

**Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of North Carolina Turnpike Authority (Monroe Expressway)**

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New York, October 05, 2020 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of North Carolina Turnpike Authority (Monroe Expressway) and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

The project's Baa3 rating reflects the strong support from the State of North Carolina (Aaa) and its agency, North Carolina Department of Transportation (NCDOT). Annual state appropriation revenue covers the debt service of the state appropriation bonds and NCDOT provides a contingent guarantee to cover shortfalls in funding the operating and maintenance (O&M) and renewal and replacement (R&R) reserve requirements. The project's current liquidity is solid and bondholders benefit from a ramp-up reserve. Traffic volumes, revenue and operating expenses have been ramping up since the opening of the project on November 27, 2018. Repercussions from travel restrictions and a slow down in economic activity associated with the Coronavirus (COVID-19) containment efforts has slowed down volume growth in recent months.

The rating remains constrained by the limited operating track record of the toll road, modest size of the service area, as well as a high project leverage.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Publicly Managed Toll Roads and Parking Facilities published in March 2019. Please see the Rating Methodologies page on [www.moody's.com](http://www.moody's.com) for a copy of this methodology.

This announcement applies only to EU rated and EU endorsed ratings. Non EU rated and non EU endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

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