



STATE OF NORTH CAROLINA
TURNPIKE AUTHORITY

BEVERLY E. PERDUE
GOVERNOR

1578 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1578

DAVID W. JOYNER
EXECUTIVE DIRECTOR

BOARD OF DIRECTORS MEETING MINUTES

Wednesday, April 15, 2009
Board Room, NCTA Offices

Members present: Gene Conti, Chairman
Lanny Wilson
Robb Teer
Anthony Fox
Sang Hamilton
Bob Spencer
Bill Lackey
Perry Safran

Members present via phone: David Redwine

Secretary Gene Conti called the meeting to order at 1:00pm. Secretary Conti declared that there was a quorum present and read the state ethics act statement.

Perry Safran asked for the full list of subcontractors for the Mid-Currituck Bridge project. Mr. Safran moved approval of the March 2009 minutes. Robb Teer seconded the motion and the minutes were approved unanimously.

Triangle Expressway Financing: Grady Rankin discussed the Triangle Expressway financing. Mr. Rankin reported that we have received credit ratings from all three rating agencies in the ranges that we anticipated. He expressed that he is pleased with the ratings and that the TIFIA loan was rated at investment grade. He stated that the NCTA is participating in discussions with Assured Guaranty and expects a proposal with fees within the next week. TIFIA seems to be assessing the preliminary rating and expects to make their final decision within the next 10 days.

Mr. Rankin distributed a schedule. (See attached.) He stated that this is not a definite schedule. Mr. Rankin also distributed an updated plan of finance for information purposes. (See attached.) Perry Safran noted that 1 to 1 coverage is an excellent ratio. Mr. Safran asked about coverage on the appropriation bonds; David Miller responded that it should be 1 plus. Bob Spencer asked if the senior lien bonds are insurable. Mr. Rankin stated that we are still discussing this with Assured Guaranty.

Tom Lee, WCSR, discussed the bond documents that were distributed to the Board earlier this month for review. Mr. Lee noted that the Board adopted the bond order in November 2008 and discussed the changes since then. He discussed the following documents:

- Amendment to the Bond Order – Mr. Lee stated that this divides what had been the Senior Lien Revenue Bonds into two bond series, State Appropriation Revenue Bonds and Turnpike Revenue Bonds. (See attached.)
- TIFIA Term Sheet and loan agreement - Mr. Lee discussed that these documents should not change significantly prior to closing. (Term Sheet dated 11/24/2008 NP Draft – Loan Agreement dated 12/12/2008 NP Draft)
- Trust agreement for toll revenue bonds – Mr. Lee stated that this agreement is between the NCTA and the toll revenue bond holders. (Draft 10 dated March 20, 2009)
- First Supplemental Agreement – Mr. Lee discussed that this document gives the technical details of specific bonds. (Draft 3 dated March 24, 2009)
- Preliminary Official Statement for Toll Revenue – Mr. Lee discussed that this document has details and description of the NCTA and includes the Traffic & Revenue Report from WSA and the Consulting Engineers Report from HNTB. Mr. Lee stated that this document serves as a securities offering document for toll revenue bonds. (Draft 9 dated April 7, 2009)
- Trust Agreement for appropriation bonds – Mr. Lee noted that this Trust Agreement is half the size of the Toll Revenue Trust Agreement. (Draft 3 dated April 9, 2009)
- Preliminary Official Statement for Appropriation – Mr. Lee stated that this provides information for bond holders on their investment. (Draft 2 dated March 24, 2009)
- Bond Purchase Agreement for Toll Revenue and Appropriation – Mr. Lee discussed that these agreements are for the purchase of these bonds. (BPA Revenue Bonds Draft 4 dated April 7, 2009; BPA Appropriation Bonds Draft 1 dated April 9, 2009)
- Trustee Agreement – Mr. Rankin noted that the fee for the Trustee is around \$3,000 per year. (See attached.)
- Construction Completion Assurance and Renewal and Replacement Funding Agreement – Mr. Lee explained that if the NCTA can not fulfill the renewal and replacement fund, the NCDOT has agreed to replenish the fund.
- Bond Pricing Authority – Mr. Lee discussed that the Bond Pricing Committee was approved in September 2008. (See attached.)
- LGC Resolution – The Local Government Commission re-approved the resolution under the revised plan of finance. (See attached.)

Tom Lee discussed the bond order that was approved at the November 2008 meeting and discussed the amendment to the bond order encompasses the changes to all the above referenced bond documents.

Action item: Mr. Lackey made the following motion:

- I move to recommend Board approval of the Amendment to the Bond Order authorizing the issuance by the North Carolina Turnpike Authority of not-to-exceed \$700,000,000 Triangle Expressway System Revenue Bonds, Series 2009 and authorizing the execution and delivery of certain documents in connection therewith. Perry Safran seconded the motion. Bob Spencer, Lanny Wilson, Anthony Fox, and Robb Teer recused themselves from this motion. The motion was approved unanimously.

Construction and Renewal and Replacement Agreement with NCDOT: Grady Rankin discussed the Construction Completion Assurance and Standby Renewal and Replacement Funding Agreement.

Action item: Mr. Teer made the following motion:

- I move to recommend Board approval of the execution of the Construction Completion Assurance and Standby Renewal and Replacement Funding Agreement. Perry Safran seconded the motion and it was approved unanimously.

Robb Teer expressed thanks to Tom Lee and Womble Carlyle. Chairman Conti seconded his comments. Perry Safran thanked John Bode for his work on the bond documents as co-counsel.

Triangle Expressway Construction Schedule: Steve DeWitt discussed the construction schedule. Mr. DeWitt stated that as soon as the bonds are sold, the NCTA will be ready to start construction. This will not take months; construction will begin immediately. Jonathan Bivens, ST Wooten, seconded Mr. Dewitt's comments. Robb Teer stated that this will create thousands of much needed jobs for the area. Mr. Teer also pointed out that the RTP donation of 98 acres has made this possible.

Executive Committee: Gene Conti stated that the Executive Committee met and there were no action items.

Operations and Personnel Committee: Sang Hamilton reported that the Operations and Personnel Committee met. Andy Lelewski discussed the Traffic Management Center and the Intelligent Transportation System. Mr. Hamilton discussed that Jim Eden gave an update on the Toll Collection System and Megan Garner gave a presentation on the Transponder Survey. He also stated that Mr. Eden gave an industry update and that there were no action items.

Plans & Programs Committee: Robb Teer discussed that the DEIS was obtained in 2 years and thanked Jennifer Harris, consultants and NCDOT for their work. There were no action items.

Audit Committee: Lanny Wilson gave the Audit Committee report.

Action item: Mr. Wilson made the following motion:

- I move to recommend Board approval of the selection of Cherry, Bekaert & Holland as the independent auditor for the North Carolina Turnpike Authority starting July 1, 2009 to June 30, 2010. The motion was seconded by Robb Teer and Perry Safran and the motion was approved unanimously. Bob Weisenberger stated that the NC State auditor has reviewed and accepted their proposal.

There were no requests to address the Board during the public input session. Gene Conti moved to adjourn and Bob Spencer seconded. The meeting was adjourned at 2:08 pm.

Minutes prepared by Jillian Bliss.