

**RESOLUTION APPROVING PROPOSED RATE SCHEDULE FOR
OPENING OF MONROE EXPRESSWAY TOLL SYSTEM**

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 (Turnpike Authority and Toll Projects) 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 Chapters 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 of the State (the "*Secretary*"), pursuant to NCGS Sections Section 143B-10 and 143B-349, 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 has financed the costs of the land, easements, rights of way, capital improvements and equipment constituting a turnpike project of the Authority now known as the "Monroe Expressway" and generally consisting of an approximately 19.7 mile roadway extending from US Highway 74 at Interstate 485 in eastern Mecklenburg County, North Carolina, near the Town of Matthews to US Highway 74 near the Town of Marshville in Union County, North Carolina (the "*Project*");

WHEREAS, the Project is expected to be substantially complete and open for travel within the Authority's fiscal year beginning July 1, 2018, and it is therefore necessary for the Authority to adopt initial toll rates for the Project so that, among other things, appropriate budgets can be adopted for such fiscal year;

WHEREAS, in the Official Statement posted January 30, 2017, with respect to the most recent financing for the Project, a Traffic and Revenue Report (the "*Report*") prepared by CDM Smith Inc. as Traffic and Revenue Consultant to the Authority, dated November, 2016, was included as Appendix C; and the Report contained assumed toll rates and tolling zone locations for the Project;

WHEREAS, toll rates for the Project are subject to several restrictions including:

- The Board resolution of May 5, 2016 (following a more general resolution of the Authority adopted on September 17, 2008), on which credit ratings for debt of the Authority relating to the Project were, in part, based, stated the rates adopted would be, subject to some exceptions not initially applicable, at least equal to the projected rates in the traffic and revenue report in the last official statement before opening;
- The Trust Agreement dated as of December 1, 2016, between the Authority and Wells Fargo Bank, N.A., as trustee, which amended and restated a prior revenue

trust agreement with respect to the financing of the Project, includes in Section 704 thereof a rate covenant for the Project with coverage requirements mandating rates be adopted which will produce revenues at certain levels; and

- The Loan Agreement dated as of January 31, 2017, between the Authority and the United States Department of Transportation includes in Section 16 thereof a similar rate covenant containing a provision that rates are required to produce revenues at certain coverage levels, but also includes a specific requirement that the toll rates set for the Project, subject to certain exceptions not initially applicable, will be set at not less than the rates shown in the Report;

WHEREAS, CDM Smith Inc. has prepared a toll rate schedule (the "*Proposed Rates*") which is attached hereto as Exhibit A;

WHEREAS, PFM Financial Advisors, LLC, as municipal advisor to the Authority, has communicated that the projected revenues conform with the various requirements noted above; and

WHEREAS, the Proposed Rates have been considered by both the Financial Committee and the Operations Committee of the Authority and have been recommended for approval by both committees;

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

1. The proposed toll rates as set forth in Exhibit A hereto are hereby adopted as the initial toll rate schedule for the Monroe Expressway System.
2. This resolution shall take effect immediately upon its passage.

Adopted March 28, 2018.

Exhibit A

**Recommended Monroe Expressway Annual Toll Rates by Tolling Zone
Class 1 ETC and BBM**

Calendar Year (1)	Zone 1 (2.99 mi.)		Zone 2 (3.97 mi.)		Zone 3 (1.76 mi.)		Zone 4 (3.93 mi.)		Zone 5 (1.38 mi.)		Zone 6 (2.24 mi.)		Zone 7 (1.87 mi.)		Through Trip Toll (Passes through All Zones)	
	US 74 - Austin Chaney Rd ETC	BBM	Austin Chaney Rd - NC 200 ETC	BBM	NC 200 - US 601 ETC	BBM	US 601 - N. Rocky River Rd. ETC	BBM	River Rd. - Unionville Indian Trail Rd. ETC	BBM	Unionville Indian Trail Rd. - Indian Trail Fairview Rd. ETC	BBM	Indian Trail Fairview Rd. - US 74 ETC	BBM	ETC	BBM
2019	\$ 0.42	\$ 0.65	\$ 0.56	\$ 0.86	\$ 0.25	\$ 0.39	\$ 0.55	\$ 0.85	\$ 0.19	\$ 0.29	\$ 0.31	\$ 0.48	\$ 0.26	\$ 0.40	\$ 2.54	\$ 3.92
2020	0.43	0.66	0.57	0.88	0.26	0.40	0.56	0.87	0.19	0.30	0.32	0.49	0.27	0.41	2.60	4.01
2021	0.44	0.68	0.59	0.90	0.26	0.41	0.58	0.89	0.20	0.30	0.32	0.50	0.27	0.42	2.66	4.10
2022	0.45	0.70	0.60	0.92	0.27	0.42	0.59	0.91	0.20	0.31	0.33	0.51	0.28	0.43	2.72	4.20
2023	0.46	0.71	0.61	0.94	0.27	0.43	0.60	0.93	0.21	0.32	0.34	0.53	0.28	0.44	2.77	4.30
2024	0.47	0.73	0.63	0.96	0.28	0.44	0.62	0.95	0.21	0.32	0.35	0.54	0.29	0.45	2.85	4.39
2025	0.48	0.74	0.64	0.99	0.29	0.45	0.63	0.97	0.22	0.33	0.36	0.55	0.30	0.46	2.92	4.49
2026	0.49	0.76	0.66	1.01	0.29	0.46	0.64	0.99	0.22	0.34	0.36	0.56	0.30	0.47	2.96	4.59
2027	0.50	0.78	0.67	1.03	0.30	0.47	0.66	1.02	0.23	0.35	0.37	0.57	0.31	0.48	3.04	4.70
2028	0.51	0.79	0.68	1.05	0.31	0.48	0.67	1.04	0.23	0.35	0.38	0.59	0.32	0.49	3.10	4.79
2029	0.52	0.81	0.70	1.07	0.31	0.49	0.69	1.06	0.24	0.36	0.39	0.60	0.32	0.50	3.17	4.89
2030	0.53	0.83	0.71	1.09	0.32	0.50	0.70	1.08	0.24	0.37	0.39	0.61	0.33	0.51	3.22	4.99
2031	0.55	0.84	0.73	1.12	0.32	0.51	0.71	1.10	0.25	0.38	0.40	0.62	0.34	0.52	3.30	5.09
2032	0.56	0.86	0.74	1.14	0.33	0.52	0.73	1.13	0.25	0.38	0.41	0.64	0.34	0.53	3.36	5.20
2033	0.57	0.88	0.76	1.16	0.34	0.53	0.74	1.15	0.26	0.39	0.42	0.65	0.35	0.54	3.44	5.30
2034	0.58	0.90	0.77	1.19	0.35	0.54	0.76	1.17	0.26	0.40	0.43	0.66	0.36	0.55	3.51	5.41
2035	0.59	0.92	0.79	1.21	0.35	0.55	0.78	1.20	0.27	0.41	0.44	0.68	0.37	0.56	3.59	5.53
2036	0.60	0.94	0.81	1.24	0.36	0.56	0.79	1.22	0.27	0.42	0.45	0.69	0.37	0.58	3.65	5.65
2037	0.62	0.96	0.82	1.26	0.37	0.57	0.81	1.25	0.28	0.43	0.46	0.71	0.38	0.59	3.74	5.77
2038	0.63	0.98	0.84	1.29	0.38	0.59	0.83	1.28	0.29	0.44	0.47	0.72	0.39	0.60	3.83	5.90
2039	0.64	1.00	0.86	1.32	0.38	0.60	0.84	1.30	0.29	0.44	0.47	0.74	0.40	0.61	3.88	6.01
2040	0.66	1.02	0.88	1.35	0.39	0.61	0.86	1.33	0.30	0.45	0.49	0.75	0.41	0.63	3.99	6.14

1) Assumes toll rates will be increased annually on January 1.

Note:

Class 2 tolls will be two times the Class 1 tolls

Class 3 tolls will be four times the Class 1 tolls

ETC tolls receive a 35 percent discount from the BBM tolls