

September 3, 2009

State of New Hampshire
Request for Proposal
For Underwriting Services
Turnpike System Revenue Bonds Series 2009

Introduction

The State of New Hampshire (the “State”) seeks to retain a qualified senior managing underwriter and other members of the syndicate in connection with its contemplated issuance of \$150 million turnpike system revenue bonds (the “Series 2009 Bonds”) in November 2009. The projected amortization of the Series 2009 Bonds is as follows: level debt service payments, 30 year amortization, first principal payment due in fiscal year 2011.

Submitting Proposals

Please submit your proposal marked “Proposal for Underwriting Services – NH Turnpike System” by Tuesday, September 15, 2009, 4:00PM New Hampshire time via e-mail to:

The Honorable Catherine Provencher
Treasurer, State of New Hampshire
cprovencher@treasury.state.nh.us

Michael Ablowich
Public Resources Advisory Group
mablowich@pragny.com

Communications with representatives of the State concerning this request by you, or on your behalf, are not appropriate and will not be permitted during the submission and selection process. All questions and communications should be directed to Michael Ablowich, Public Resources Advisory Group, 617-342-7264, mablowich@pragny.com.

The State will not be responsible for any expenses incurred in the preparation of the proposal or for the disclosure of any information or material received in connection with this solicitation, whether by negligence or otherwise.

Selection Process and Criteria

The State reserves the right to reject any and all proposals, with or without cause, and waive any irregularities or informalities in the proposal. The State further reserves the right to make such investigations it deems necessary as to the qualifications of any and all proposals, including scheduling oral interviews with selected respondents to the RFP. A tentative timetable for the selection of underwriters is as follows:

September 3, 2009
September 15, 2009
September 22, 2009

Release of RFP
Receipt of Proposal
Expected Underwriter Selection

The State also reserves the right not to issue the Series 2009 Bonds following the selection of the underwriters for any reason. **The book-running underwriter will be selected based on the**

experience, proposed marketing plan and proven ability to sell the bonds at the lowest borrowing cost to the State.

Proposal Requirement

Letter of Transmittal (not to exceed 3 pages) with affirmation that your firm and all individuals assigned to this transaction (and listed by name) are free from all obligations and interests which may conflict with the interest of the State. Please identify in the Letter all pending litigation or regulatory action, either state or federal, if any, related to public finance in which your firm, any predecessor firm or employee is involved. Identify any other existing or potential conflict of interest, as well as your representation of parties or other relationships that might be considered a conflict of interest, that may affect or involve this transaction or the State of New Hampshire.

Answers to Specific Questions (not to exceed 15 pages plus Appendices)

1. Describe briefly your firm's experience as a senior bookrunning manager for toll road revenue bonds \$100 million since January 2008. Please provide a list including each issuer's name, date, amount, ratings and contact information.
2. Describe briefly your firm's experience as a senior bookrunning manager for bonds issued in the State of New Hampshire over \$50 million since January 2008.
3. Identify personnel that will be assigned to the sale and provide short resumes as to experience with toll road issues and with New Hampshire GO bond issues. Please provide phone number and e-mail address of the primary contact.
4. Please provide underwriting spreads and pricing scales for the proposed bonds based on market conditions as of 1:00 p.m., New Hampshire time, September 9, 2009, assuming a 10 year par call. In developing this section of your proposal, assume the Series 2009 Bonds are rated A by Fitch and Standard & Poor's and Moody's, the dated/delivery date is November 24, 2009, and the principal payment date is November 1. Your takedowns and interest rate scales should reflect levels at which your firm would, if necessary, be prepared to price and underwrite the Series 2009 Bonds as of the above date. Your firm's response must include the following items:
 - a. A sources and uses of funds summary,
 - b. Takedowns for each maturity,
 - c. Coupons and reoffering yields for each maturity, and
 - d. True Interest Cost percentage

In addition, firms should submit a spread proposal expressed in dollars per thousand for the proposed Series 2009 Bonds and disaggregated as to management fee (if any), takedown and expenses, including a not-to-exceed fee for underwriters' counsel services and your firm's recommendations as to underwriters' counsel.

5. Discuss the turnpike's credit ratings and your proposed approach to rating agencies in conjunction with this planned financing. Discuss the likelihood for a credit rating upgrade.

6. Attached you will find a copy of the draft schedule for this proposed financing. Please provide comments on this draft schedule
7. Describe your approach to analyzing the use of Build America Bonds (“BABs”) as part of this transaction. List your experience with such instruments. Describe under what conditions BABs would be appropriate for inclusion in the turnpike’s financing plans. Indicate whether the BABs could have a 10 year par call and what the likely penalty would be.
8. Please discuss refunding opportunities for the turnpike at this time.
9. Describe your proposed marketing plan for the Series 2009 Bonds. Address retail buyers in New Hampshire and elsewhere, traditional institutional buyers such as bond funds and insurance companies, and non-traditional institutional buyers such as arbitrage accounts. Describe your ability to sell the Series 2009 Bonds to retail investors, both traditional and non-traditional, and your recommendation regarding the retail order period for the Series 2009 Bonds. What amount of the issue can be sold to retail?
10. Provide a discussion of the proposed structure of the syndicate, including a brief discussion of the use and number of co-managers and indicate your proposed role (for example, senior book-running underwriter, senior underwriter, co-manager).
11. Please explain why your firm should be selected as an underwriter for the Series 2009 Bonds.

We are looking forward to receiving your proposals.

**STATE OF NEW HAMPSHIRE TURNPIKE SYSTEM
2009 NEW MONEY BONDS**

FINANCING SCHEDULE

August 2009						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

October 2009						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September 2009						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

November 2009						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Date	Action Required	Responsible Parties
Thursday, September 3	Issue RFP for Underwriter	State, PRAG
Monday, September 7	Labor Day Holiday	All
Tuesday, September 8	DOT Disclosure Material to Underwriters' Counsel Traffic and Revenue Report Issue RFP For Verification Agent (if needed)	NHDOT State, PRAG
Wednesday, September 9	Governor and Council Meeting	State
Tuesday, September 15	Underwriter RFP Due Date	State, PRAG
Week of September 21st	Underwriter Selection	State, PRAG
Monday, September 21	First Draft of Preliminary Official Statement ("POS") and BPA Distributed First Draft of Bond Resolution Distributed Select Verification Agent (if needed)	UC PD State, PRAG
Wednesday, September 23	Governor and Council Meeting	State
Thursday, September 24	Comments Due on First Draft of Documents	All

Date	Action Required	Responsible Parties
Monday, September 28	Second Draft of Bond Documents Distributed	UC, PD
Wednesday, September 30	Draft Documents for G&C Meeting Sent to the Treasurer	UC, PD
Thursday, October 1	Comments Due on Second Draft of Documents	All
Monday, October 5	Draft of Bond Documents Distributed to Working Group, Rating Agencies and Bond Insurers	State, UND, PRAG
Wednesday, October 7	Governor and Council Meeting	State
Thursday, October 8	Supplemental Resolution Finalized and Sent to Governor and Executive Council for 10/21 Meeting	State, PD
Monday, October 12	Columbus Day Holiday	All
Week of October 12th	Rating Agency Visits in New Hampshire or Presentation in NYC	State, NHDOT, PRAG
Tuesday, October 20	Underwriter Market Briefing with Treasurer Refunding Analysis Updated (if needed)	State, UND, PRAG
Wednesday, October 21	Governor and Council Meeting to Authorize and Set Parameters for the Sale of Turnpike Revenue and Refunding Bonds	State
Thursday, October 29	Due Diligence Conference Call	State, PRAG, UND, UC, PD
Friday, October 30	Ratings and Bond Insurance Bids Received	State, PRAG
Monday, November 2	Finalize POS and Post POS Electronically	UC, PD, PRAG, UND
Wednesday, November 4	Governor and Council Meeting	State
Thursday, November 5	Investor Presentation/Conference Call	State, FA, UND
Wednesday, November 10	Pricing, SLGS Purchase and Verification of Cash Flows (if needed)	State, FA, UND, PD, VA
Wednesday, November 11	Veterans Day Holiday	All
Thursday, November 12	Sign Bond Purchase Agreement Draft of Final OS Distributed	State, UND, PD, UC UC

Date	Action Required	Responsible Parties
Monday, November 16	Mail Final OS	All
Wednesday, November 18	Governor and Council Meeting	State
Monday, November 23	Pre-Closing	All
Tuesday, November 24	Closing	All

Responsible Parties:

- State State of New Hampshire (Issuer)
- NHDOT New Hampshire Department of Transportation
- PRAG Public Resources Advisory Group (Financial Advisor)
- PD Palmer & Dodge (Bond Counsel)
- UND Underwriter (To be determined)
- UC Underwriter’s Counsel (To be determined)
- VA To Be Determined (Verification Agent)

Printer RFP?????