institutions made proposals to the Authority;

WHEREAS, the Finance Committee of the Authority has reviewed the information and materials presented with respect to issuance of the Refunding Bond and recommended to the Board the adoption of this resolution and the Bond Order;

WHEREAS, the Revenue Bond Act requires that revenue bonds thereunder, including the Refunding Bond, be approved by the LGC;

WHEREAS, application has been made to the LGC for approval of the issuance of the Refunding Bond and findings of the Board with respect thereto and a list of consultants and other parties involved in the issuance of the Refunding Bond are required to be forwarded to the LGC for its consideration, all in accordance with the Revenue Bond Act; and

WHEREAS, the forms of the following documents have been presented to the Board:

- (a) A draft of the Bond Order of the Authority with respect to the Refunding Bond as required pursuant to the Revenue Bond Act;
- (b) A draft of the First Supplemental Trust Agreement, including the form of the Refunding Bond, to be executed and delivered by the Authority upon issuance of the Refunding Bond; and
- (c) A draft of the Bond Purchase Agreement (the “*Bond Purchase Agreement*”) for the issuance and sale of the Refunding Bond to the Purchaser proposed to be executed and delivered by the Authority after authorization by the Board and approval by the LGC;

NOW THEREFORE, THE BOARD OF THE NORTH CAROLINA TURNPIKE AUTHORITY HEREBY RESOLVES:

1. In connection with the application to the LGC, the Board of the Authority hereby makes the following findings:

- (a) The refunding of certain Series 2009B Bonds for the reduction of debt service with respect to financings for the Triangle Expressway System and therefore for the overall

betterment of the Triangle Expressway System (together, the *“Project”*) is both necessary and expedient.

(b) The Project is feasible.

(c) The amount of debt to be incurred in connection with the Project and the fees to be paid in connection therewith are sufficient but not excessive for the purpose intended.

(d) The Authority has not defaulted on any debt obligation.

(e) The Authority follows the debt management guidelines of the LGC.

(f) The State appropriation will be sufficient to service the proposed Refunding Bond payable therefrom.

(g) The proposed Refunding Bond is to be issued at a reasonable rate of interest.

2. The Authority hereby designates, and requests the LGC approve, to the extent necessary, the following parties working in the following capacities in connection with the Refunding Bond:

Purchaser	Bank of America, N.A., or an affiliate
Municipal Advisor	PFM Financial Advisors, LLC
Trustee	Wells Fargo Bank, N.A.
Bond Counsel	Hunton & Williams LLP
Authority Counsel	Ebony Pittman, Esq, of Attorney General’s Office

3. The Board hereby adopts the Bond Order and

(a) approves execution and delivery by the Chairman or other officers or employees of the Authority of the Bond Purchase Agreement providing for the Refunding Bond and being a binding contract of the Authority with respect to the execution, delivery and sale of the Refunding Bond;

(b) approves issuance of the Refunding Bond to (1) refund certain Series 2009B Bonds and (2) pay costs incurred in connection with the issuance of the Refunding Bond;

(c) approves execution and delivery by the Chairman or other officers or employees of the Authority of the First Supplemental Trust Agreement;

(d) approves the sale of the Refunding Bond to the Purchaser upon the terms set forth in the First Supplemental Trust Agreement and the Bond Purchase Agreement;

(e) approves the refunding of the Series 2009B Bonds specified in the First Supplemental Trust Agreement and directs the Trustee to call such Series 2009B Bonds now outstanding to be redeemed on their earliest date for optional redemption – January 1, 2019; and

(f) approves all other actions necessary for the issuance of the Refunding Bond and the continued financing of the Triangle Expressway System.

4. The Bond Purchase Agreement, the First Supplemental Trust Agreement and the Refunding Bond (together the “Bond Documents”) shall be substantially in the forms presented hereto which are hereby approved and the Chairman and other officers and employees of the Authority are each hereby authorized and directed to execute and deliver such Bond Documents, together with such changes, modifications and deletions as they may, with the advice of counsel, deem necessary and appropriate; such execution and delivery to be conclusive evidence of the authorization and approval of such documents by the Authority. The Refunding Bond shall be issued as a current interest bond in substantially the form set forth in the First Supplemental Trust Agreement with the terms and conditions set forth therein and in the Bond Purchase Agreement. No further action of this Board shall be required for the issuance of the Refunding Bond and the execution and delivery of the First Supplemental Trust Agreement and the Refunding Bond; provided the terms and conditions for the Refunding Bond have not changed and bond counsel delivers its opinion on the tax exempt status of interest on the Refunding Bond.

5. The Chairman and other officers and employees of the Authority are authorized and directed to take such action and to execute and deliver any documents, certificates, letters of credit, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary and appropriate to effect the transactions contemplated by the documents described in this resolution and to accomplish the issuance of the Refunding Bond under the Act and the Revenue Bond Act.

6. The Board hereby reaffirms and ratifies all prior resolutions and actions taken in connection with the issuance of the Refunding Bond and the financing of the Triangle Expressway System.

7. The Authority hereby designates and establishes the Authority’s tax covenants in the Trust Agreement and the certifications and covenants in the Non-Arbitrage and Tax Certificate delivered upon issuance of the Refunding Bond as its written procedures to (a) ensure that all nonqualified portions, if any, of the Refunding Bond are remediated according to the requirements under the Internal Revenue Code of 1986, as amended (the ‘Code’), and the applicable Treasury Regulations and (b) monitor the requirements of Sections 103 to 150 of the Code with respect to the Refunding Bond. The Authority’s Director of Finance and Budget is hereby designated as the officer charged to undertake or supervise compliance checks under such written procedures, as they may be supplemented from time to time.

8. The Director of Finance and Budget is hereby designated as the officer charged to undertake or supervise regular review for compliance with any continuing disclosure requirements agreed to by the Authority under the First Supplemental Trust

Agreement with respect to the Refunding Bond, as they may be supplemented from time to time.

9. The Board hereby requests the LGC to approve the issuance and private sale of the Refunding Bond, approve the Bond Purchase Agreement and any other action requiring its approval in connection therewith.

10. This resolution shall take effect immediately upon its passage.

Adopted July __, 2017.

**BOND ORDER OF THE NORTH CAROLINA TURNPIKE AUTHORITY
AUTHORIZING THE ISSUANCE OF TRIANGLE EXPRESSWAY
APPROPRIATION REVENUE REFUNDING BOND**

WHEREAS, the North Carolina Turnpike Authority (the “Authority”) is duly organized and existing under the laws of the State of North Carolina (the “State”) within the State Department of Transportation, and is authorized under Article 6H (Public Toll Roads and Bridges) of Chapter 136, as amended (the “Act”), of the North Carolina General Statutes (the “NCGS”) and The State and Local Government Revenue Bond Act, Article 5 of Chapter 159, as amended, of the NCGS (the “Revenue Bond Act”), to issue revenue bonds for the purpose of financing and refinancing the cost of acquiring, constructing and equipping “turnpike projects,” as defined in the Act;

WHEREAS, the Secretary of Transportation, pursuant to Section 143B-10 and 143B-348 of the NCGS, has delegated to the Board of the Authority certain powers including the power to fix, revise, charge, and collect tolls and fees for the use of turnpike projects and the power to issue bonds or notes of the Authority to finance such projects;

WHEREAS, the Authority, pursuant to a Trust Agreement, dated as of July 1, 2009, between the Authority and Wells Fargo Bank, N.A., as Trustee (the “Original Trust Agreement”), in order to provide funds to finance, together with other available funds, the cost of acquisition, construction, installation and equipping of the Triangle Expressway System, and financing related reserves and other costs, issued its Triangle Expressway System State Annual Appropriation Revenue Bonds, Series 2009B (Federally Taxable – Issuer Subsidy – Build America Bonds) (the “Series 2009B Bonds”);

WHEREAS, the Authority intends, pursuant to the Original Trust Agreement and a First Supplemental Trust Agreement between the Authority and the Trustee to be dated on or about December 1, 2018 (the “*First Supplemental Trust Agreement*” and, together with the Original Trust Agreement, the “*Trust Agreement*”) and this Bond Order, to issue its Triangle Expressway System Appropriation Revenue Refunding Bond (the “*Refunding Bond*”) in a principal amount not to exceed \$162,000,000 to provide funds, together with other available funds, to (a) refund certain Series 2009B Bonds, and (b) pay costs incurred in connection with the issuance of the Refunding Bond; and

WHEREAS, the North Carolina Local Government Commission (the “LGC”) has been requested to approve the issuance of, and provide for the sale of, the Refunding Bond in accordance with the Revenue Bond Act;

NOW, THEREFORE, BE IT ORDERED by the Board of the Authority as follows:

1. Subject to the approval of the issuance of the Refunding Bond by the LGC, the North Carolina Turnpike Authority Triangle Expressway System Appropriation Revenue Refunding Bond secured by appropriation revenues shall be issued to provide funds, together with other available funds, to (a) refund certain Series 2009B Bonds, and (b) pay costs incurred in connection with the issuance of the Refunding Bond

pursuant to the First Supplemental Trust Agreement which shall be in substantially the form attached hereto as Exhibit A with only such changes therein as approved by officers or staff of the Authority through their execution thereof.

2. The Refunding Bond shall have an initial principal amount not in excess of \$162,000,000.
3. The interest rate(s), maturities, redemption provisions and other terms of the Refunding Bond shall be as set forth in the First Supplemental Trust Agreement with only such changes therein as approved by officers or staff of the Authority through their execution thereof.
4. All other actions of the officers and staff of the Authority in connection with the issuance of the North Carolina Turnpike Authority Triangle Expressway System Appropriation Revenue Refunding Bond are hereby authorized.

Adopted July __, 2017

FIRST SUPPLEMENTAL TRUST AGREEMENT

Dated as of December 1, 2018

By and Between

NORTH CAROLINA TURNPIKE AUTHORITY

and

WELLS FARGO BANK, N.A.,

Trustee

Supplementing a Trust Agreement

dated as of July 1, 2009

Authorizing and Securing

\$ _____

North Carolina Turnpike Authority
Triangle Expressway System Appropriation Revenue
Refunding Bond (dated _____, 2018)

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EXHIBIT A FORM OF THE BOND

This **FIRST SUPPLEMENTAL TRUST AGREEMENT**, dated as of December 1, 2018 (the “Supplemental Agreement”), between the **North Carolina Turnpike Authority**, a political subdivision within the Department of Transportation (“NCDOT”) of the State of North Carolina (the “State”), duly existing under the laws of the State (the “Authority”), and **Wells Fargo Bank, N.A.**, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Columbia, Maryland, which is authorized under such laws to exercise trust powers (the “Trustee”);

WITNESSETH:

WHEREAS, the North Carolina Turnpike Authority (the “Authority”) is duly organized and existing under the laws of the State of North Carolina (the “State”) within the State Department of Transportation, and is authorized under Article 6H (Public Toll Roads and Bridges) of Chapter 136, as amended (the “Act”), of the North Carolina General Statutes (the “NCGS”) and The State and Local Government Revenue Bond Act, Article 5 of Chapter 159, as amended, of the NCGS (the “Revenue Bond Act”), to issue revenue bonds for the purpose of financing and refinancing the cost of acquiring, constructing and equipping “turnpike projects,” as defined in the Act;

WHEREAS, the Authority and the Trustee have heretofore entered into the Trust Agreement, dated as of July 1, 2009 (the “Original Trust Agreement”), in order to provide funds to finance, together with other available funds, costs of acquisition, construction, installation and equipping of the Triangle Expressway System (the “Project”), and financing related reserves and other costs;

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

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

WHEREAS, the Authority determined that the Recovery Act constituted an agreement of the United States of America to make the payments provided under the Build America Bond program in consideration of the Authority electing to forego

the benefits of tax-exempt interest rates and otherwise complying with the requirements of the Build America Bond program;

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

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

WHEREAS, pursuant to the Act and the Original Trust Agreement, the Authority issued its Triangle Expressway System State Annual Appropriation Revenue Bonds, Series 2009B (Federally Taxable – Issuer Subsidy – Build America Bonds) (the “Series 2009B Bonds”) to provide funds, together with other available funds, to pay costs of land acquisition, design, construction and equipping of the Project and, among other things, pay the costs incurred in connection with the issuance of the Series 2009B Bonds;

WHEREAS, the Authority deemed it advisable that the Series 2009B Bonds be designated as Build America Bonds and accordingly receive Interest Subsidy Payments with respect thereto;

WHEREAS, the Authority now intends, pursuant to this Supplemental Agreement and the Original Trust Agreement (together, the “Trust Agreement”) to refund certain of the Series 2009B Bond by the issuance of its Triangle Expressway System Appropriation Revenue Refunding Bond (the “Bond”) as a refunding Bond under Section 208 of the Original Trust Agreement and the use of proceeds thereof to redeem such Series 2009B Bonds on January 1, 2019;

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

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of North Carolina, including the Act, to happen, exist and be performed precedent to and in the execution and delivery of this Supplemental Agreement have happened, exist and have been performed as so required to make

this Supplemental Agreement a valid and binding trust agreement securing the Bond in accordance with its terms; and

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

ARTICLE I

DEFINITIONS

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

“Bond” means the North Carolina Turnpike Authority Triangle Expressway System Appropriation Revenue Refunding Bond, issued pursuant to this Supplemental Agreement. The Bond is a Current Interest Bond secured by Revenues including Interest Subsidy Payments in parity with the Series 2009B Bonds as further described in the Trust Agreement, but the Bond is not secured by the Reserve Fund.

“Bond Order” means the Bond Order of the Authority with respect to the Bond adopted July 24, 2017.

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

“Closing” means the delivery of and payment for the Bond.

“Closing Date” means the date of the Closing.

“First Supplemental Trust Agreement” or “Supplemental Agreement” means this First Supplemental Trust Agreement between the Authority and the Trustee dated as of December 1, 2018, supplementing the Original Trust Agreement.

“Interest Payment Date” means any January 1 or July 1, commencing July 1, 2019.

“NCGS” means the North Carolina General Statutes, as amended.

“Original Trust Agreement” means the Trust Agreement, dated as of July 1, 2009, between the Authority and the Trustee, pursuant to which the Series 2009B Bonds were issue.

“Purchaser” means _____.

“Refunded Bonds” means the Series 2009B Bonds maturing _____.

“Refunding Bond Cost of Issuance Fund” means the fund created and so designated by Section 401.

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

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

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

“Series 2009B Bonds” means the North Carolina Turnpike Authority Triangle Expressway System State Annual Appropriation Revenue Bonds, Series 2009B (Federally Taxable – Issuer Subsidy – Build America Bonds), issued pursuant to the Original Trust Agreement..

Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. .References herein to particular articles or sections are references to articles or sections of this Supplemental Agreement unless some other reference is indicated.

ARTICLE II

AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF THE BOND

Section 201. Authorization and Issuance of the Bond. For the purpose of providing funds, together with any other available funds, to (a) refund certain Series 2009B Bonds and (b) pay costs incurred in connection with the issuance of the Bond, there shall be issued, under and pursuant to the Constitution and the laws of the State, including the Act, the Trust Agreement and the Bond Order, a Series of Bonds of the Authority designated “Triangle Expressway System

Appropriation Revenue Refunding Bond” in the aggregate principal amount of \$_____.

Wells Fargo Bank, N.A., Columbia, Maryland, is hereby appointed Bond Registrar for the Bond under this Supplemental Agreement.

Section 202. Form of the Bond. The Bond is issued as a single fully registered form in the denomination of \$_____, shall be lettered “R” and shall be numbered from 1 consecutively upward. The definitive Bond shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate variations, omissions and insertions as are permitted or required by the Trust Agreement.

Section 203. Details of the Bond.

(a) The Bond shall be dated the date of delivery thereof, shall bear interest payable semiannually on each January 1 and July 1, beginning July 1, 2019. At the rate of _____% (calculated on the basis of twelve 30 day months and a 360 day year), and shall be stated to be payable in installments on January 1 (subject to the right of prior redemption), as follows:

<u>Year</u>	<u>Principal Amount</u>
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	

(b) The Bond shall be issued by a bond certificate to the Purchaser.

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

Simultaneously with the Closing and the deposit of the proceeds of the Bond with the Trustee, the Trustee shall apply the proceeds in the amount of

\$ _____, as directed by the Authority in an Officer's Certificate filed with the Trustee simultaneously with the issuance of the Bond.

Section 205. Bond Not Secured by the Reserve Fund. The Bond shall not be secured by the Reserve Fund in accordance with the terms and provisions of the Trust Agreement.

Section 206. Restriction on Transfer. Notwithstanding any provision of the Original Trust Agreement, the Bond is not transferable in whole or in part except to institutional investors in minimum denominations of \$250,000 and, if in part, only on a pro rata basis.

ARTICLE III

REDEMPTION OF BOND

Section 301. Redemption of Bond.

(a) The Bond shall not be subject to prior redemption except as provided in this Article III and pursuant to the Trust Agreement.

(b) [to come]

Section 302. Redemption Notice. At least forty-five (45) days prior to the redemption date, the Authority shall notify the Trustee and the Bond Registrar of its intention to redeem such Bond. The Authority, the Bond Registrar and the Trustee may mutually agree to a shorter time period for such notice to the Trustee and the Bond Registrar. At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Bond to be redeemed, whether such redemption be in whole or in part, the Bond Registrar shall cause a notice of any such redemption signed by the Bond Registrar to be mailed, first class, postage prepaid, to the Purchaser to be redeemed in whole or in part. The Bond Registrar shall also deliver a copy of any such notice to the Local Government Commission.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Trustee or Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bond and that if such moneys are not so received such notice shall be of no force or effect and the Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Bond are not received by the Trustee or Bond Registrar on or prior to the redemption date, the redemption shall not be made.

ARTICLE IV

ACCOUNTS, SUBACCOUNTS, REVENUES AND FUNDS

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

- (a) Refunding Bond Subaccount of the Interest Account;
- (b) Refunding Bond Subaccount of the Principal Account; and
- (c) Refunding Bond Subaccount of the Redemption Account.

The Refunding Bond Costs of Issuance Fund is hereby established.

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

Section 402. Receipts Received by the Authority.

(a) The Trustee shall deposit or cause to be deposited, from Receipts held in the Revenue Fund, to the various accounts and subaccounts specified herein the amounts provided by Section 503 of the Original Trust Agreement.

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

Section 403. Application of Proceeds. Proceeds of the Bond shall be deposited with the Trustee to pay the redemption price of the Refunded Bonds.

Section 404. Payment of Principal, Interest and Premium and Pledge of Receipts. The Authority covenants that it will promptly pay the principal of and the interest on the Bond under the provisions of this Supplemental Agreement at the places, on the dates and in the manner provided herein and in said Bond, and any premium required for the retirement of said Bond by purchase or redemption, according to the true intent and meaning thereof. The Authority further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in the Trust Agreement, or in the Bond. The Authority represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Bond authorized hereby and to pledge the Receipts in the manner and to the extent herein and in the Trust Agreement set forth; that all action on its part for the issuance of the Bond has been duly and effectively taken; and that such Bond in the hands of the Purchaser is and will be a valid and binding special obligation of the Authority payable according to its terms.

Section 405. Tax Covenant. The Authority covenants to do and perform all acts and things permitted by law in order to assure that interest paid on the Bond which was excludable from the gross income of the Purchaser for federal income taxes on the date of its issuance shall continue to be so excludable.

Section 406. Continuing Disclosure. [to come]

ARTICLE V

PROVISIONS CONCERNING HOLDER OF THE BOND

[to come]

ARTICLE VII

SUPPLEMENTAL TRUST AGREEMENTS

Section 601. No Supplemental Trust Agreements Without Consent of Purchaser. The Authority may not execute and deliver any supplemental trust agreements without the consent of the Purchaser

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 701. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the Authority, the Local Government Commission, the Trustee, the Bond Registrar or the Purchaser shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered or certified mail, return receipt requested postage prepaid, addressed as follows:

(a) As to the Authority – North Carolina Turnpike Authority
1 South Wilmington Street
1578 Mail Service Center
Raleigh, NC 27699-1578

With a copy to - NCDOT Secretary
1 South Wilmington Street
1501 Mail Service Center
Raleigh, NC 27699-1501

And to - NCDOT CFO
1 South Wilmington Street
1514 Mail Service Center
Raleigh, NC 27699-1515

- | | | |
|-----|---|--|
| (b) | As to the Trustee or Bond Registrar – | Wells Fargo Bank, N.A.
9062 Old Annapolis Road
Columbia, MD 21045
Attention: Jeffrey Johns, Corporate Trust Services
Phone: (410) 884-2212
Fax: (443) 367-2888
Email: Jeffrey.o.johns@wellsfargo.com |
| (c) | As to the Local Government Commission – | North Carolina Local Government Commission
3200 Atlantic Avenue
Raleigh, NC 27604
Attention: Secretary |
| (d) | As to the Purchaser | [to come] |

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by e-mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed by reasonable means.

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

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

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

Section 704. Effect of Partial Invalidity. In case any one or more of the provisions of this Supplemental Agreement or the Bond shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplemental Agreement or the Bond, but this Supplemental Agreement and the Bond shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Supplemental Agreement or the Bond shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Authority to the full extent permitted by law.

Section 705. Effect of Covenants: Governing Law. All covenants, stipulations, obligations and agreements of the Authority contained in this Supplemental Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent permitted by the Constitution and laws of the State. This Supplemental Agreement is executed and delivered with the intent that the laws of the State shall govern this construction.

Section 706. Headings. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Trust Agreement, nor shall they affect its meaning, construction or effect.

Section 707. Further Authority. The officers of the Authority, attorneys, engineers and other agents or employees of the Authority are hereby authorized to do all acts and things required of them by this Supplemental Agreement for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bond and this Supplemental Agreement.

Section 708. Payment Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Supplemental Agreement is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Supplemental Agreement.

Section 709. Multiple Counterparts. This Supplemental Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

Section 710. E-Verify. The Trustee understands that "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the NCGS. The Trustee uses E-Verify to verify the work

authorization of its employees in accordance with Section 64-26(a) of the NCGS. The Trustee will require that any subcontractor that it uses in connection with the transactions contemplated by this Supplemental Agreement certify to such subcontractor's compliance with E-Verify.

Section 711. Iran Divestment Act. As of the date of this Supplemental Agreement, the Trustee is not included on a list of persons engaged in investment activities in Iran created and maintained by the North Carolina Department of State Treasurer pursuant to Section 147-86.58 of the Iran Divestment Act of 2015, Article 6E, as amended, of Chapter 147 of the NCGS. The Trustee will not knowingly utilize any subcontractor that is listed on any such list in connection with the transactions contemplated by this Supplemental Agreement.

[remainder of page left intentionally blank]

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

NORTH CAROLINA TURNPIKE
AUTHORITY

By: _____
Chairman

WELLS FARGO BANK, N.A., Trustee

By: _____
Vice President

EXHIBIT A
FORM OF BOND

R-___

\$_____

United States of America
State of North Carolina

NORTH CAROLINA TURNPIKE AUTHORITY
TRIANGLE EXPRESSWAY APPROPRIATION
REVENUE REFUNDING BOND

The North Carolina Turnpike Authority (the "Authority"), a political subdivision within the Department of Transportation ("NCDOT") of the State of North Carolina, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to _____, _____, _____ or registered assigns or legal representative, in installments on January 1 of each year beginning January 1, 2020, in principal amounts as follows:

Year

Principal Amount

The Authority also promises to pay, but solely from said sources, interest on the outstanding principal amount of this bond (calculated on the basis of twelve 30 day months and a 360 day year) payable on January 1 and July 1 of each year, beginning July 1, 2019, at the rate per annum of ____%. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This bond is the Authority's designated "Triangle Expressway System Appropriation Revenue Refunding Bond" (the "Bond"), issued under and pursuant to the Constitution and laws of the State of North Carolina (the "State"), including the Act (as defined in the Trust Agreement), a Bond Order of the Authority adopted on July 24, 2017, authorizing the issuance of the Bond, a Trust Agreement, dated as of July 1, 2009, between the Authority and Wells Fargo Bank, N.A., as trustee (in such capacity, the "Trustee"), as supplemented by a First Supplemental Trust Agreement, dated as of December 1, 2018 (together, the "Trust Agreement"). The Bond are being issued for the purpose of providing funds, together with other available funds, to (a) refund certain of the Authority's Triangle Expressway System State Annual Appropriation Revenue Bonds, Series 2009B (Federally Taxable – Issuer Subsidy – Build America Bonds) (the "Series 2009B Bonds"), and (b) pay the costs incurred in connection with the issuance of the Bond. All terms not defined herein have the meanings therefor set forth in the Trust Agreement.

The Bond is a special obligation of the Authority secured by a pledge, charge and lien upon Revenues. Pursuant to the Trust Agreement, the "Revenues" consist of (a) any funds appropriated to the Authority by the State of North Carolina pursuant to pursuant to G.S. 136-176 or other legislation enacted by the General Assembly of the State providing for the annual appropriation of funds to the Authority to pay debt service on bonds issued to finance the Triangle Expressway System or to fund debt service reserves, operating reserves or similar reserves, (b) interest subsidy payments paid to the Authority from the United States Treasury under the "Build America Bond" program made in connection with the Series 2009B Bonds in an amount equal to 35% of the corresponding interest payable on outstanding Series 2009B Bonds, and (c) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the Authority in certain funds under the Trust Agreement. The Authority is not obligated to pay the principal of or the interest on the Bond except as provided in the Trust Agreement from Revenues or certain other monies made available therefor under the Trust Agreement, and neither the faith and credit nor the taxing power of the State of North Carolina or any political subdivision thereof or the Authority is pledged to the payment of the principal of and the interest on the Bond. The Bond is not secured by the Reserve Fund under the Trust Agreement.

Reference is made to the Trust Agreement for a more complete statement of the provisions thereof and of the rights of the Authority, the Trustee and the owner of the Bond. By the purchase and acceptance of this bond, the owner hereof signifies assent to all of the provisions of the Trust Agreement.

The Trust Agreement provides for the creation of a special fund designated "North Carolina Turnpike Authority Expressway State Appropriation Revenue Bond Debt Service Fund" (the "Debt Service Fund"). Pursuant to the Trust Agreement, special accounts have been created within the Debt Service Fund with

respect to the Bond (the “Subaccounts”), which accounts are pledged and charged with the payment of the principal of and the interest on the Bond. The Trust Agreement provides for the deposit of Revenues to the credit of the accounts to the extent and in the manner provided in the Trust Agreement.

[limit on transfers]

[redemption provisions]

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

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

This Bond at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of North Carolina. This Bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

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

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

IN WITNESS WHEREOF, the North Carolina Turnpike Authority, by an order duly adopted by its Board, has caused this bond to be manually signed by the Chairman of the Authority and the Secretary-Treasurer of the Authority to impress its corporate seal hereon and to attest the same, all as of the __th day of August, 2017.

NORTH CAROLINA TURNPIKE
AUTHORITY

[SEAL]

By: _____
Chairman

By: _____
Secretary-Treasurer

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

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

Secretary
Local Government Commission

CERTIFICATE OF AUTHENTICATION

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

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

[SEAL]

By: _____
Authorized Signatory

Date of authentication: August __, 2017

ASSIGNMENT

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

_____.

PLEASE INSERT SOCIAL SECURITY NUMBER
OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE _____

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

Dated: _____

In the presence of:

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

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

Terms for Bond Purchase Agreement to be dated as of August 1, 2017

Issuer:	North Carolina Turnpike Authority (“Issuer”).
Purchaser:	Bank of America, N.A. or an affiliate (the “Lender” or the “Bank”).
Bond:	The obligation of the Issuer to repay a loan for refunding purposes will be evidenced by the Issuer’s Triangle Expressway System Appropriation Revenue Refunding Bond (the “Bond”) to be issued on or about the Funding Date. The Bond will not be rated, will not have a CUSIP and will be issued as a physical certificate registered in the name of the Bank or as otherwise directed by the Bank.
Principal Amount:	Up to \$162 million.
Closing Date:	On or about August 10, 2017 (“Closing Date”).
Funding Date:	January 1, 2019 (“Funding Date”).
Bond Purchase Agreement:	Must be approved by Local Government Commission
Maturity Date:	January 1, 2032
Amortization:	Amortization shall be structured to produce approximately level annual debt service savings
Interest Rate:	To be set on or before Closing Date.
Interest Payments:	Interest will be payable semiannually, accruing from the Funding Date and initially payable on July 1, 2019. Interest shall be calculated on the basis of twelve 30 day months and a 360 day year.
Determination of Taxability:	<p>A final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest on the Bond is includable in gross income for Federal income tax purposes as a result of conditions arising from the action or inaction of the Issuer, which are in the control of the Issuer.</p> <p>The Bond will bear interest from the Funding Date or any date thereafter that a Determination of Taxability has occurred at a rate equal to the Alternative Taxable Rate. The Issuer is also responsible for payment of any</p>

interest, penalties or charges owed by the Lender as a result of a Determination of Taxability, together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by the Lender in connection therewith.

Prepayment Fee:

A Prepayment Fee will apply:

- if on or before Funding the Issuer notifies the Lender in writing that the Bond will not be issued on the Funding Date.
- if on or before the Funding Date the Issuer fails to meet the Additional Conditions to Funding (as hereinafter defined); and
- whenever the Bond is prepaid in whole or in part (including prepayment upon a Determination of Taxability) prior to the Maturity or the Par Call Date.

Default Rate:

Interest Rate plus 5%.

Source of Payment and Security

Use of Proceeds:

To refund a portion of the Issuer's Triangle Expressway System State Annual Appropriation Revenue Bonds, Series 2009B ("Series 2009B Bonds") and pay costs of issuance.

Fees and Expenses

Upfront Fee:

None.

Expenses:

The Issuer will be responsible for all costs and expenses relating to the Bond, including fees and disbursements of Lender's counsel.

Lender's Counsel:

McGuireWoods, LLP

Administrative Fees:

Amendments, standard waivers or consents: \$3,500, plus all counsel fees and expenses.

**Investment
Representations:**

In connection with its entering into the Agreement, the Lender will make usual and customary representations to the Issuer, including (a) its knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of purchasing the Bond; (b) its receipt of, or access to, all information from the Issuer or otherwise that it deems necessary to purchase

the Bond; and (c) purchasing the Bond for its own account or for resale to an affiliated entity in which Bank of America Corporation will retain an interest, and not with a view to, or for resale in connection with, any distribution of the Bond.

Transfers:

While the Lender is purchasing the Bond for its own account without a current intent to transfer or assign the same, the Lender reserves the right in its sole discretion, to assign, sell, pledge or participate interests in the Bond without the consent of the Issuer; provided no transfers except to institutional investors in minimum denominations of \$250,000 and all partial transfers shall be of a pro rata interest.

Conditions Precedent to Closing:

The Agreement will contain conditions precedent to Closing, including: (i) the negotiation, execution and delivery of definitive documentation in form and substance satisfactory to the Lender, (ii) delivery to the Lender in form and substance satisfactory to the Lender of a standard approving opinion of bond counsel regarding validity and legality of, security for the Bond, an opinion of Issuer's counsel in customary form, and certificates of an official of the Issuer as to certain factual matters regarding the Agreement and the issuance of the Bond, (iii) a bring down of representations and warranties, receipt of statement as to compliance with covenants and of no Event of Default and any other event that, with the passage of time, the giving of notice, or both, would result in an Event of Default, (iv) there being no event or condition that has had or could be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect and (v) such other conditions precedent as are customary for a financing of the type contemplated.

Conditions Precedent to Funding at the Tax Exempt Rate:

Conditions to purchasing the Bond will include without limitation, as deemed Conditions to purchasing the Bond will include without limitation, as deemed Rate, delivery of an unqualified opinion of bond counsel that interest on the Bond will be excludable from gross income for federal income tax purposes from and after Funding and evidence of the filing of an IRS Form 8038.

Additional Conditions to Funding:

The Agreement will include the following conditions to Funding: (i) bring down certificates of representations and warranties from Closing from Issuer's officers; (ii) certification of the validity of the bond documents, the Agreement and related documents; (iii) a bring down

certificate on Issuer litigation; (iv) a certification of no Event of Default or any other event that, with the passage of time, the giving of notice, or both, would result in an Event of Default, and minimum agency credit ratings of A2, A, A (by each of Moody's, S&P and Fitch); (v) a certificate of compliance with its covenants and agreements from the Issuer; and (vi) a bring down of the legal opinions provided at Closing, including executed forms provided at Closing.

Termination:

The Lender will be permitted to terminate the Agreement on or prior to Funding for defined extraordinary events usual and customary in bond purchase agreements such as material federal legislation and the disruption of the economy. Should the Lender not purchase the Bond as a result of this provision, the Issuer will not owe a Prepayment Fee.

Issuer's Representations and Warranties:

The Agreement will include the following reps and warranties: (i) legal existence, qualification and power; (ii) due authorization and no contravention of law, contracts or organizational documents; (iii) governmental and third party approvals and consents; (iv) enforceability; (v) accuracy and completeness of specified financial statements and no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect; (vi) no material litigation; (vii) no default or inchoate default; (viii) tax matters; (ix) use of proceeds and not engaging in business of purchasing/carrying margin stock; (x) [deleted]; (xi) compliance with laws; (xii) validity and priority of any lien supporting the Bond; (xiii) bankruptcy and insolvency; and (xiv) such other representation and warranties are customary for a transaction of this type.

Covenants:

No new financial covenants

Events of Default:

The Agreement will include the following events of default: (i) nonpayment of principal or interest or other amounts under the loan documents; (ii) failure to perform or observe covenants set forth in the Bond documentation; (iii) any representation or warranty proving to have been incorrect when made or confirmed; (iv) cross-default to Parity Indebtedness; (v) voluntary or involuntary bankruptcy, insolvency, debt moratorium, etc.; (vi) inability to pay debts; (vii) monetary judgment defaults in an amount to be agreed and material non-

monetary judgment defaults; (viii) actual or asserted invalidity or impairment of any documentation; and (ix) downgrade below Baal, BBB+ or BBB+ (or the equivalent) by Moody's, S&P or Fitch, respectively; provided none of the above may result in acceleration and may not result in an Event of Default if the remaining Series 2009B Bonds would be adversely affected.

Remedies:

The Default Rate will apply to all outstanding obligations of the Issuer to the Lender following an Event of Default and the Lender may declare all amounts due under the Agreement to be immediately due and payable; provided no acceleration is permitted. The Bank may exercise any rights or remedies available to it under the loan documents, at law or in equity.

Other Standard Terms

Indemnification:

To the extent permitted by law, the Issuer will indemnify and hold harmless the Lender and its respective affiliates and its partners, directors, officers, employees, agents and advisors from and against all losses, claims, damages, liabilities and expenses arising out of or relating to the transactions contemplated by the Agreement, the Issuer's use of Bond proceeds or the commitment including, but not limited to, reasonable attorneys' fees (including the allocated cost of internal counsel) and settlement costs (excluding acts of gross negligence or willful misconduct of an indemnified party as determined by a court of competent jurisdiction). This indemnification shall survive and continue for the benefit of all such persons or entities.

Choice of Law / Jury Trial / Venue

Governing Law:

This proposed Summary of Terms and Conditions, the Agreement, Bond, and any other documents to which the Lender shall become a party shall be governed by, and construed and interpreted in accordance with, the laws of the State of North Carolina.

Jury Trial:

The Issuer agrees, to the extent permitted under applicable law, to waive any right to a trial by jury in any action or proceeding with respect to any dispute or controversy under the loan documents.

Venue:

Any disputes or legal actions arising out of this transaction shall be brought in the courts of North

Carolina, and each party, to the fullest extent permitted by law, shall consent to the jurisdiction of such courts.

Proposed Terms and Conditions Subject to Certain Events

Absence of any material adverse change in the financial condition, operations or prospects of the Issuer, or in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of the transaction, to be determined in the sole discretion of the Lender,

Such additional due diligence as the Lender may require, and

Agreement as to all final terms and conditions and satisfactory documentation thereof (including satisfactory legal opinions).

Expiration of Terms and Conditions:

Consideration of a financing based on the terms and conditions presented in this term sheet shall automatically unless the Lender receives a mandate by the Closing Date.

No Advisory or Fiduciary Role:

The Issuer acknowledges and agrees that: (i) the transaction contemplated is an arm's length, commercial transaction between the Issuer and the Lender in which the Lender is acting solely as a principal and for its own interest; (ii) the Lender is not acting as a municipal advisor or financial advisor to the Issuer; (iii) the Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Lender has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in the Agreement; and (v) the Lender is not recommending that the Issuer take an action with respect to the transaction contemplated by the Agreement, and before taking any action with respect to the contemplated transaction, Issuer should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate.

**FINANCE COMMITTEE RESOLUTION WITH RESPECT TO
ISSUANCE OF TRIANGLE EXPRESSWAY SYSTEM APPROPRIATION
REVENUE REFUNDING BOND**

WHEREAS, the North Carolina Turnpike Authority (the "*Authority*") is duly organized and existing under the laws of the State of North Carolina (the "*State*") within the State Department of Transportation, and is authorized under Article 6H (Public Toll Roads and Bridges) of Chapter 136, as amended (the "*Act*"), of the North Carolina General Statutes (the "*NCGS*") and The State and Local Government Revenue Bond Act, Article 5 of Chapter 159, as amended, of the NCGS (the "*Revenue Bond Act*"), to issue revenue bonds for the purpose of financing and refinancing the cost of acquiring, constructing and equipping "turnpike projects," as defined in the Act;

WHEREAS, pursuant to the Act and the Revenue Bond Act, the Authority and Wells Fargo Bank, N.A., as Trustee (the "*Trustee*"), have heretofore entered into the Trust Agreement, dated as of July 1, 2009 (the "*Original Trust Agreement*"), providing for, among other things, the issuance by the Authority its Triangle Expressway System State Annual Appropriation Revenue Bonds, Series 2009B (Federally Taxable – Issuer Subsidy – Build America Bonds) (the "*Series 2009B Bonds*") to provide funds, together with other available funds, to pay costs of land acquisition, design, construction and equipping of the Triangle Expressway System and, among other things, pay the costs incurred in connection with the issuance of the Series 2009B Bonds;

WHEREAS, it is now proposed that the Authority, pursuant to the Original Trust Agreement and a First Supplemental Trust Agreement between the Authority and the Trustee to be dated on or about December 1, 2018 (the "*First Supplemental Trust Agreement*" and, together with the Original Trust Agreement, the "*Trust Agreement*") and a Bond Order to be adopted by the Authority (the "*Bond Order*"), issue its Triangle Expressway System Appropriation Revenue Refunding Bond (the "*Refunding Bond*") in a principal amount not to exceed \$162,000,000 to provide funds, together with other available funds, to (a) refund certain Series 2009B Bonds, and (b) pay costs incurred in connection with the issuance of the Refunding Bond;

WHEREAS, the Refunding Bond will be delivered to Bank of America, N.A. or an affiliate (the "*Purchaser*"), on or before January 1, 2019, pursuant to, and as evidence of the Authority's obligation to repay the loan from the Purchaser to the Authority of the proceeds of the Refunding Bond;

WHEREAS, the selection of the Purchaser as lender for the Refunding Bond and agreement on the terms and conditions thereof were made pursuant to a Request for Proposal process by the Authority with the authorization of this committee with the circulation thereof on June 20, 2017, and four institutions made proposals to the Authority;

WHEREAS, the Board of the Authority has delegated to this committee the responsibility for reviewing certain financial matters, including the issuance of revenue bonds, and making recommendations with respect thereto to the Board;

WHEREAS, information has been presented to this committee with respect to the plans for the proposed financing and the forms of the following documents have been presented to this committee:

- (a) A draft of the Bond Order of the Authority with respect to the Refunding Bond as required pursuant to the Revenue Bond Act, proposed to be adopted by the Board at its next meeting;
- (b) A draft of the First Supplemental Trust Agreement, including the form of the Bond, to be executed and delivered by the Authority upon issuance of the Refunding Bond; and
- (c) A draft of a Bond Purchase Agreement for the issuance and sale of the Refunding Bond to the Purchaser (the *'Bond Purchase Agreement'*) proposed to be executed and delivered by the Authority after authorization by the Board at its next meeting; and

WHEREAS, the Board of the Authority is scheduled to meet on or before August 1, 2017, concerning, among other things, the issuance of the Refunding Bond;

NOW THEREFORE, THE FINANCE COMMITTEE OF THE BOARD OF THE NORTH CAROLINA TURNPIKE AUTHORITY HEREBY RESOLVES:

1. The forms of Board resolution attached hereto as Exhibit A and the Bond Order attached hereto as Exhibit B are hereby recommended for approval by the Board. The conditions and limitations in the Board resolution, including the terms and conditions of the loan under the First Supplemental Trust Agreement and the Bond Purchase Agreement, the resultant savings from the refunding of certain Series 2009B Bonds, and the proposed forms of the First Supplemental Trust Agreement and the Bond Purchase Agreement, are all found to be reasonable in the circumstances and appropriate actions to effectuate the intent of such resolution are recommended to be taken. The staff of the Authority and its consultants are directed to discuss the possibility of a rate lock on the interest rate effective on the date of the Board meeting. Such information, if obtained, is to be presented to the Board at such meeting for its consideration.

- 2. This resolution shall take effect immediately upon its passage.

Adopted July 20, 2017.