

STATE OF NEW HAMPSHIRE

GENERAL BOND RESOLUTION

**Authorizing the Issuance of
State of New Hampshire
Turnpike System Revenue Bonds**

Adopted

November 9, 1987

as amended

**March 21, 1990,
March 27, 1991 and
August 12, 1992**

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STATE OF NEW HAMPSHIRE
TURNPIKE SYSTEM REVENUE BOND RESOLUTION

Be it resolved by the Governor and Council of the State of New Hampshire, as follows:

SECTION 1.1 Definitions. In addition to the terms defined elsewhere in the Resolution, the following terms have the following meanings in the Resolution, unless the context otherwise requires:

"Act" means Chapter 237-A of the New Hampshire Revised Statutes Annotated as amended from time to time.

"Additional Bonds" means Bonds other than the first Series of Bonds issued under the Resolution.

"Annual Budget" means the annual operating budget adopted in accordance with Section 4.2.

"Authorized Officer" means the Commissioner or the Assistant Commissioner of the Department of Transportation of the State or their successors or delegates.

"Bondholders" means the registered owners of the Bonds from time to time as shown in the books kept by the bond registrar.

"Bonds" means the Turnpike System Revenue Bonds issued from time to time under Sections 2.1, 2.2 and 2.3, and any Bond or Bonds issued in exchange for or replacement of a previously issued Bond.

"Completion Date" means the date on which a Project is first ready for normal continuous operation as determined by an Authorized Officer. If a Project consists of more than one portion, the Completion Date of the Project is the latest Completion Date of any portion of the Project.

"Compound Accreted Value" means the value from time to time of any Original Issue Discount Bond determined in the manner prescribed by Supplemental Resolution.

"Construction Account" means the Turnpike System Revenue Bond Construction Account established by Section 3.8.

"Debt Service" means with respect to each Fiscal Year or other period the aggregate of the amounts to be set aside (or estimated to be required to be set aside) in the Debt Service Account pursuant to Section 3.3(b) and (c) in the Fiscal Year or other period for the payment of the principal and sinking fund installments of and interest on Bonds, excluding debt service paid or to be paid from Bond proceeds or from any subsidy from the United States of America for the purpose.

"Debt Service Account" means the Turnpike System Revenue Bond Debt Service Account established by Section 3.3.

"Debt Service Reserve Account" means the Turnpike System Revenue Bond Debt Service Reserve Account established by Section 3.5.

"Debt Service Reserve Account Requirement" means, as of any date of calculation, an amount equal to the maximum annual Debt Service during the then current or any future Fiscal Year on Outstanding Bonds; provided that in computing such requirement any Option Bonds Outstanding during such Fiscal Year shall be assumed to mature on their stated dates of maturity.

"Defeasance Obligations" means (i) any direct and general obligations of, or any obligations unconditionally guaranteed by, the United States of America, (ii) any obligations of any state or political subdivision of a state (collectively, "Municipal Bonds") that are fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations unconditionally guaranteed by, the United

States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the owners of the Municipal Bonds, and (iii) certificates of ownership of the principal of or interest on direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System.

"Default" means a Default as defined in Section 7.1(b).

"Event of Default" means an Event of Default as defined in Section 7.1(a).

"Fiscal Year" means the fiscal year of the State with respect to the System as established from time to time. The Fiscal Year is now the twelve-month period ending June 30.

"General Reserve Account" means the Turnpike System General Reserve Account established by Section 3.7.

"Independent Engineer" means the engineer or engineers or engineering firm or firms retained by the State pursuant to Section 4.3.

"Insurance Reserve Account" means the Turnpike System Insurance Reserve Account established by Section 4.5(b).

"Insurance Reserve Requirement" means, with respect to each Fiscal Year, the amount required under Section 4.5(b) to be on deposit in the Insurance Reserve Account.

"Maximum Interest Rate" shall mean, with respect to any particular Series of Variable Rate Bonds, a numerical rate of interest that shall be the maximum rate of interest that such Variable Rate Bonds may at any particular time bear, as determined under the Supplemental Resolution authorizing such Variable Rate Bonds.

"Net Revenue Requirement" means with respect to each Fiscal Year or other period an amount equal to the greater of: (a) one hundred twenty per cent (120%) of Debt Service; or (b) one hundred per cent (100%) of Debt Service plus the total amount of principal of and interest on all general obligation or other bonds, notes or other evidences of indebtedness (excluding principal of bond anticipation notes to the extent they are paid or to be paid from proceeds of bonds or other obligations maturing after the end of the Fiscal Year or other period) payable from Revenues during the Fiscal Year or other period and the additional amount, if any, required to be paid from the General Reserve Account to satisfy the Renewal and Replacement Requirement for the Fiscal Year or other period.

"Net Revenues" means the Revenues (excluding (a) proceeds of Bonds and notes issued in anticipation of Bonds or of Revenues and (b) the proceeds of the sale or other disposition of all or any part of the System, proceeds of Insurance and condemnation awards received with respect to the System (other than proceeds of use and occupancy insurance or any other insurance against loss of Revenues) and other items of an extraordinary and non-recurrent nature) after deducting Operating Expenses.

"Operating Expenses" means the ordinary costs and expenses of the State for the operation, maintenance and repair of the System, including working capital as provided in Section 3.2. Operating Expenses do not include the principal of and interest on bonds, notes or other evidences of indebtedness issued by the State for the purposes of the System. Operating Expenses also do not include Renewal and Replacement Costs and depreciation.

"Option Bonds" means Bonds which by their terms may be tendered by and at the option of the Bondholder for payment by the State prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Bondholder.

"Original Issue Discount Bonds" means Bonds originally reoffered to the public at a price (excluding accrued interest) of less than 98% of their principal amount.

"Outstanding", when used to modify Bonds, refers to Bonds issued under the Resolution, excluding: (a) Bonds which have been exchanged or replaced, or delivered to the Trustee for credit against a principal payment or a sinking fund installment; (b) Bonds which have been paid; (c) Bonds which have been purchased by the Trustee from moneys held under the Resolution; (d) Bonds which have become due and for the payment of which moneys have been duly provided; and (e) Bonds with respect to which the obligations of the State under the Resolution have been discharged pursuant to Section 2.9.

"Project" means any construction, improvement, extension, addition, alteration, reconstruction, extraordinary repair, dismantling, equipping or reequipping of or to the System, or any one or more of the foregoing, which is designated as a Project by Supplemental Resolution.

"Project Costs" means all costs of carrying out a Project and, without limiting the generality of the foregoing, may include (a) preliminary expenses, (b) the cost of acquiring property, franchises, easements, rights-of-way and other property rights necessary or convenient for the Project, (c) engineering, architectural and legal expenses, (d) expenses for estimates of costs and revenues, (e) expenses for plans, specifications, traffic estimates, studies and surveys, (f) other expenses incident or necessary to determining the feasibility or practicability of the Project, (g) administrative expenses, (h) construction costs, (i) interest prior to the Completion Date of any Project, (j) the establishment of or contribution to such reserves as may be required by the Resolution, and (k) such other expenses as may be incurred in the financing of the Project or in carrying it out and placing it in operation.

"Rebate Account" means the Turnpike System Revenue Bond Rebate Account established by Section 3.4.

"Renewal and Replacement Costs" means costs associated with major reconstruction, rehabilitation, renewals, replacements and extraordinary repairs necessary to the sound operation of the System or to prevent the loss of Revenues, but not costs associated with new construction, additions or extensions.

"Renewal and Replacement Requirement" means, with respect to each Fiscal Year, an amount to be set forth in the Annual Budget for Renewal and Replacement Costs for that Fiscal Year.

"Resolution" means this Resolution as amended and supplemented from time to time by Supplemental Resolutions.

"Revenue Account" means the Turnpike System Revenue Account established by Section 3.1.

"Revenues" means all tolls, rates, rents, fees, charges, receipts or other income derived or to be derived by the State from the ownership or operation of the System, and all rights to receive the same. Without limiting the generality of the foregoing, Revenues include rentals, proceeds of insurance or condemnation or other disposition of System assets (except as provided below), proceeds of use and occupancy insurance or any other insurance against loss of Revenues, proceeds of bonds issued under the Act for the System, proceeds of notes issued in anticipation of operating Revenues (unless set aside to pay notes of the same character), grants, loans and other contributions from any governmental unit (except as provided below) and earnings from the investment of Revenues. Unless otherwise provided by Supplemental Resolution, Revenues do not include the proceeds of other borrowing by the State or the proceeds of grants for limited purposes or of the disposition of property financed by such grants.

"Series" or "Series of Bonds" or "Bonds of a Series" means a series of Bonds authorized by the Resolution.

"Special Redemption Account" means the Turnpike System Revenue Bond Special Redemption Account established by Section 3.6.

"State" means the State of New Hampshire.

"Supplemental Resolution" means a resolution adopted by the Governor and Council under Article VIII.

"System" means the complete turnpike system of the State as defined in RSA 237 and 237-A, together with any improvement or addition constructed or acquired after the adoption of the Resolution.

"Treasurer" means the Treasurer of the State.

"Trustee" means the Trustee appointed pursuant to Section 5.1 and any successor Trustee.

"Variable Rate Bonds" means Bonds issued with a variable, adjustable, convertible or other similar rate that is not fixed in percentage for the entire term thereof at the date of issue of the Bonds.

ARTICLE II THE BONDS

SECTION 2.1. Authorization. The State may issue Bonds under this Resolution to be known as "Turnpike System Revenue Bonds". The Bonds may be issued from time to time in series for the purposes of (a) paying Project Costs and (b) refunding (directly or indirectly) Bonds or other obligations issued for the purpose of paying Project Costs.

SECTION 2.2. Supplemental Resolutions. Each Series of Bonds shall be issued under a Supplemental Resolution adopted by the Governor and Council. The Supplemental Resolution shall designate the Bonds by an appropriate series designation and shall also specify: (a) the authorized principal amount of the Series of Bonds; (b) the purpose or purposes for which the Series of Bonds is being issued, and if the Bonds are being issued to pay Project Costs, the Project or Projects for which the Bonds are being issued; (c) the date of the Bonds; (d) the provisions for the sale of the Bonds; and (e) any other provisions required to be inserted by other provisions of the Resolution. The Supplemental Resolution may also include any other necessary or desirable provisions not in conflict with the provisions of the Resolution. The foregoing matters may be covered for a Series of Bonds by one or more than one Supplemental Resolution.

SECTION 2.3. Conditions for Issuance of Additional Bonds.

(a) Except as otherwise provided in this section, each Series of Additional Bonds shall be issued only upon the filing of the following with the Trustee:

(1) (A) A certificate of the State, executed on its behalf by an Authorized Officer, that to the best of the knowledge and belief of the Authorized Officer no Event of Default exists and (B) a certificate of the Trustee that there is no Event of Default of which it has knowledge;

(2) If Bonds are being issued to refund Bonds, except as provided in subsection (c) below, or if Bonds are being issued to pay Project Costs of a Project,

(A) A certificate of an Authorized Officer stating (i) the then estimated Completion Date of the Project and (ii) the then current estimate of Project Costs of the Project; and

(B) A certificate of the Independent Engineer stating whether, to the best of its knowledge, any federal, State or other agency is then projecting or planning the construction, improvement or acquisition of any highway or other facility which, in the opinion of the Independent Engineer, may be materially competitive with any part of the System, and the estimated date of completion of such highway or other facility; and

(C) A certificate of an Authorized Officer setting forth (i) the Net Revenues for any period of 12 consecutive calendar months out of the 24 calendar months next preceding the issuance of the Additional Bonds, provided that if any adjustment of toll rates shall have been placed in effect during such 12-month period, such Net Revenues may reflect the Revenues which the Authorized Officer estimates would have resulted had such toll rate adjustment been in effect for the entire 12-month period, and (ii)

the Net Revenue Requirement for such 12 consecutive calendar months, which certificate shall demonstrate that such Net Revenues equal or exceed such Net Revenue Requirement; and

(D) A certificate of the Independent Engineer setting forth for the then current and each future Fiscal Year to and including the fifth full Fiscal Year after the estimated Completion Date of the Project, an estimate of Revenues and a review of Operating Expenses as projected by an Authorized Officer, giving effect to (i) the completion of any additional Project under construction but not yet completed, (ii) the assumption that any competitive highway or other facility referred to in its certificate delivered pursuant to clause (2)(B) of this subsection will be completed on the date therein estimated and will thereafter be in operation during the period covered by such estimates, (iii) any adjustment of toll rates which shall have been placed in effect subsequent to the beginning of the current Fiscal Year, as if such toll rate adjustment had been in effect from the beginning of the Fiscal Year until the effective date of any subsequent adjustment and (iv) any adjustment of toll rates provided by an Authorized Officer to the Independent Engineer which, in the opinion of the Authorized Officer, would be necessary to comply with the provisions of Section 4.1, as if such adjustment were to be in effect from its effective date as assumed by the Authorized Officer to the assumed effective date of any other such adjustment, which certificate shall set forth the estimated Net Revenues for the then current and each future Fiscal Year to and including the fifth full Fiscal Year after the estimated Completion Date of the Project; and

(E) A certificate of an Authorized Officer, based on the certificate delivered pursuant to clause (2)(D) of this subsection, demonstrating (i) that the estimated Net Revenues for the then current and each future Fiscal Year to and including the fifth full Fiscal Year after the estimated Completion Date of the Project equal or exceed the Net Revenue Requirement for each such Fiscal Year, and (ii) that the estimated Net Revenues for said fifth full Fiscal Year (I) equal or exceed one hundred twenty per cent (120%) of the amount payable in the Maximum Annual Debt Service Year in respect of principal and sinking fund installments of and interest on the Series of Additional Bonds and all other Bonds Outstanding on the date of issuance of the Series of Additional Bonds, and (II) equal or exceed one hundred per cent (100%) of the sum of (a) the amount payable in the Maximum Annual Debt Service Year in respect of principal and sinking fund installments of and interest on the Series of Additional Bonds and all other Bonds Outstanding on the date of issuance of the Series of Additional Bonds, (b) debt service on all general obligation or other bonds, notes or other evidences of indebtedness (excluding principal of bond anticipation notes to the extent they are to be paid from proceeds of bonds or other obligations maturing after the end of the Maximum Annual Debt Service Year) payable from Revenues during the Maximum Annual Debt Service Year, and (c) the additional amount, if any, required to be paid from the General Reserve Account to satisfy the Renewal and Replacement Requirement for said fifth Fiscal Year. In computing the Net Revenue Requirement and the amount described in subclause (ii) under this Clause Variable Rate Bonds shall be deemed to bear interest at all times to the maturity thereof at a constant rate of interest equal to the Maximum Interest Rate. "Maximum Annual Debt Service Year" shall mean the Fiscal Year, commencing with said fifth full Fiscal Year, in which the aggregate amount payable in respect of principal and sinking fund installments of and interest on (a) the Series of Additional Bonds and (b) all other Bonds Outstanding on the date of issuance of the Series of Additional Bonds is the greatest.

(3) A certified copy of the Supplemental Resolution providing for the issuance of the Series of Additional Bonds; and

(4) An opinion of nationally recognized bond counsel selected by the State and satisfactory to the Trustee that the conditions precedent to the issuance of the Bonds have been satisfied.

(b) The Certificates required by clauses (2)(B), (2)(C), (2)(D) and (2)(E) of subsection (a) shall not be required for Bonds being issued to complete the payment of Project Costs of a Project for which Bonds have previously been issued, if (1) an Authorized Officer certifies that the aggregate Project Costs of the Project to be paid by the issuance of such Bonds (together with Project Costs paid from proceeds of any other Bonds issued for the Project pursuant to this subsection) do not exceed ten per cent (10%) of the total estimated Project Costs of the Project, and (2) the Independent Engineer certifies that estimated Net Revenues of the System with the completed Project will exceed estimated Net Revenues of the System without completion of the Project.

(c) The certificates required by clause (2) of subsection (a) shall not be required in connection with the issuance of Bonds to refund Bonds, if there is filed with the Trustee a certificate of an Authorized Officer setting forth the Debt Service for each Fiscal Year in which Bonds are or will be Outstanding (1) with respect to the Bonds Outstanding immediately prior to the issuance of such refunding Bonds and (2) with respect to the Bonds to be Outstanding immediately thereafter, and demonstrating that the Debt Service computed for each Fiscal Year pursuant to clause (2) of this subsection will not be greater than the Debt Service computed for that Fiscal Year pursuant to clause (1). The certificates required by clause (2) of subsection (a) shall be required in the case of Bonds issued to refund other obligations (including the issuance of Bonds to retire notes issued in anticipation of Bonds) as if the Bonds were being issued for the Projects financed by the prior obligations.

(d) The certificates required by clauses (2)(B), (2)(C), (2)(D) and (2)(E) of subsection (a) shall not be required for Bonds being issued to pay Project Costs of a Project consisting of extraordinary repair, reconstruction or replacement of facilities of the System that have been damaged, destroyed or lost in whole or in part, if the Independent Engineer certifies (1) that all available moneys in the Insurance Reserve Account have been or will be expended to meet Project Costs of that Project and (2) that, after giving effect to the application of all available moneys in the Insurance Reserve Account, the issuance of the Bonds is necessary to repair, reconstruct or replace the damaged, destroyed or lost property to the extent necessary for the proper conduct of the operations of the System.

SECTION 2.4. Subordinate Lien Obligations. Notwithstanding anything to the contrary in the Resolution, the State may issue bonds, notes or other evidences of indebtedness for the purposes of the System payable from the General Reserve Account and the Revenues, subordinate to the deposits and credits required to be made under the Resolution and to the payments required for Operating Expenses, and may secure the bonds, notes or evidences of indebtedness by a pledge of the Revenues inferior to the pledge of the Revenues created by the Resolution. The proceeds of the inferior obligations may be pledged as security for the inferior obligations free and clear of the lien of the Resolution.

SECTION 2.5. General Terms and Provisions of the Bonds.

(a) **Details of Bonds.** Except as otherwise provided in the Supplemental Resolution providing for their issuance, the Bonds shall be issued entirely in fully registered form or, if permitted by law, in book entry or uncertificated form; shall be numbered from 1 upwards in order of their issuance, or in any other manner determined by the Trustee with the approval of the State; shall be in the denomination of five thousand dollars (\$5,000) each or any multiple thereof; and shall be dated as provided in the Supplemental Resolution providing for their issuance.

(b) **Execution of Bonds.** (1) Except as otherwise provided in the Supplemental Resolution providing for their issuance, (A) the Bonds shall be signed in the name of the State by the Treasurer and countersigned by the Governor (which signatures may be in facsimile) and (B) the seal of the State shall be impressed or a facsimile of the seal imprinted or reproduced on the Bonds.

(2) In case any officer of the State whose signature or a facsimile of whose signature appears on any Bond ceases to hold office before the delivery of the Bond, the signature shall nevertheless be valid and sufficient for all purposes as if that officer had remained in office until the delivery.

(c) **Authentication of Bonds.** (1) Except as otherwise provided in the Supplemental Resolution providing for their issuance, each Series of Bonds shall be authenticated by the Trustee. The authenticating certificate of the Trustee shall be manually signed. Authentication by the Trustee upon a Bond shall be conclusive evidence that the Bond has been duly issued under the Resolution and is entitled to the benefit and security of the Resolution.

(2) In case any person whose authorized signature for the Trustee appears on any Bond ceases to be authorized to sign for the Trustee before the delivery of the Bond, the signature shall nevertheless be valid and sufficient for all purposes as if that person had remained so authorized.

(3) In case any of the Bonds have been authenticated by a Trustee but not delivered, a successor Trustee may adopt the certificate of authentication of the predecessor Trustee. In case any of the Bonds have not been authenticated, the successor Trustee may authenticate the same in its own name.

(d) Bond Registrar and Paying Agent. Except as otherwise provided in the Supplemental Resolution providing for the issuance of a Series of Bonds, the Trustee shall serve as bond registrar and paying agent. If it is determined by Supplemental Resolution to use a separate bond registrar or paying agent, the Supplemental Resolution shall contain or incorporate by reference to an earlier Supplemental Resolution appropriate provisions relating to the appointment, qualifications, duties and compensation of the bond registrar or paying agent.

(e) Transfer and Exchange of Bonds. Bonds shall be transferable and exchangeable as provided in the Bonds.

(f) Replacement Bonds. Unless otherwise provided in the Supplemental Resolution providing for their issuance, lost, stolen or destroyed Bonds may be replaced in accordance with the Uniform Commercial Code (the "UCC"). The indemnity bond required by Section 8-405(2)(b) of the UCC shall run to the Trustee as well as to the State and the replacement shall be subject to the reasonable requirements of the Trustee as well as those of the State under Section 8-405(2)(c) of the UCC. Mutilated Bonds may similarly be replaced, without an indemnity bond if the State and the Trustee deem an indemnity bond to be unnecessary. Expenses of the replacement shall be borne by the Bondholder.

(g) Temporary Bonds. Any Series of Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery.

(h) CUSIP Identification Numbers. CUSIP identification numbers printed on a Bond shall not be deemed to be a part of the Bond, and no liability shall attach to the State or any officer or agent of the State (including the Trustee) because of the CUSIP identification numbers.

SECTION 2.6. Bond Form. Except as otherwise provided for Bonds of a Series in the Supplemental Resolution providing for their issuance, the forms of Bond, Certificate of Authentication and Assignment shall be substantially as follows:

Registered
No. _____

UNITED STATES OF AMERICA

\$ _____

STATE OF NEW HAMPSHIRE

TURNPIKE SYSTEM REVENUE BOND

[Year] SERIES

Interest Rate

Maturity Date

Original Issue Date

CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

INTEREST PAYMENT DATES: [] and []
(but not before [], []).

The State of New Hampshire (the "State"), for value received, promises to pay to the Registered Owner of this bond or registered assigns, but solely from the Revenues to be provided under the Resolution, the Principal Amount specified above in lawful money of the United States of America, on the Maturity Date, upon presentation and surrender hereof, with interest (calculated on the basis of a 360-day year of twelve 30-day months) from the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from the Original Issue Date, at the Interest Rate per annum, payable semiannually on the Interest Payment Dates, until the date on which this bond becomes due, whether at maturity or by acceleration or redemption. From and after that date, any unpaid principal will bear interest at the same rate until paid or duly provided for [or, in the case of an Original Issue Discount Bond, the unpaid Compound Accreted Value will bear interest at a rate per annum equal to the yield to maturity on the original offering price]. The principal or redemption price, if any, of this bond is payable at the corporate trust office of the Trustee. Interest is payable by check or draft mailed to the Registered Owner of this bond (or of one or more predecessor or successor bonds), determined as of the close of business on the applicable record date, at its address as shown on the registration books maintained by the Trustee. Payments of interest to the Registered Owner of \$1,000,000 or greater aggregate principal amount of bonds of this series may be paid at the election of such registered owner by wire transfer in accordance with the Resolution.

The record date for payment of interest is the [fifteenth] [last business] day of the month preceding the date on which the interest is to be paid, provided that, with respect to overdue interest or interest payable on redemption of this Bond other than on an Interest Payment Date or interest on any overdue amount, the Trustee may establish a special record date. The special record date may be not more than twenty days before the date set for payment. The Trustee will mail notice of a special record date to the bondholders at least ten days before the special record date. The Trustee will promptly certify to the State that it has mailed the notice to all bondholders and the certificate will be conclusive evidence that the notice was given in the required manner.

[THE BONDS PAYABLE [] ("ORIGINAL ISSUE DISCOUNT BONDS") ARE INITIALLY SOLD AT A SUBSTANTIAL DISCOUNT FROM THE PRINCIPAL AMOUNT PAYABLE AT MATURITY. IF THIS BOND IS AN ORIGINAL ISSUE DISCOUNT BOND AND IS REDEEMED PRIOR TO MATURITY, THE AMOUNT PAYABLE WILL BE THE COMPOUND ACCRETED VALUE PLUS ANY APPLICABLE REDEMPTION PREMIUM AND ACCRUED INTEREST, IF ANY. IF THIS BOND IS AN ORIGINAL ISSUE DISCOUNT BOND AND IS ACCELERATED BY REASON OF AN EVENT OF DEFAULT, THE AMOUNT PAYABLE WILL BE THE COMPOUND ACCRETED VALUE PLUS ACCRUED INTEREST, IF ANY.]

This bond is one of a series of \$[] aggregate principal amount, issued by the State for the purpose[s] of [] pursuant to RSA 237-A as amended and a Resolution duly adopted by the Governor and Council on [], 1987, as supplemented and amended by one or more supplemental resolutions including a supplemental resolution duly adopted by the Governor and Council on [], [] (the "Resolution").

Bonds may be issued under the Resolution in one or more series from time to time. The bonds of this series are issuable only in fully registered form in the denomination of five thousand dollars (\$5,000) or any integral multiple thereof.

The bonds issued under the Resolution are payable solely from and are equally and ratably secured by a pledge of the Revenues derived by the State from the ownership and operation of its Turnpike System, subject to the payment of Operating Expenses.

Neither the full faith and credit nor the taxing power of the State or any political subdivision is pledged for the payment of the Bonds.

Reference is made to the Resolution for a description of the Revenues pledged, the expenses payable therefrom before payment of the bonds, the terms and conditions upon which additional bonds may be issued or the Resolution amended, and the rights, limitations of rights, duties, obligations and immunities of the State, the Trustee and the bondholders, including the order of payments in the event of insufficient funds and restrictions on the rights

of the bondholders to bring suit. Copies of the Resolution may be inspected at the offices of the Secretary of State and the State Treasurer or at the corporate trust office of the Trustee. Terms not defined herein shall have the meanings given them in the Resolution.

In case any Event of Default occurs, the principal amount of this bond [(or its Compound Accreted Value on the date of acceleration in the case of an Original Issue Discount Bond)] together with accrued interest may be declared due and payable in the manner and with the effect provided in the Resolution.

The bonds of this series (except the bonds maturing on or before [], [], which are not subject to redemption prior to maturity except from the Special Redemption Account as provided below) are redeemable prior to maturity beginning on [], [], at the option of the State, as a whole or in part at any time in [order of maturity] [(provided that the bonds of this series other than Original Issue Discount Bonds shall be redeemed prior to the Original Issue Discount Bonds of this series)], at the following prices expressed in percentages of their principal amount [(or of their Compound Accreted Value on the redemption date in the case of Original Issue Discount Bonds)] plus accrued interest to the redemption date:

Period During Which Redeemed

Redemption Price

%

The bonds of this series maturing on [], [] are also subject to redemption from sinking fund installments required by the Supplemental Resolution at their principal amounts [(or at their Compound Accreted Value on the redemption date in the case of Original Issue Discount Bonds)], without premium, plus accrued interest to the redemption date.

The bonds of this series are also subject to redemption from the Special Redemption Account as a whole at any time, or in part on any Interest Payment Date in inverse order of maturity [(provided that the bonds of this series other than Original Issue Discount Bonds shall be redeemed prior to the Original Issue Discount Bonds of this series)], at a redemption price equal to [] per cent (%) of their principal amounts [(or of their Compound Accreted Value on the redemption date in the case of Original Issue Discount Bonds)], plus accrued interest to the redemption date.

If less than all of the bonds of this series of any maturity are to be called for redemption, the bonds of that maturity to be redeemed will be selected by the Trustee by lot or in any customary manner as determined by the Trustee.

In the event this bond is selected for redemption, notice will be mailed not more than sixty days nor less than thirty days prior to the redemption date to the Registered Owner at its address as shown on the registration books. Failure to mail notice to the registered owner of any other bond or to any other party specified in the Resolution or any defect in such notice will not affect the redemption of this bond.

If this bond is of a denomination in excess of five thousand dollars (\$5,000), portions of the principal sum in the amount of five thousand dollars (\$5,000) or any multiple thereof may be redeemed. If less than all of the principal sum is to be redeemed, upon surrender of this bond to the Trustee, there will be issued to the Registered Owner, without charge, a new bond or bonds, at the option of the Registered Owner, for the unredeemed principal sum.

Notice of redemption having been duly mailed, this bond, or the portion called for redemption, will become due and payable on the redemption date at the applicable redemption price and, moneys for the redemption having been deposited with the Trustee, from and after the date fixed for redemption interest on this bond (or such portion) will no longer accrue.

This bond is transferable by the Registered Owner, in person or by its attorney duly authorized in writing, at the corporate trust office of the Trustee, upon surrender of this bond to the Trustee for cancellation. Upon the

transfer a new bond or bonds of the same aggregate Principal Amount, Series, Maturity Date and Interest Rate will be issued to the transferee at the same office. No transfer will be effective unless represented by such surrender and reissue. This bond may also be exchanged, alone or with other bonds with the same Maturity Date, at the corporate trust office of the Trustee for a new bond or bonds of the same aggregate principal amount without transfer to a new registered owner. Exchanges and transfers will be without expense to the Registered Owner except for applicable taxes or other governmental charges, if any. The Trustee will not be required to make an exchange or transfer of this bond during the forty-five days preceding any date fixed for redemption if this bond (or any part thereof) is eligible to be selected or has been selected for the redemption.

The State and the Trustee may treat the Registered Owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary.

This bond will not be valid until the Certificate of Authentication has been signed by the Trustee.

[REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND ON THE BACK, WHICH HAVE THE SAME EFFECT AS IF SET FORTH HERE.]

STATE OF NEW HAMPSHIRE

Date of Registration: Trustee,
Registrar and
Paving Agent:

By: _____
Treasurer

(Seal)

Countersigned:

Governor

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Resolution.

Trustee

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned sells, assigns and transfers this bond to

(Name and Address of Assignee)

(Social Security or Other Identifying Number
of Assignee)

and irrevocably appoints _____ attorney-in-fact to transfer it on the books kept for registration of this bond at the corporate trust office of the Trustee with full power of substitution.

Dated:

NOTE: The signature to this assignment must correspond with the name as it appears on the face of the bond without alteration, enlargement or other change.
Signature guaranteed:

Bank, Trust Company or Firm

By: _____
Authorized Signature

SECTION 2.7. Disposition of Bond Proceeds. Upon the delivery of a Series of Bonds the proceeds shall be paid to the Treasurer or to the Trustee, as provided below, and be dealt with as follows:

(a) Accrued interest and any capitalized interest to be paid from the original proceeds of the Bonds shall be paid to the Trustee and deposited into the Interest Subaccount in the Debt Service Account.

(b) The amount, if any, required by Section 3.5 shall be paid to the Trustee and deposited into the Debt Service Reserve Account.

(c) Where Bonds are issued to refund prior obligations, the proceeds required to pay the principal of the prior obligations, together with any redemption premium on the same, any interest (and any commitment fee or other fee to be paid in connection with a credit or liquidity facility) accrued or to accrue to the date of payment of the prior obligations, the costs of issuance of the Bonds and the expenses of redeeming the prior obligations shall be paid to the Trustee and used for those purposes and may be deposited in trust for those purposes free and clear of the lien of the Resolution or may be dealt with as if the Bonds were being issued for the Projects financed by the prior obligations.

(d) The balance of the proceeds shall be paid to the Treasurer to be applied to pay directly Project Costs attributable to costs of issuance of the Bonds not provided for above, with the remainder to be deposited in the Construction Account.

SECTION 2.8. Redemption of Bonds. The Bonds of a Series may be subject to redemption prior to their stated maturities at such dates and redemption prices as are set forth in, or determined by the Treasurer pursuant to, the Supplemental Resolution providing for their issuance. Unless otherwise provided in the Supplemental Resolution providing for the issuance of Bonds of a Series, the notice of redemption set forth in the Bonds shall be given by the Trustee.

SECTION 2.9. Defeasance. (a) The obligations, pledge, covenants and agreements of the State under the Resolution (other than this section and Section 4.12) shall be discharged and satisfied as to any Bond for which there have been irrevocably set aside with the Trustee sufficient funds, or Defeasance Obligations certified by an independent public accounting firm of national reputation to be in such principal amounts, bearing interest at such rates and with such maturities as will provide sufficient funds, to pay the principal or redemption price and interest when due on the Bond, and when all proper fees and expenses of the Trustee pertaining to the Bond have been paid or provided for to the satisfaction of the Trustee. An escrow account held by the Trustee as contemplated by this subsection may be restructured to provide substitute Defeasance Obligations meeting the criteria set forth in this section, to the extent and as provided in the agreement establishing such escrow account.

(b) Notwithstanding the foregoing, in the case of Bonds which are to be redeemed prior to their stated maturities, no deposit under subsection (a) shall operate as a discharge and satisfaction until the Bonds have been

irrevocably called or designated for redemption and proper notice of the redemption has been given or provision satisfactory to the Trustee has been irrevocably made for doing so.

(c) Any moneys deposited with the Trustee as provided in this section may be invested and reinvested in Defeasance Obligations maturing in the amounts and times as required and any income from the investment not required for the payment of the principal or redemption price and interest on the Bonds shall be paid to the State and credited to the Revenue Account.

(d) Notwithstanding any provision of any other section of the Resolution, all moneys or Defeasance Obligations set aside pursuant to this section for the payment of the principal or redemption price of and interest on Bonds shall be held in trust and used solely for the payment of the particular Bonds with respect to which the moneys or Defeasance Obligations have been set aside.

(e) Notwithstanding Article VIII, if moneys or Defeasance Obligations have been set aside with the Trustee pursuant to this section for the payment of Bonds and the Bonds are deemed to be no longer Outstanding under the Resolution, but the Bonds have not in fact been paid, no amendment of this Article II shall be made without the consent of the owner of each Bond affected by the amendment.

SECTION 2.10. Bonds Not Presented for Payment When Due. If a Bond is not presented for payment when the principal or redemption price becomes due, or if checks for interest on Bonds are not presented for payment and if sufficient funds are held by the Trustee for that purpose, liability of the State for the payment shall cease and the Trustee shall hold the funds without liability to the Bondholder for earnings on the funds, in trust for the benefit of the Bondholder. The Bondholder shall thereafter be restricted exclusively to the funds so held for any claim for the payment. Any funds held by the Trustee remaining unclaimed for three years after the payment became due shall be paid to the State, and the Bondholder shall thereafter be entitled to look only to the State for payment, subject, however, to any applicable abandoned property law. Before making a payment to the State under this section, the Trustee may mail notice to the affected Bondholders listing the Bonds and interest checks not presented and stating that the funds remain unclaimed and that after a specified date any balance then remaining will be returned to the State.

SECTION 2.11. Original Issue Discount Bonds. For the purposes of provisions of the Resolution relating to redemption, acceleration and actions by Bondholders, the principal amount of Original Issue Discount Bonds shall be taken to be the Compound Accreted Value, whether or not expressly stated in such provisions.

SECTION 2.12. Pledge of Revenues. The Revenues and moneys and securities on deposit from time to time in all accounts and subaccounts established by or pursuant to the Resolution, other than the Rebate Account established under Section 3.4, are hereby pledged to secure the payment of the principal or redemption price of and interest on the Bonds and the performance of the undertakings of the State in the Resolution, subject only to the application of Revenues for the payment of Operating Expenses in accordance with the terms of the Resolution. The Bonds are equally and ratably secured by the pledge, and the undertakings of the State in the Resolution are for the equal and proportionate benefit of the Bondholders, except as otherwise expressly provided in the Resolution.

SECTION 2.13. Additional Security. In connection with the initial issuance of any Series of Bonds hereunder, the State may obtain or cause to be obtained letters of credit, lines of credit, insurance or similar obligations, agreements or instruments ("Additional Security") securing or providing for the payment of all or a portion of the principal or redemption price of or interest on that Series of Bonds or providing for the purchase of that Series of Bonds or a portion thereof by the issuer or obligor of any such Additional Security. In connection therewith, the State may enter into agreements with the issuer or obligor on such Additional Security providing for, among other things, the payment of fees and expenses to such issuer or obligor for the issuance of such Additional Security, which fees and expenses may be Operating Expenses, the terms and conditions of such Additional Security and the Series of Bonds affected thereby, and the security, if any, to be provided for the issuance of such Additional Security and the payments of such fees and expenses or the obligations of the State with respect thereto.

In addition to any other security permitted hereunder, the State may secure its obligations with respect to any Additional Security by an agreement providing for the purchase of the Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the State in the applicable Supplemental Resolution. The State may also, in an agreement with the issuer of or obligor on such Additional Security, agree to reimburse ("Reimbursement Obligations") such issuer or obligor for amounts paid under the terms of such Additional Security, together with interest thereon. Such Reimbursement Obligations may be secured by a pledge of Revenues which, upon payment of amounts payable under the terms of such Additional Security and application of such amounts as provided in the agreements providing therefor, may be on a parity with the pledge created by Section 2.12 hereof. So long as no amounts shall be paid under such Additional Security and such Reimbursement Obligations shall remain contingent, such Reimbursement Obligations shall not be taken into account under the provisions of Section 2.3 or Section 4.1, provided the issuer of or obligor on such Additional Security may be deemed a Bondholder, for the purposes of giving consents, receiving notices and otherwise as may be specified in the applicable Supplemental Resolution. Upon the payment of amounts under the Additional Security which results in a Reimbursement Obligation becoming payable, such Reimbursement Obligation shall be deemed a Bond Outstanding hereunder for the purposes of Section 2.3 and Section 4.1 and for such other purposes hereunder as may be specified in the applicable Supplemental Resolution.

ARTICLE III ACCOUNTS

SECTION 3.1. Revenue Account. (a) There is hereby established a special trust fund of the State to be held and administered by the Treasurer and to be known as the "Turnpike System Revenue Account". On and after the issuance of the initial Series of Bonds the State shall deposit all of the Revenues into the Revenue Account as promptly as practicable after receipt (other than the Revenues expressly required or permitted by the Resolution to be credited to or deposited in any other account).

(b) The moneys in the Revenue Account shall be applied first to the payment of Operating Expenses and then to payments required by the Resolution to be paid from the Revenue Account into the following accounts in the following order:

- (1) Debt Service Account, Interest Subaccount;
- (2) Debt Service Account, Principal Subaccount;
- (3) Rebate Account;
- (4) Debt Service Reserve Account;
- (5) Insurance Reserve Account established under Section 4.5(b);
- (6) Special Redemption Account;
- (7) General Reserve Account.

SECTION 3.2. Operating Expenses. The Treasurer shall apply moneys in the Revenue Account to the payment of Operating Expenses as reasonably required except as provided in the following sentence with respect to working capital. The Treasurer may reserve moneys in the Revenue Account for the purpose of providing working capital to reflect cycles of income and expense, provided that at no time shall the amount so reserved in the Revenue Account for working capital exceed twenty-five per cent (25%) of the amount provided for Operating Expenses in the applicable Annual Budget.

SECTION 3.3. Debt Service Account. (a) There is hereby established a special reserve fund to be held in trust and administered by the Trustee and to be known as the "Turnpike System Revenue Bond Debt Service Account". There are also hereby created two separate subaccounts in the Debt Service Account to be known as the "Interest Subaccount" and the "Principal Subaccount."

(b) Not later than the twentieth day of the sixth calendar month before the date upon which an installment of interest on the Bonds of a Series falls due, and on or before the twentieth day of each calendar month thereafter until the installment falls due, the State shall pay from the Revenue Account into the Debt Service Account an amount equal to one-sixth of the installment of interest coming due, which amount shall be deposited into the

Interest Subaccount. The State shall also transfer from the Revenue Account to the Interest Subaccount in the Debt Service Account any amount required to pay interest on overdue principal.

(c) Not later than the twentieth day of the twelfth calendar month before the date upon which an installment of principal or a sinking fund installment on Bonds of a Series falls due, and on or before the twentieth day of each calendar month thereafter until the installment falls due, the State shall pay from the Revenue Account into the Debt Service Account an amount equal to one-twelfth of the installment of principal or sinking fund installment coming due, which amount shall be deposited in the Principal Subaccount. The State shall also transfer from the Revenue Account to the Principal Subaccount in the Debt Service Account any amount required to pay principal of Bonds which has been accelerated pursuant to Section 7.2. The Trustee shall call for redemption on each sinking fund installment date Bonds of the Series and maturity to which the sinking fund installment relates to the extent of the sinking fund installment coming due.

(d) The State may purchase Bonds from available funds and credit them against an installment of principal or sinking fund installment applicable to them at the applicable principal amount or sinking fund redemption price by delivering them to the Trustee for cancellation at least sixty (60) days before the principal due date or sinking fund installment date.

(e) Sums funded from Bond proceeds or earnings thereon and any other moneys on deposit in the Debt Service Account available to pay an installment of interest or principal or a sinking fund installment shall be credited against the monthly payments required to be made into the Account for that installment. In the event of the purchase or redemption of Bonds between the dates established for payment of installments of interest or principal or sinking fund installments, the subsequent monthly payments shall be adjusted so that the amounts deposited to pay the next installments and not withdrawn for the purchase or redemption of Bonds will be equal to the amounts needed to pay the installments, and any excess shall be returned to the Revenue Account. If the first installment of interest on the Bonds of a Series will come due in more or less than six months, or the first installment of principal or sinking fund installment in less than twelve months, the number of monthly payments to provide for that installment shall be increased or decreased, as the case may be, and the amount of each payment adjusted accordingly, so that in any event the amount required to pay the entire installment shall be deposited not later than the twentieth day of the calendar month before the date on which it falls due.

(f) At least one business day before an installment of interest or principal or a sinking fund installment becomes due (or immediately in the case of any interest, principal or sinking fund installment already due), the State shall transfer to the Debt Service Account from the Revenue Account any amount necessary to cover any insufficiency arising from any cause in the Debt Service Account.

SECTION 3.4. Rebate Account. There is hereby established a special trust fund of the State to be held and administered by the Trustee and to be known as the "Turnpike System Revenue Bond Rebate Account." Amounts deposited into the Rebate Account shall be applied as provided in any Supplemental Resolution providing for the issuance of a Series of Bonds.

SECTION 3.5. Debt Service Reserve Account. (a) There is hereby established a special reserve fund of the State to be held in trust and administered by the Trustee and to be known as the "Turnpike System Revenue Bond Debt Service Reserve Account". There shall be deposited from the proceeds of each Series of Bonds into the Debt Service Reserve Account the amount necessary so that there will be on deposit in the Debt Service Reserve Account immediately after issuance of the Series an amount equal to the Debt Service Reserve Account Requirement.

(b) If there is a deficiency in the amounts available in the Debt Service Account to pay an installment of interest or principal or a sinking fund installment when due, the Trustee shall make up the deficiency by transfer from the Debt Service Reserve Account.

(c) If the amount in the Debt Service Reserve Account is less than the Debt Service Reserve Account Requirement on the twentieth day of any month, the State shall forthwith make up the deficiency from the Revenue Account. If the amount in the Debt Service Reserve Account is greater than the Debt Service Reserve Account

Requirement on the twentieth day of any month or immediately after the issuance of a Series of Bonds, the excess, subject to Section 3.10(e), shall be deposited in the Revenue Account.

(d) Notwithstanding the foregoing provisions, in lieu of any or all of the required deposits into the Debt Service Reserve Account, the State may cause to be deposited into the Debt Service Reserve Account a surety bond, an insurance policy or a letter of credit payable to the Trustee for the benefit of the Bondholders in an amount equal to the difference between the Debt Service Account Requirement and the sums then on deposit in the Debt Service Reserve Account, if any. The surety bond, insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on any interest payment date on which moneys will be required to be withdrawn from the Debt Service Reserve Account and applied to the payment of an installment of interest or principal or a sinking fund installment on any Bonds and such withdrawal cannot be met by amounts on deposit in the Debt Service Reserve Account or provided from any other Account under the Resolution. The insurer providing such surety bond or insurance policy shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated not lower than the second highest rating category by the national rating agency or agencies then rating the Bonds, or any insurer who holds the highest policyholder rating accorded insurers by A.M. Best & Co. or any comparable service. The letter of credit issuer shall be a bank or trust company having a long-term debt rating not lower than the second highest rating category by the national rating agency or agencies then rating the Bonds. If a disbursement is made pursuant to a surety bond, an insurance policy or a letter of credit provided pursuant to this subsection, the State shall be obligated either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit or (ii) to deposit into the Debt Service Reserve Account funds in the amount of the disbursement made under such surety bond, insurance policy or letter of credit, or a combination of such alternatives, as necessary to ensure that the amount in the Debt Service Reserve Account equals the Debt Service Reserve Account Requirement.

SECTION 3.6. Special Redemption Account. (a) There is hereby established a special trust fund of the State to be held and administered by the Trustee and to be known as the "Turnpike System Revenue Bond Special Redemption Account". Excess proceeds after the Completion Date of a Project that are transferred to the Special Redemption Account pursuant to Section 3.9 and proceeds of insurance or condemnation or other disposition of System assets deposited into the Special Redemption Account pursuant to Sections 4.5 and 4.6, shall be applied by the Trustee at the direction of the Treasurer as soon as practicable to the purchase or redemption of Bonds. The purchase price (excluding accrued interest) shall not exceed the earliest available redemption price (excluding accrued interest). If the accrued interest on a purchase or redemption of Bonds is available in the Debt Service Account, it shall be paid from the Debt Service Account. Otherwise, the Treasurer shall transfer moneys from the Revenue Account to the Special Redemption Account to pay accrued interest on the purchase or redemption of Bonds or to reimburse the Special Redemption Account for accrued interest already paid.

(b) Except as otherwise provided in the Supplemental Resolution providing for the issuance of a Series of Bonds for a Project, moneys in the Special Redemption Account borrowed for or attributable to the Project shall be used to purchase or redeem Bonds of that Series (to the extent issued for that Project) and, if more than one Series of Bonds has been issued for the Project, the Trustee shall select the Series to be redeemed.

(c) Moneys in the Special Redemption Account not attributable to a Project financed by Bonds shall be used to purchase or redeem Bonds of such one or more Series as may be determined by the Treasurer.

(d) Nothing in this section shall be deemed to authorize redemption of any Series of Bonds otherwise than in accordance with their terms.

SECTION 3.7. General Reserve Account. (a) There is hereby established a special trust fund of the State to be held and administered by the Treasurer and to be known as the "Turnpike System General Reserve Account." Not later than the twentieth day of each month, the Treasurer shall pay from the Revenue Account into the General Reserve Account the balance, if any, remaining after making the deposits required under this Article III and under Section 4.5(b) if applicable.

(b) Moneys in the General Reserve Account shall be applied in the following order of priority:

First, to make up any deficiencies in payments from the Revenue Account required by the Resolution to be paid to the accounts and in the order specified in Section 3.1(b);

Second, to provide funds to pay Renewal and Replacement Costs to the extent necessary to meet the Renewal and Replacement Requirement for the then current Fiscal Year;

Third, to pay general obligation bonds issued by the State for the purposes of the System; and

Fourth, subject to the terms of any pledge securing any subordinate lien obligations issued in accordance with Section 2.4, for any other lawful purpose of the System, including without limitation (1) the purchase or redemption of Bonds; (2) payments into the Construction Account; (3) payments into the Revenue Account; (4) improvements, extensions and replacements of the System or the provision of reserves therefor; (5) repayment of loans or advances from State funds other than the Revenues; and (6) the pledging of the moneys free and clear of the lien of the Resolution to secure other obligations of the State with respect to the System.

SECTION 3.8. Construction Account. There is hereby established a special trust fund of the State to be held and administered by the Treasurer and to be known as the "Turnpike System Revenue Bond Construction Account". Moneys in the Construction Account shall be applied to the payment of the Project Costs of the respective Projects for which the Bonds are issued. Before any payment is made for this purpose from the Construction Account, the State shall file with the Treasurer a written order, signed by an Authorized Officer identifying the Project and stating (a) the name and address of the person to whom the payment is due, (b) the item or items to be paid, (c) the amount to be paid for each item, (d) that each item is a proper item for payment from the Construction Account, (e) that the amount to be paid has not already been paid from any account maintained by the Treasurer under the Resolution, and (f), if payment is to be made to the State, that the State has advanced payment for the item from other funds.

SECTION 3.9. Project Completion. (a) As soon as practicable after the Completion Date of a Project financed by Bonds, an Authorized Officer shall file a certificate with the Treasurer stating that the Project has been completed, giving its Completion Date, and setting forth any remaining Project Costs of the Project (including contingencies and disputed items) to be paid from the Construction Account. Any balance of moneys for the Project in the Construction Account not needed to pay the remaining Project Costs shall be deposited in the Debt Service Reserve Account to the extent necessary to cause the amount in the Debt Service Reserve Account to equal the Debt Service Reserve Fund Requirement and, as the State shall determine, the balance shall be transferred to the Special Redemption Account or be retained in the Construction Account for the purpose of paying Project Costs of other Projects.

(b) As soon as practicable after final payment of the Project Costs of a Project financed by Bonds, an Authorized Officer shall file a certificate with the Treasurer stating that no Project Costs of the Project remain to be paid from the Construction Account and any balance of moneys for the Project then in the Construction Account shall be transferred or retained in the foregoing order of priority.

SECTION 3.10. Investment of Accounts. (a) Moneys in the Revenue Account and the General Reserve Account not needed for immediate disbursement may be invested by the Treasurer as permitted by law.

(b) Other moneys held by the Treasurer or by the Trustee under the Resolution which are not needed for immediate disbursement shall, to the extent practicable and reasonable, be invested in Permitted Investments (as defined in subsection (c) below) by the Treasurer in the case of the accounts held by the Treasurer, or by the Trustee as directed by the Treasurer (or in the discretion of the Trustee if no direction is received from the Treasurer) in the case of other Accounts, subject to the following:

(1) The Permitted Investments must mature or be redeemable at the option of the holder at or before the time when the moneys are expected to be needed.

(2) The only types of Permitted Investments in which moneys in the Direct Service Reserve Account may be invested are direct and general obligations of, or obligations guaranteed by, the United States of America.

(3) Moneys in several accounts may be invested in undivided interests in the same Permitted Investments if they are otherwise eligible for each of the several funds. Permitted Investments may be transferred in kind at fair market value from one account to another when transfers are required if they are eligible for the transferee account.

(4) In the event that invested moneys in an account are required for expenditure or transfer, the investments shall be sold or redeemed to the extent necessary, subject to the notice provisions of Section 9-504(3) of the Uniform Commercial Code to the extent applicable. Permitted Investments may be sold by one account to another if eligible for investment by the latter.

(c) The term "Permitted Investments" means the following, to the extent permitted by RSA 6:7 and 8 as amended from time to time:

(1) Defeasance Obligations;

(2) bonds, notes or other evidences of indebtedness issued or guaranteed by the Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Bank System, Federal Land Banks, Farmers Home Administration, Student Loan Marketing Association, Federal National Mortgage Association, or Government National Mortgage Association;

(3) direct and general obligations of any state of the United States for the payment of the principal of and interest on which the full faith and credit of the state is pledged, provided that, at the time of their purchase, such obligations are rated in either of the two highest rating categories by Moody's Investors Service, Inc. and Standard & Poor's Corporation;

(4) interest-bearing deposit accounts, certificates of deposit or similar banking arrangements maturing within one year, which are either (A) fully insured by the Federal Deposit Insurance Corporation, or (B) fully secured at all times by Defeasance Obligations, or (C) with a bank or trust company that is rated in either of the two highest rating categories by Moody's Investors Service, Inc. and Standard & Poor's Corporation;

(5) repurchase agreements, with a term of not more than one year or due on demand, relating to and fully secured by Defeasance Obligations with a bank or trust company, or with a government bond dealer reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York; provided that the market value of such securities is marked-to-market weekly and maintained at one hundred four per cent (104%) of the repurchase price plus accrued interest specified in the agreement and that such securities are segregated from the unencumbered assets of such bank or trust company or government bond dealer; and provided further that the agreement shall expressly authorize the Trustee to liquidate the purchased securities in the event of the insolvency of the party required to repurchase such securities or the commencement against such party of a case under the federal Bankruptcy Code or the appointment of or taking possession by a trustee or custodian in a case against such party under the Bankruptcy Code; and

(6) investment agreements with a bank or bank holding company which is rated at their time of purchase in either of the two highest rating categories by Moody's Investors Service, Inc. and Standard & Poor's Corporation, which agreements have been approved for sale by a national securities exchange and all regulatory authorities having jurisdiction.

Permitted Investments may be purchased from or through the Trustee.

(d) A security interest required by this section must be perfected in such manner as may be provided by law. In the case of a repurchase agreement, if under applicable law (including the federal Bankruptcy Code) the agreement is recognized as transferring ownership in the underlying securities to the investing party with a right to liquidate the securities and apply the proceeds against the repurchase obligation, all free and clear of the claims of creditors and transferees of the other party, the interest of the investing party shall be regarded as the equivalent of a perfected security interest for the purposes of this paragraph. In any case, however, if the underlying securities or the securities subject to the security interest are certificated securities (rather than uncertificated or book entry securities), they shall be delivered to the Trustee, or to a depository satisfactory to the Trustee, either as agent for the Trustee or as bailee with appropriate instructions and acknowledgement, at the time of or prior to the investment, or, if the security interest is perfected without delivery, delivery shall be made within three business days. Possession by the Trustee of the security for an obligation of the Trustee shall not be deemed to satisfy the requirements of this paragraph unless there is an opinion of counsel satisfactory to the Trustee to the effect that such possession satisfies the requirements of this paragraph.

(e) Except as set forth below or as otherwise provided in the Supplemental Resolution providing for the issuance of a Series of Bonds, all income from investments in any account established under the Resolution (including net profit from the sale of any investment) shall accrue to and be held in the account. Income from investment of the Special Redemption Account shall be transferred to the Debt Service Account and credited against the amounts otherwise required to be deposited in the Debt Service Account. For the period until the Completion Date of a Project financed by Bonds (or until the Project is discontinued pursuant to Section 4.11) income accruing from investment of the proceeds of Bonds issued to finance or refinance the Project which have been deposited in the Debt Service Account, the Construction Account, and the Debt Service Reserve Account, shall be deposited in the Construction Account, or as otherwise provided by the Supplemental Resolution under which the Bonds are issued for the Project. Any loss from investment of a fund or account shall be charged to the account but, unless otherwise made up, shall be set off against income from investment of the account which would otherwise be deposited in another account.

(f) Except as otherwise provided in the Supplemental Resolution providing for the issuance of a Series of Bonds, investments shall be valued at cost (plus amortized discount or minus amortized premium but excluding accrued interest to the date of purchase) plus accrued interest to the date as of which they are valued unless the Treasurer or the Trustee determines that a lower valuation is necessary by reason of uncertainty of payment or anticipated loss on sale prior to maturity.

ARTICLE IV COVENANTS

SECTION 4.1. Tolls and Charges. (a) The State shall establish and collect tolls and charges for the use of the System adequate at all times, with other available funds, to provide for the proper operation and maintenance of the System and for the timely payment of the principal of and interest on all bonds, notes or other evidences of indebtedness payable from the Revenues and all other required payments in connection with the System.

(b) Without limiting the generality of the foregoing, the State shall establish and collect tolls and charges sufficient so that in each Fiscal Year its Net Revenues will be at least equal to the Net Revenue Requirement. A failure to generate Net Revenues in accordance with this subsection shall not be considered a default by the State if the State is taking timely corrective action under subsection (c).

(c) The State shall review the adequacy of its tolls and charges as soon as is practicable after the end of each Fiscal Year. If this review indicates that the tolls and charges are, or will be, insufficient to meet the requirements of subsections (a) and (b), or if it otherwise appears at any time that the tolls and charges are or will be insufficient, the State shall forthwith cause the Independent Engineer to make a study and to recommend within 90 days after the beginning of the then current Fiscal Year a schedule of tolls and charges which will provide Revenues sufficient to comply with the requirements of subsections (a) and (b) in the following Fiscal Year and to restore any deficiency at the earliest practicable time, unless the Independent Engineer certifies that such a schedule of tolls and charges is impracticable at that time and that the State therefore cannot comply with those subsections and recommends instead a schedule of tolls and charges to comply as nearly as practicable with those subsections.

If the tolls and charges are or will be insufficient, the State will place the schedule of tolls and charges recommended by the Independent Engineer in effect not later than 180 days after the beginning of the then current Fiscal Year.

SECTION 4.2. Annual Budget. For each Fiscal Year the State shall file with the Treasurer an Annual Budget relating to the System, which Annual Budget shall be consistent with the then current biennial budget enacted by the State legislature. The State may at any time adopt and file with the Treasurer an amended or supplemental Annual Budget for the Fiscal Year then in progress. The Annual Budget shall show projected Operating Expenses, Debt Service, Renewal and Replacement Costs and other payments from the Revenue Account and the General Reserve Account and the Revenues to be available to pay the same. Until the Annual Budget for a Fiscal Year has been filed with the Treasurer, any reference in the Resolution to the Annual Budget shall be deemed to be a reference to the Annual Budget for the preceding Fiscal Year.

SECTION 4.3. Independent Engineer. The State shall retain one or more independent consulting engineers or engineering firms, having a national reputation for knowledge and experience in analyzing the operations of this type of system, to perform the duties of the Independent Engineer under the Resolution. The duties of the Independent Engineer may be performed solely by one or cumulatively by several persons or firms qualifying as Independent Engineer. One person or firm serving as Independent Engineer may rely on a certificate or opinion of another person or firm serving as Independent Engineer.

SECTION 4.4. Operation, Maintenance and Improvement of the System. The State shall operate and maintain the System and make improvements to the same in accordance with prudent practice for this type of system.

SECTION 4.5. Insurance. (a) The State shall at all times maintain such insurance with respect to the System, either through insurance reserves or through insurance policies, as it determines is prudent or necessary to protect the interests of the State and the Bondholders. In the event of loss or damage to property covered by the insurance, the State shall repair and reconstruct or replace the damaged or lost property as soon as practicable and to the extent necessary for the proper conduct of its operations and shall apply the proceeds of the insurance for that purpose to the extent needed. Any excess proceeds from property insurance shall be paid to the Trustee for deposit in the Debt Service Reserve Account to the extent necessary to cause the amount in the Debt Service Reserve Account to equal the Debt Service Reserve Account Requirement and the balance shall be deposited, as the State shall determine, in the Construction Account (for the purpose of paying Project Costs of Projects designated by the State) or the Special Redemption Account.

(b) There is hereby established a special trust fund of the State to be held and administered by the Treasurer and to be known as the "Turnpike System Insurance Reserve Account." Upon delivery of the first Series of Bonds issued under the Resolution the State shall deposit the sum of \$3,000,000 into the Insurance Reserve Account, which amount will be available to insure against risks that would otherwise be covered by policies of insurance. The State, acting through its Department of Insurance, shall annually review the kinds and amounts of insurance policies and self-insurance maintained by the State with respect to the System and no later than sixty days after the end of each Fiscal Year shall deliver to the Treasurer a report describing the insurance then in effect and a certificate from the Commissioner of Insurance of the State setting forth the Insurance Reserve Requirement for the next Fiscal Year or any portion thereof; provided, however, that the Insurance Reserve Requirement shall at all times be no less than \$3,000,000. If at any time the Insurance Reserve Requirement shall be increased pursuant to this section or if as of the last business day of a Fiscal Year the balance in the Insurance Reserve Account shall be less than the Insurance Reserve Requirement for that Fiscal Year, the certificate required by the foregoing sentence shall also specify the dates and amounts of deposits to the Insurance Reserve Account during the next succeeding Fiscal Year so that no later than the last day of such next succeeding Fiscal Year the balance in the Insurance Reserve Account shall equal the Insurance Reserve Requirement as of that date. If there is a deficiency in the amounts available in the Debt Service Account to pay an installment of interest or principal or a sinking fund installment when due, after first taking account of any transfer from the Debt Service Reserve Account required by Section 3.5 and any transfer from the General Reserve Account required by Section 3.7, the State shall make up the deficiency by transfer from the Insurance Reserve Account and the State shall reimburse the Insurance Reserve Account from the next available moneys in the Revenue Account after payment of Operating Expenses and after any required payments into the Debt

Service Account, Rebate Account and Debt Service Reserve Account. Subject to the foregoing, amounts withdrawn from the Insurance Reserve Account shall be applied in the same manner as provided in this section for the proceeds of insurance, provided that if at any time the balance in the Insurance Reserve Account exceeds the Insurance Reserve Requirement then applicable the State may transfer the excess amount to the General Reserve Account to be applied in accordance with Section 3.7.

SECTION 4.6. No Encumbrance or Disposition of the Revenues or Properties of the System. The State shall not sell, mortgage, lease or otherwise dispose of or encumber the Revenues or any properties of the System, except that:

(a) The State may sell, lease, or otherwise dispose of for fair market value any portion of the properties of the System which in the reasonable judgment of the State has become obsolete or worn out, or no longer used or useful, or which is to be or has been replaced by other property. Proceeds of a sale, lease or other disposition pursuant to this subsection shall be paid to the Trustee for deposit in the Debt Service Reserve Account to the extent necessary to cause the amount in the Debt Service Reserve Account to equal the Debt Service Reserve Account Requirement, and the balance shall be paid into the Revenue Account if the balance is not in excess of one per cent (1%) of the principal amount of the Outstanding Bonds. If the balance exceeds that sum, it shall be deposited, as the State shall determine, in the Construction Account (for the purpose of paying Project Costs of Projects designated by the State) or the Special Redemption Account.

(b) Except as provided in subsection (a), the State may also sell, lease, or otherwise dispose of for fair market value any portion of the properties of the System upon filing with the Trustee a certificate (1) of the Independent Engineer stating that the sale, lease or other disposition is in accordance with prudent practice for this type of system and containing the statements required by Section 2.3(a)(2)(D), and (2) of an Authorized Officer containing the statements required by Section 2.3(a)(2)(E), as if the date of the sale, lease or other disposition were a date of issuance of Bonds. Proceeds of a sale, lease or other disposition pursuant to this paragraph shall be paid to the Trustee for deposit in the Debt Service Reserve Account to the extent necessary to cause the amount in the Debt Service Reserve Account to equal the Debt Service Reserve Account Requirement, and any balance shall be paid into the Revenue Account if the balance is not in excess of one per cent (1%) of the principal amount of the Outstanding Bonds. If the balance exceeds that sum, it shall be deposited, as the State shall determine, in the Construction Account (for the purpose of paying Project Costs of Projects designated by the State) or the Special Redemption Account. Notwithstanding the foregoing provisions of this subsection, the State may make contracts for the use of any property of the System, including the rights-of-way adjoining the paved portions, for utilities, gas stations, restaurants and other related purposes permitted by law and may fix the terms, rents and charges for such use; any payments to the State under or in connection with any such contract, lease, license, easement, concession or right in respect of any part of the System shall constitute Revenues.

(c) If any portion of the properties of the System is taken by eminent domain, any moneys received by the State as a result shall be paid to the Trustee for deposit in the Debt Service Reserve Account to the extent necessary to cause the amount in the Debt Service Reserve Account to equal the Debt Service Reserve Account Requirement, and any balance shall be paid into the Revenue Account if the balance is not in excess of one per cent (1%) of the principal amount of the Outstanding Bonds. If the balance exceeds that sum, it shall be deposited, as the State shall determine, in the Construction Account (for the purpose of paying Project Costs of Projects designated by the State) or the Special Redemption Account.

(d) The State may apply the Revenues as provided in this Resolution, may encumber the Revenues for the benefit of the Bondholders to the extent and in the manner provided in this Resolution and may otherwise encumber the Revenues to the extent and in the manner provided in Sections 2.4 and 3.7.

SECTION 4.7. Books of Account; Annual Audit. The State shall keep proper books and accounts relating to the System. Within one hundred eighty days after the end of each Fiscal Year, the State shall file with the Trustee an annual financial statement, certified by an independent certified or registered public accountant or an independent firm of certified or registered public accountants. In addition to other matters required by law or sound accounting or auditing practice, the financial statement shall cover the transactions in any accounts held by the

Treasurer under the Resolution. The report of the auditor shall state whether there has come to the attention of the auditor in the course of its examination any Default under the Resolution and, if so, the nature of the Default.

SECTION 4.8. Payment of Claims. The State shall make timely payments of all lawful claims for labor, materials and supplies which, if not paid, might become a lien or charge upon any part of the System, or upon any of the Revenues; but the failure to do so will not be considered a violation of this section so long as the State is in good faith contesting the validity of the claim.

SECTION 4.9. Franchises and Other Rights. The State shall not allow franchises or permits to lapse so long as the same are necessary for the operation of the System.

SECTION 4.10. Payment for Service. The State shall not furnish services of the System free of charge to any person, firm or corporation, public or private, except as may be provided by laws or by policies of the State Department of Transportation in effect on the date of adoption of this Resolution. The State may, however, provide services or reduced rates to itself in lieu of taxes to the extent authorized by law or may charge in full for services to itself, to the extent permitted by law, provided that it does not make any change of practice in this respect which may reasonably be expected to be materially adverse to Bondholders. The State shall duly enforce the payment of delinquent accounts by discontinuing service, by filing suits, actions or proceedings or by exercising other remedies, to the extent permitted by law.

SECTION 4.11. Carrying Out Projects. The State shall proceed with due diligence to carry out and complete the Projects financed by the issuance of Bonds. The State may, however, discontinue a Project prior to its completion by written notice to the Treasurer and the Trustee, with a certificate of an Authorized Officer stating that, by reason of change of circumstance not reasonably expected at the time of issuance of the Bonds, completion of the Project is no longer consistent with prudent practice for this type of system. The moneys for the Project in the Construction Account not needed to pay Project Costs of the Project (as determined by a certificate of an Authorized Officer) shall be deposited in the Debt Service Reserve Account to the extent necessary to cause the amount in the Debt Service Reserve Account to equal the Debt Service Reserve Account Requirement and the balance shall be deposited, as the State shall determine, in the Construction Account (for the purpose of paying Project Costs of Projects designated by the State) or the Special Redemption Account.

SECTION 4.12. Federal Income Tax. Except as otherwise provided as to a Series of Bonds in the Supplemental Resolution providing for their issuance, the State shall not make any use of Bond proceeds or take any other action that would cause the interest on a Series of Bonds to become included in gross income for federal income tax purposes, and shall not fail to take any other lawful action necessary for interest on a Series of Bonds to be or continue to be excluded from gross income for federal income tax purposes.

ARTICLE V TRUSTEE

SECTION 5.1. Qualifications and Appointment of Trustee.

(a) There shall be at all times under this Resolution a Trustee, which shall be a corporation organized and doing business under the laws of the United States of America or of any state or territory or of the District of Columbia, be authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by federal, state, territorial or District of Columbia authority. The Trustee shall have a combined capital and surplus of not less than One Hundred Million Dollars (\$100,000,000). So long as it acts as bond registrar on any Series of Bonds, the Trustee shall be registered as a transfer agent with the Securities and Exchange Commission.

(b) The initial Trustee shall be appointed by the Treasurer.

SECTION 5.2. Replacement of Trustee. (a) A Trustee may resign upon not less than sixty days' written notice to the State.

(b) The holders of a majority in principal amount of Outstanding Bonds may remove a Trustee by so notifying the Trustee and the State. The State may remove a Trustee if no Event of Default exists and is continuing by so notifying the Trustee and the Bondholders.

(c) If a Trustee ceases to be eligible, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or a public officer takes charge of its property or affairs, (1) the State may remove the Trustee by written notice to the Trustee or (2) any Bondholder, on behalf of itself and all others similarly situated, may petition a court of competent jurisdiction for the removal of the Trustee. The court may thereupon remove the Trustee after such notice, if any, as it may deem proper or as may be required by law.

(d) If a Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Treasurer shall promptly appoint a successor Trustee. At any time within one year after the successor Trustee takes office, the holders of a majority in principal amount of Outstanding Bonds may appoint a successor Trustee to replace the successor Trustee appointed by the Treasurer.

(e) If no appointment of a successor Trustee has taken effect within sixty days after the retiring Trustee has given notice of resignation or is removed or a vacancy occurs for any other reason, the retiring Trustee or any Bondholder, on behalf of itself and all others similarly situated, may petition a court of competent jurisdiction for the appointment of a successor Trustee. The court may thereupon appoint a successor Trustee after such notice, if any, as it may deem proper or as may be required by law.

(f) A successor Trustee shall give notice of the acceptance of its appointment to the retiring Trustee, if any, and to the State. The successor Trustee shall then become fully vested with all the rights, powers, duties and obligations of its predecessor in trust under the Resolution without any further act or conveyance. The predecessor shall from time to time execute, deliver, record and file such instruments as the successor may reasonably require to confirm or perfect the succession.

(g) Upon acceptance of appointment the successor Trustee shall also mail a notice of its succession to all Bondholders but the appointment shall take effect without regard to the mailed notice.

(h) Any corporation into which a Trustee may be merged or with which it may be consolidated, or any corporation resulting from a merger or consolidation to which a Trustee is a party, or any corporation to which a Trustee may sell or transfer all or substantially all of its corporate trust business, shall be a successor Trustee, if it is otherwise eligible, without further action under this section.

(i) Notwithstanding anything in this section to the contrary, an entity shall not become a successor Trustee pursuant to this section unless it meets the qualifications of Section 5.1.

SECTION 5.3. Responsibilities of Trustee: Reliance on Certificates and Opinions.

(a) In case of an Event of Default of which a Trustee has knowledge, the Trustee shall use the same degree of care in the exercise of the powers and rights vested in it by the Resolution as a prudent person would use in the conduct of that person's own affairs.

(b) Prior to an Event of Default of which a Trustee has knowledge, and after the curing or waiving of all Events of Default known to the Trustee, the Trustee need perform only those duties that are specifically set forth in the Resolution and no others.

(c) When any action by a Trustee is called for by the Resolution, the Trustee may conclusively rely upon certificates and opinions conforming to the requirements of the Resolution with respect to satisfying any conditions precedent for the action to be taken or it may defer action pending receipt of such additional evidence, if any, as the Trustee may require for the purpose.

(d) Unless otherwise specifically provided, a Trustee shall have no duty with respect to reports, notices, certificates or other documents filed with it under the Resolution except to make them available for inspection.

(e) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction of Bondholders under the Resolution.

(f) A Trustee shall be protected when acting in good faith upon advice of counsel, who may be counsel to the State.

(g) A Trustee shall be under no obligation to pursue any remedy (other than acceleration or the giving of notice) unless it receives indemnity satisfactory to it against any loss, liability or expense.

(h) A Trustee shall not be deemed to have knowledge of any matter unless an officer in its corporate trust department has actual knowledge of the matter.

SECTION 5.4. Notice of Events of Default. If an Event of Default occurs and is continuing, the Trustee shall mail to Bondholders a notice of the Event of Default within sixty days after it becomes known to the Trustee. Except in the case of an Event of Default with respect to payment of the principal or redemption price of or interest on any Outstanding Bond, the Trustee may withhold the notice if and so long as a committee of its responsible officers in good faith determines that withholding the notice is in the best interest of Bondholders.

SECTION 5.5. Statements of Accounts. Not more than ninety days after the close of each Fiscal Year, the Trustee shall furnish to the State and make available for inspection by Bondholders a statement of:

- (a) the receipts and disbursements of moneys by the Trustee during the Fiscal Year under the Resolution,
- (b) the amount held by the Trustee at the end of the Fiscal Year in each account under the Resolution,
- (c) the investments held by the Trustee in each account as of the end of the Fiscal Year,
- (d) the principal amount of Bonds purchased by the Trustee during the Fiscal Year from moneys in any account under the Resolution and the purchase price of the Bonds,
- (e) the principal amount of Bonds redeemed by the Trustee during the Fiscal Year from each account and the redemption prices, and
- (f) any other information that the State may reasonably request.

SECTION 5.6. Trustee Not Responsible for Acts of the State; No Representations by Trustee. The Trustee shall not be responsible or have any liability for any act of the State. The Trustee shall not be responsible for the correctness of any recitals or representations in the Resolution or in the Bonds, all of which are made solely by the State. The Trustee makes no representations as to, and has no responsibility for, the validity of the Resolution or of the Bonds, except to the extent provided in the Uniform Commercial Code with respect to the authentication of Bonds by the Trustee.

SECTION 5.7. Trustee May Deal in Bonds and Other Indebtedness of the State. The Trustee and its directors, officers, employees and agents, may buy, sell, hold and deal in any of the Bonds, may join in any action which any holder of a Bond may be entitled to take, and may enter into other commercial or financial relationships with the State.

SECTION 5.8. Fees and Expenses of Trustee. The Trustee shall be entitled to reasonable fees and reimbursement by the State for all expenses reasonably incurred by it in the performance of its duties and powers

under the Resolution. The Trustee shall have a lien for these fees and reimbursement on the moneys pledged to secure the Bonds and held by it under the Resolution, prior to the lien of the holders of the Bonds.

ARTICLE VI THE BONDHOLDERS

SECTION 6.1. Action by Bondholders. (a) Any action which may be taken under this Resolution by Bondholders may be contained in and evidenced by one or more writings of substantially the same tenor signed by the requisite number of Bondholders or their agents duly appointed in writing.

(b) Proof of the execution of any such instrument, or of an instrument appointing any such agent, shall be sufficient (except as otherwise expressly provided in the Resolution) if made in the following manner, but either the State or the Trustee may nevertheless in its separate discretion require different or additional proof:

(1) The fact and date of the execution by any Bondholder or its agent of the instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Treasurer or to the Trustee, or of any notary public or other officer authorized to take acknowledgements of deeds in the state in which the acknowledgement occurs, that the person signing the request or other instrument acknowledged its execution to the notary public or other officer, or by an affidavit of a witness of the execution, duly sworn to before the notary public or other officer.

(2) The authority of the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if the instrument is signed by a person purporting to be the president or a vice president of the corporation with a corporate seal affixed and attested by a person purporting to be its clerk or secretary or assistant clerk or assistant secretary.

(c) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same, shall be proved by the registration books.

(d) Any action under the Resolution by the owner of any Bond shall bind the owner taking the action and all future owners of the indebtedness represented by the Bond. But any action under the Resolution by the owner of a Bond may be revoked by the owner taking the action or by a subsequent owner of the same indebtedness by a written instrument filed with the Treasurer and the Trustee prior to the time when the required percentage of the Bondholders have concurred in the action.

(e) In determining whether the owners of the requisite principal amount of Bonds have concurred in any action under the Resolution, any Bonds which are owned by or for the account of the State, and except for the purpose of Section 2.9(e) any Bonds which are no longer deemed Outstanding pursuant to Section 2.9(a), shall be disregarded.

ARTICLE VII DEFAULTS AND REMEDIES

SECTION 7.1. Events of Defaults and Defaults Defined. (a) "Event of Default" in the Resolution means any one of the following events:

(1) The State fails to make any payment of principal or redemption price of any of the Bonds when due, whether at maturity or by proceedings for redemption or otherwise.

(2) The State fails to make any payment of interest on any of the Bonds when due and the failure continues for thirty (30) days.

(3) The State fails to make any payment required to be made into any account held by the Trustee under the Resolution and the failure continues for thirty (30) days.

(4) The State sells, mortgages, leases or otherwise disposes of or encumbers the Revenues or any properties of the System in violation of the Resolution, or makes an agreement to do so.

(5) Any part of the System shall be damaged or destroyed to the extent of impairing its efficient operation and having a material adverse effect on Revenues and shall not be promptly repaired, replaced or reconstructed.

(6) The State fails to perform any other covenant or agreement contained in the Resolution and the failure continues for sixty (60) days after written notice to the State by the Trustee or to the State and the Trustee by the owners of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds.

(b) A "Default" means any of the foregoing events without regard to notice or any grace period.

SECTION 7.2. Acceleration of Maturities. If an Event of Default occurs and has not been cured, either the Trustee (by written notice to the State), or the owners of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds (by written notice to the State and the Trustee), may declare the principal of all Outstanding Bonds and the accrued interest to be due and payable immediately.

The owners of a majority in principal amount of the Outstanding Bonds, by written notice to the State and to the Trustee, may annul the acceleration if the annulment would not conflict with any final judgment or decree and if all outstanding Events of Default have been cured (other than nonpayment of principal or interest coming due by reason of the acceleration). If the Trustee has declared the acceleration without a direction from the Bondholders, and if there has not been delivered to the Trustee a written direction to the contrary by the owners of a majority in principal amount of the Outstanding Bonds, the acceleration shall be deemed annulled upon the curing of all outstanding Events of Default (other than nonpayment of principal and interest coming due by reason of the acceleration) if the annulment would not conflict with any final judgment or decree.

SECTION 7.3. Payment of Funds to the Trustee; Application of Funds. (a) If an Event of Default occurs and has not been cured, the Treasurer upon demand of the Trustee shall pay over and transfer to the Trustee the funds and investments in the Construction Account, and the Treasurer upon demand of the Trustee shall pay over and transfer to the Trustee all Revenues on hand and all moneys and investments then held by the Treasurer in any funds and accounts held by it under this Resolution and shall transfer to the Trustee, as received and in the form received, all subsequent Revenues. After a transfer of the moneys and investments in an account under this paragraph, the Trustee shall administer the account until all Events of Default have been cured.

(b) If at any time the available funds are insufficient for the payment of the principal or redemption price and interest then due on the Bonds, the following accounts (other than funds held in trust for the payment or redemption of particular Bonds) shall be used in the following order:

Debt Service Account
Debt Service Reserve Account
General Reserve Account
Insurance Reserve Account
Construction Account
Special Redemption Account

and the State shall promptly restore from the Revenue Account any amount taken for this purpose from any account other than the Debt Service Account. The moneys shall be applied in the following order of priority:

First, to the payment of all unpaid interest then due on Bonds (including any interest on overdue principal and, to the extent permitted by law, interest on overdue interest at the same rate) in the order in which the same becomes due, and, if the amount available is sufficient to pay the unpaid interest which became due on any date in part but not in full, then to the payment of that interest ratably; and

Second, to the payment of the unpaid principal or redemption price of Bonds then due ratably without regard to when the same became due.

(c) Whenever moneys are to be so applied, they shall be applied at such times as the Trustee shall determine, having due regard to the amount available and the likelihood of additional moneys becoming available. The Trustee shall use an interest payment date as the date of payment under this paragraph unless it deems another date more suitable. On the date fixed for payment interest shall cease to accrue on the amounts of principal and interest to be paid on that date to the extent that the necessary moneys have been made available for payment.

(d) Interest on overdue principal and on interest (to the extent permitted by law) shall accrue and be payable daily but, for the purpose of applying the order of priority prescribed by this Section (and of calculating interest on interest), it shall be treated as if it became due on the regular interest payment dates.

SECTION 7.4. Remedies Not Exclusive. No remedy conferred by the Resolution upon the Trustee or the owners of the Bonds is intended to be exclusive of any other remedy, but each shall be in addition to every other remedy given under the Resolution or provided at law or in equity or by statute.

SECTION 7.5. Waivers of Default. (a) No delay or omission of the Trustee or of any Bondholder to exercise any right or power arising upon the occurrence of an Event of Default shall impair any right or power or be construed to be a waiver of the Event of Default.

(b) The owners of not less than sixty-six and two-thirds percent (66 2/3%) in principal amount of the Outstanding Bonds may on behalf of the owners of all of the Bonds waive any past Default under the Resolution and its consequences, except a Default in the payment of the principal or redemption price of and interest on any of the Bonds. No such waiver shall extend to any subsequent or other Default.

SECTION 7.6. Other Remedies. (a) The Trustee may pursue any available remedy at law or in equity to collect the payment of principal or redemption price of and interest on the Bonds or to enforce the performance of any provisions of the Bonds or this Resolution. The Trustee may maintain a proceeding even if it does not possess any of the Bonds or does not produce them in the proceeding.

(b) The owners of a majority in principal amount of Outstanding Bonds may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, but the Trustee may refuse to follow any direction that conflicts with law or the Resolution, is unduly prejudicial to the rights of any Bondholder, or would involve the Trustee in liability from its own funds.

SECTION 7.7. Limitation on Suits. A Bondholder may bring an action at law to recover the principal or redemption price or interest due or overdue on its Bond or Bonds. A Bondholder may pursue any other remedy at law or in equity with respect to the Resolution or the Bonds only if:

(a) the Bondholder gives the Trustee written notice of a continuing Event of Default;

(b) the owners of at least twenty-five percent (25%) in principal amount of Outstanding Bonds make a written request to the Trustee to pursue the remedy;

(c) the Bondholders making the request offer to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within sixty (60) days after receipt of the request and the offer of indemnity; and

(e) during the sixty (60) day period the owners of a majority in principal amount of Outstanding Bonds do not give the Trustee a direction inconsistent with the request.

ARTICLE VIII
AMENDING AND SUPPLEMENTING THE RESOLUTION

SECTION 8.1. Without Consent of Bondholders. The State, acting through the Governor and Council, may from time to time, with the written concurrence of the Trustee but without the consent of any Bondholder, adopt Supplemental Resolutions (a) to provide for the issuance of additional Bonds pursuant to Article II; (b) to make changes in the Resolution which may be required to permit the Resolution to be qualified under the Trust Indenture Act of 1939 as amended; and (c) for any one or more of the following purposes:

- (1) to cure or correct any ambiguity, defect or inconsistency in the Resolution;
- (2) to add additional covenants and agreements of the State for the purpose of further securing the payment of the Bonds;
- (3) to limit or surrender any right, power or privilege reserved to or conferred upon the State by the Resolution;
- (4) to confirm any lien or pledge created or intended to be created by the Resolution;
- (5) to confer upon the Bondholders additional rights or remedies or to confer upon the Trustee for the benefit of the Bondholders additional rights, duties, remedies or powers; and
- (6) to modify the Resolution in any other respect, provided that the modification shall not be effective until after the Outstanding Bonds affected by the modification cease to be Outstanding.

SECTION 8.2. With Consent of Bondholders. (a) With the written concurrence of the Trustee and the consent of the owners of not less than sixty-six and two thirds percent (66 2/3%) in principal amount of the Outstanding Bonds, the State may from time to time adopt Supplemental Resolutions for the purpose of making other changes in the Resolution; provided, however, that without the consent of the owner of each Bond affected, no Supplemental Resolution shall:

- (1) change the maturity date for the payment of the principal of any Bond or the dates for the payment of interest on any Bond or the terms of the redemption of any Bond, or reduce the principal amount of any Bond or the rate of interest on any Bond or the redemption price of any Bond;
- (2) reduce the requirement of consents under this proviso for a Supplemental Resolution; or
- (3) give to any Bond preference over any other Bond.

(b) It shall not be necessary that the consents of the Bondholders approve the particular wording of the proposed Supplemental Resolution if the consents approve the substance. After the owners of the required percentage of Bonds have filed their consents with the Trustee, the Trustee shall mail notice to the Bondholders. No action or proceeding to invalidate the Supplemental Resolution shall be instituted or maintained unless it is commenced within sixty (60) days after the Trustee has notified the State that it has mailed the notice to the Bondholders.

SECTION 8.3. Notation Upon Bonds; New Bonds Issued Upon Amendments. Bonds delivered after the effective date of a Supplemental Resolution may bear an appropriate notation as to the Supplemental Resolution. If the State so determines, new Bonds modified to conform to the amendments made by the Supplemental Resolution shall be prepared and executed and, upon demand of the owners of existing Bonds, exchanged for the existing Bonds.

SECTION 8.4. Effective Date of Supplemental Resolution. Upon the adoption of a Supplemental Resolution pursuant to this Article and the delivery to the Trustee of an opinion of nationally recognized bond

counsel selected by the State and satisfactory to the Trustee that the Supplemental Resolution has been duly adopted and is permitted by the Resolution, the Supplemental Resolution shall take effect and be part of the Resolution.

SECTION 8.5. Supplemental Resolution Affecting Trustee. No Supplemental Resolution reducing the rights or enlarging the duties and obligations of the Trustee shall take effect without the written consent of the Trustee.

ARTICLE IX MISCELLANEOUS

SECTION 9.1. Benefits of Resolution Limited to the State, Trustee and Bondholders. Nothing in the Resolution or the Bonds is intended to confer upon any person other than the State, the Trustee and the Bondholders any legal or equitable right, remedy or claim.

SECTION 9.2. Resolution Binding Upon Successors or Assigns of the State. The Resolution shall be binding upon the successors and assigns of the State, and shall inure to the benefit of the Trustee, its successors in trust and the Bondholders.

SECTION 9.3. Notices to Bondholders. Except as is otherwise provided in the Resolution, any provision in the Resolution for the mailing of a notice to Bondholders shall be complied with by mailing to each registered owner at its address, if any, appearing upon the registration books.

SECTION 9.4. Notices to State and Trustee. Wherever provision is made in the Resolution for a notice, direction or request to the State or the Trustee, the same shall be in writing and shall be deemed given when (a) delivered at or (b) mailed by registered, certified or express mail to:

(1) in the case of the State, the principal office of its Treasurer (re: New Hampshire Turnpike System Revenue Bonds); and

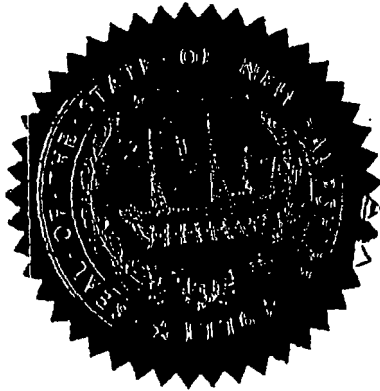
(2) in the case of the Trustee, the corporate trust office of the Trustee, attention of Corporate Trust Office (re: New Hampshire Turnpike System Revenue Bonds), or in either case, at such other office or addressed in such other manner as the party to whom the notice is given has designated by written notice to the party giving the notice.

SECTION 9.5. Waiver of Notice. Notice under the Resolution may be waived in writing by the person entitled to receive it.

SECTION 9.6. Severability. If any provision of the Resolution is held invalid in any circumstance, that invalidity shall not affect any other provisions or circumstances.

SECTION 9.7. Law and Place of Enforcement of the Resolution. The Resolution shall be construed and governed in accordance with the laws of the State of New Hampshire and all suits and actions arising out of the Resolution shall be instituted in a court or courts of competent jurisdiction in the State of New Hampshire.

The Governor and Council hereby certify that the attached Supplemental Resolution was adopted at their meeting on February 3, 1999.



James A. Sabatini
Governor

Ray Sinton
Councilor

Al Spauldy
Councilor

Leah L. Sheffer
Councilor

Thomas P. Colantuono
Councilor

[Signature]
Councilor

A true copy
Attest:

[Signature]
Secretary of State

STATE OF NEW HAMPSHIRE

SUPPLEMENTAL RESOLUTION

Authorizing the Issuance of

up to

**\$97,000,000
State of New Hampshire
Turnpike System Revenue Bonds,
1999 Series**

Adopted

February 3, 1999

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**SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE
OF UP TO \$97,000,000 STATE OF NEW HAMPSHIRE TURNPIKE
SYSTEM REVENUE BONDS, 1999 SERIES**

Be it resolved by the Governor and Council of the State of New Hampshire as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS

SECTION 1.1. Authority. This Supplemental Resolution (hereinafter referred to as the "1999 Series Resolution") is adopted in accordance with the provisions of Article II, Section 2.2, and Article VIII of the General Bond Resolution adopted November 9, 1987, as amended (the "General Resolution"), authorizing the issuance of Turnpike System Revenue Bonds of the State pursuant to the authority contained in Chapter 237-A of the New Hampshire Revised Statutes Annotated (the "Act").

SECTION 1.2. Definitions. (a) All terms which are defined in Article I of the General Resolution shall have the same meanings in this 1999 Series Resolution and with respect to the 1999 Series Bonds (as defined below), unless the context shall clearly indicate some other meaning.

(b) In this 1999 Series Resolution, the following terms shall have the following meanings, unless the context otherwise requires:

"Bond Insurance Policy" means the municipal bond new issue insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the 1999 Insured Bonds.

"Bond Insurer" means, with respect to the 1999 Insured Bonds, Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate, dated as of the date of delivery of the 1999 Series Bonds, executed by the Treasurer, Governor and Commissioner of the Department of Transportation on behalf of the State.

"Refunded Bonds" means the \$6,495,000 aggregate principal amount of the State's Turnpike System Revenue Bonds, 1990 Series, dated March 15, 1990 and maturing on April 1 in the years 2001 through 2003, inclusive.

"Refunding Trust Agreement" means the Refunding Trust Agreement between the State of New Hampshire and State Street Bank and Trust Company, as Trustee, dated as of the date of delivery of the 1999 Refunding Series B Bonds.

"1999 Insured Bondholders" means the registered owners of the 1999 Insured Bonds from time to time as shown in the registration books of the bond registrar.

"1999 Insured Bonds" means the 1999 Series Bonds maturing on and after April 1, 2003.

"1999 Refunding Series B Bonds" shall have the meaning set forth in Section 2.1 hereof.

"1999 Series A Bonds" shall have the meaning set forth in Section 2.1 hereof.

"1999 Series Bonds" means the series of Bonds authorized by Article II hereof.

ARTICLE II

AUTHORIZATION OF 1999 SERIES BONDS

SECTION 2.1. Principal Amount, Designation and Series. Pursuant to the provisions of the General Resolution, two series of Bonds are hereby authorized in the maximum aggregate principal amount of \$97,000,000. One Series, in the aggregate principal amount of \$90,000,000, shall be designated as "Turnpike System Revenue Bonds, 1999 Series A (the "1999 Series A Bonds") and one Series, in the maximum aggregate principal amount of \$7,000,000, shall be designated as "Turnpike System Revenue Bonds, 1999 Refunding Series B" (the "1999 Refunding Series B Bonds"). The principal amount of the 1999 Refunding Series B Bonds shall be such amount as the Treasurer determines to be necessary to satisfy the purposes described in Section 2.2(b), but not in excess of \$7,000,000.

SECTION 2.2. Purposes. (a) The purposes for which the 1999 Series A Bonds are being issued are (i) to provide funds for deposit into the Debt Service Reserve Account, (ii) to pay certain costs of issuance relating to the 1999 Series A Bonds, (iii) to provide for the discount realized upon sale of the 1999 Series A Bonds pursuant to the Purchase Contract (as defined in Section 2.7), and (iv) to pay Project Costs incurred or to be incurred in connection with the following Projects as designated in the Preliminary Official Statement described in Section 2.7 (the principal amount of the 1999 Series A Bonds being issued for each such Project to be allocated by the Treasurer) including repayment of amounts previously advanced from the State's Highway Fund for the purpose of paying Project Costs:

Central Turnpike

- | | |
|-------------|--|
| Project A3 | Preliminary engineering and right-of-way acquisition for Exits 1 and 2, including ramp toll facilities and reconstruction of Exit 1. |
| Project A7 | Access road construction related to Camp Sargent Road bypass. (Merrimack). |
| Project A8 | Preliminary engineering and right-of-way acquisition for widening the Central Turnpike between Exits 3 and 7 (Nashua). |
| Project A10 | Engineering and right-of-way acquisition of the southern segment of circumferential highway around Nashua including toll facilities. |
| Project A11 | Engineering and right-of-way acquisition for the northern segment of circumferential highway including toll facilities (Nashua/Hudson/Litchfield). |

- Project A12 Reconstruction of Exits 1 and 2 and construction of connector to the circumferential highway.
- Project A13 Widening and reconstruction of Central Turnpike between Exits 3 and 7 (Nashua).
- Project A14 Right-of-way acquisition relating to Bedford Road toll plaza (Merrimack)
- Project A15 Widening of Central Turnpike in Manchester between Route 101 and the Amoskeag Bridge Interchange (Bedford/Manchester).
- Project A17 Construction of southbound only toll facilities of Central Turnpike and southbound on-ramp at Exit 1 (Nashua).

Spaulding Turnpike

- Project B3 Expansion of Dover Toll Plaza (Dover).
- Project B7 Exit 10 Study.
- Project B8 Exit 10 Construction.
- Project B10 Widening of Spaulding Turnpike, between exits 12 – 16(Rochester).
- Project B11 Newington/Dover, NH 16/US4 widening, including Little Bay Bridges (Newington – Dover).

Other Projects

- Project D Toll Collection Equipment, Consultant Studies and Administrative Costs.

The Projects being financed with the proceeds of the 1999 Series A Bonds are hereby deemed to consist solely of the actual portions of the projects listed above with respect to which proceeds of the 1999 Series A Bonds are expended. The Treasurer, with the approval of the Governor and Council, may also allocate proceeds of the 1999 Series A Bonds to other Projects related to the System and described or permitted under the Act in the event the State determines it is necessary or desirable to do so.

(b) The purposes for which the 1999 Refunding Series B Bonds are being issued are (i) to pay for certain costs of issuance relating to the 1999 Refunding Series B Bonds, (ii) to provide for the discount realized upon the sale of the 1999 Refunding Series B Bonds pursuant to the Purchase Contract (as defined in Section 2.7), and (iii) to provide for the payment of the redemption price of and interest on the Refunded Bonds in accordance with the Refunding Trust Agreement.

SECTION 2.3. Date, Maturities and Interest Payments. The 1999 Series Bonds shall be dated February 1, 1999. The 1999 Series Bonds shall mature on April 1, in the years and in the principal amounts determined by the Treasurer.

Certain 1999 Series Bonds may be retired by sinking fund installments, as determined by the Treasurer, which installments shall be accumulated in the Principal Subaccount in the Debt Service Account established by Section 3.3 of the General Resolution.

The 1999 Series Bonds shall bear interest from February 1, 1999, payable on October 1, 1999 and semiannually on each April 1 and October 1 thereafter at the rates determined by the Treasurer as further provided herein.

SECTION 2.4. Book-Entry System. The 1999 Series A Bonds will be issued by means of a book-entry system, with bond certificates immobilized at The Depository Trust Company, New York, New York ("DTC"). Transfer of ownership of the 1999 Series Bonds, if and for as long as DTC acts as securities depository therefor, shall be made only through DTC and its participants in accordance with the rules and regulations specified by DTC. Notwithstanding anything in the General Resolution to the contrary, if and for as long as DTC acts as securities depository therefor, notices of redemption of the 1999 Series Bonds or any portion thereof shall be sent to DTC by registered or certified mail not less than thirty days nor more than sixty days prior to the date fixed for redemption.

In the event that DTC acts as securities depository for the 1999 Series Bonds and then (a) DTC determines not to continue to act as securities depository therefor or (b) the Treasurer determines that continuation of the book-entry system of evidence and transfer of ownership of the 1999 Series Bonds would adversely affect the interests of the beneficial owners of the 1999 Series Bonds, the Treasurer will discontinue the book-entry system with DTC. If the Treasurer fails to identify another qualified depository to replace DTC, the Trustee will at the direction of the Treasurer authenticate and deliver replacement Bonds in the form of fully registered certificates.

The Treasurer is hereby authorized to make such representations and enter into such agreements as she deems necessary and appropriate in furtherance of the provisions of this section.

SECTION 2.5. Bond Form. The 1999 Series Bonds shall be in substantially the following form with such insertions and deletions as the Treasurer shall determine to be necessary or desirable to reflect the terms of the 1999 Series Bonds:

R-___

\$

United States of America

STATE OF NEW HAMPSHIRE

TURNPIKE SYSTEM REVENUE BOND
1999 [REFUNDING] SERIES [A] [B]

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP</u>	<u>Original Issue Date</u>
%	April 1,		February 1, 1999

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The State of New Hampshire (the "State"), for value received, promises to pay to the Registered Owner of this bond or registered assigns, but solely from the Revenues to be provided under the Resolution described below, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date unless this bond is called for earlier redemption, upon presentation and surrender hereof, with interest (calculated on the basis of a 360-day year of twelve 30-day months) at the Interest Rate per annum, payable on October 1, 1999 and semiannually thereafter on April 1 and October 1 of each year (each, an "Interest Payment Date") until the Principal Amount is paid or has been duly provided for. This bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the Original Issue Date.

This Bond is one of a series of \$ _____ aggregate principal amount issued by the State, together with the \$ _____ aggregate principal amount of Turnpike System Revenue Bonds, 1999 [Refunding] Series [A][B], for the purposes of paying Project Costs pursuant to RSA 237-A, as amended, and refunding certain bonds pursuant to RSA 237-A, as amended, previously issued under the General Bond Resolution duly adopted by the Governor and Council on November 9, 1987, as supplemented and amended by Supplemental Resolutions duly adopted by the Governor and Council on November 9, 1987, March 21, 1990, March 27, 1991, August 12, 1992, February 9, 1994 and February 3, 1999 (collectively, the "Resolution").

The bonds issued under the Resolution are payable solely from and are equally and ratably secured by a pledge of the Revenues derived by the State from the ownership and operation of its Turnpike System, subject to the payment of Operating Expenses.

Neither the full faith and credit nor the taxing power of the State or any political subdivision is pledged for the payment of the bonds.

Reference is made to the Resolution for a description of the Revenues pledged, the expenses payable therefrom before payment of the bonds, the terms and conditions upon which additional bonds may be issued or the Resolution amended, and the rights, limitations of rights, duties, obligations and immunities of the State, the Trustee and the bondholders, including the order of payments in the event of insufficient funds and restrictions on the rights of the bondholders to bring suit. Copies of the Resolution may be inspected at the offices of the Secretary of State and the Treasurer or at the principal corporate trust office of the Trustee. Terms not defined herein shall have the meanings given them in the Resolution.

In case any Event of Default occurs, the principal amount of this bond together with accrued interest may be declared due and payable in the manner and with the effect provided in the Resolution.

The bonds of this series are being issued by means of a book entry system, with bond certificates immobilized at The Depository Trust Company, New York, New York ("DTC") evidencing ownership of the bonds in principal amounts of \$5,000 or integral multiples thereof, and with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Bond certificates are not available for distribution to the public. The principal or redemption price, if any, of and interest on this bond are payable by State Street Bank and Trust Company, as Trustee and paying agent (the "Trustee") to the Registered Owner of this bond, as nominee of DTC. Transfer of principal, redemption price, if any, and interest payments to participants of DTC is the responsibility of DTC; transfer of principal, redemption price, if any, and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The State and Trustee are not responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the bonds or (b) the Treasurer determines that continuation of the book entry system of evidence and transfer of ownership would adversely affect the interests of the beneficial owners of the bonds, the State will discontinue the book entry system with DTC. If the State fails to identify another qualified securities depository to replace DTC, the Trustee will at the direction of the Treasurer authenticate and deliver replacement bonds in the form of fully registered certificates.

This bond is transferable only upon the books of the State which shall be kept for such purpose by the Trustee, but only in a manner which will maintain immobilization of bond certificates at one or more securities depositories. This bond may not be transferred or exchanged in a manner which would involve the delivery of bond certificates to the beneficial owners of bonds unless the book entry system has been discontinued by the State in accordance with the preceding paragraph, in which case replacement bonds may be issued in accordance with law and such procedures as the Treasurer shall deem appropriate.

[The bonds of this series (except the bonds maturing on or before April 1, ____, which are not subject to redemption prior to maturity) are redeemable prior to maturity beginning on April 1, ____, at the option of the State, as a whole or in part at any time at the following prices expressed in percentages of their principal amount plus accrued interest to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
April 1, ____ through March 31, ____, inclusive	%
April 1, ____ through March 31, ____, inclusive	
April 1, ____ and thereafter	100

The bonds of this series maturing on April 1, ____ are also subject to redemption from sinking fund installments in amounts sufficient to redeem on April 1 of each year the principal amount of bonds shown below, without premium, plus accrued interest to the redemption date:

Bonds due April 1, ____

<u>Year</u>	<u>Principal Amount</u>
	\$

(maturity)

In the event this bond is called for redemption, notice will be sent by first class, registered or certified mail not more than sixty (60) days nor less than thirty (30) days prior to the redemption date to the Registered Owner, as nominee of DTC. It will be the responsibility of DTC and its participants to give notice of the redemption to beneficial owners of this bond. Failure to mail notice to the registered owner of any other bond, any defect in the notice to such an owner, or failure by DTC and its participants to provide notice of redemption to the beneficial owners of this bond will not affect the redemption of this bond. Notice of redemption having been duly mailed, this bond, or the portion called for redemption, will become due and payable on the redemption date at the applicable redemption price and, moneys for the redemption having been deposited with the Trustee, from and after the date fixed for redemption interest on this bond (or such portion) will no longer accrue.

Portions of the principal sum of this bond in the amount of five thousand dollars (\$5,000) or any multiple thereof may be redeemed. In the event of such a partial redemption, the identity of the beneficial owners whose beneficial interests in this bond shall be redeemed and the amount of any such redemption shall be determined by DTC and its participants by lot in such manner as DTC and its participants shall deem appropriate. If less than all of the principal sum is to be redeemed, upon surrender of this bond to the Trustee there will be issued to the Registered Owner, without charge, a new bond for the unredeemed principal sum.]

In connection with the offering of the bonds the State has executed a Continuing Disclosure Certificate (as it may be amended from time to time, the "Certificate"). The State hereby covenants to comply with the provisions of the Certificate, and reference is made to the Certificate for a description of the nature and extent of the obligations of the State and the rights of the Registered Owner under the Certificate. The Certificate is described in the Official Statement relating to the bonds. A copy of the Certificate is available from the Treasurer upon request.

This bond will not be valid unless the Certificate of Authentication has been signed by the Trustee.

STATE OF NEW HAMPSHIRE

Date of
Registration: (Seal)

By: _____
Treasurer

Countersigned:

Governor

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Resolution.

STATE STREET BANK AND TRUST
COMPANY, Trustee

By: _____
Authorized Signatory

[STATEMENT OF INSURANCE

Financial Guaranty Insurance Company ("Financial Guaranty") has issued a policy containing the following provisions with respect to the State of New Hampshire Turnpike System Revenue Bonds, 1999 Series A and 1999 Refunding Series B, maturing on and after April 1, 2003 (the "1999 Insured Bonds"), such policy being on file at the principal corporate trust office of the Trustee, as paying agent (the "Paying Agent");

Financial Guaranty hereby unconditionally and irrevocably agrees to pay for disbursement to the Bondholders that portion of the principal of and interest on the 1999 Insured Bonds which is then due for payment and which the issuer of the 1999 Insured Bonds (the "Issuer") shall have failed to provide. Due for payment means, with respect to principal, the stated maturity dated thereon, or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which the payment of principal of the 1999 Insured Bonds is due by reason of call for redemption (other than mandatory sinking fund redemption), acceleration or other advancement of maturity, and with respect to interest, the stated date for payment of such interest.

Upon receipt of telephonic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or the Paying Agent to Financial Guaranty that

the required payment of principal or interest has not been made by the Issuer to the Paying Agent, Financial Guaranty on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., or its successor as its agent (the "Fiscal Agent"), sufficient to make the portion of such payment not paid by the Issuer. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the Bondholder's right to receive such payment and any appropriate instruments of assignment required to vest all of such Bondholder's right to such payment in Financial Guaranty, the Fiscal Agent will disburse such amount to the Bondholder.

As used herein the term "Bondholder" means the person other than the Issuer or the borrower(s) of bond proceeds who at the time of nonpayment of a 1999 Insured Bond is entitled under the terms of such 1999 Insured Bond to payment thereof.

The policy is non-cancellable for any reason.

FINANCIAL GUARANTY INSURANCE COMPANY]

SECTION 2.6. Additional Notices of Redemption. (a) In the event the State determines to exercise its option to redeem any 1999 Series Bonds at the times set forth in Section 2.5 of this 1999 Series Resolution, the State shall give notice to the Trustee of such determination at least ten (10) days prior to the last date on which the Trustee may give notice of such redemption to the affected Bondholders, as set forth in the form of the 1999 Series Bonds.

(b) In addition to the notice of redemption set forth in the 1999 Series Bonds in accordance with Section 2.6 of the General Resolution, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as set forth in the 1999 Series Bonds. Each further notice of redemption shall be sent at least 35 days prior to the redemption date by registered or certified mail or overnight delivery service to at least two national information services that disseminate notices of redemption of obligations like the 1999 Series Bonds.

SECTION 2.7. Sale of 1999 Series Bonds. The Treasurer is hereby authorized to sell the 1999 Series Bonds to Goldman, Sachs & Co. representing themselves and the other Underwriters (collectively, the "Purchasers"), at the price determined by the Treasurer, plus accrued interest to the date of delivery of the 1999 Series Bonds. The Treasurer is hereby authorized to execute on behalf of the State a Purchase Contract substantially in such form as she may approve, her execution thereof to constitute conclusive evidence of her approval and the approval of the Governor and Council.

The distribution of the Preliminary Official Statement relating to the 1999 Series Bonds is hereby ratified and approved. The Treasurer is hereby authorized to prepare, make public, execute and authorize distribution of an Official Statement, substantially in the form of the Preliminary Official Statement with such insertions and changes as she may approve, her execution thereof to constitute conclusive evidence of her approval and the approval of the Governor and Council of the insertions and changes, and to sign and deliver the Official Statement to the Purchasers.

SECTION 2.8. Refunding Trust Agreement, Continuing Disclosure Certificate; Debt Service Forward Supply Agreement. The Treasurer is hereby authorized to execute on behalf of the State the Refunding Trust Agreement providing for the advance refunding of the Refunded Bonds, substantially in the form she may approve, her execution thereof to constitute conclusive evidence of her approval and the approval of the Governor and Council.

The Treasurer, Governor and Commissioner of the Department of Transportation are hereby authorized to execute on behalf of the State the Continuing Disclosure Certificate, substantially in the form as Appendix D to the Official Statement, their execution thereof to constitute conclusive evidence of their approval and the approval of the Governor and Council.

In connection with the refunding of the Refunded Bonds, the Treasurer is hereby authorized to execute on behalf of the State such amendments to the Debt Service Forward Supply Agreement dated as of February 8, 1995, by and between the State and Chase Manhattan Bank, as successor to Chemical Bank, as the Treasurer determines to be necessary or desirable, her execution thereof to constitute conclusive evidence of her approval and the approval of the Governor and Council.

SECTION 2.9. Terms, Conditions and Details Determined by Treasurer. Except as specifically provided in Article II, or in the General Resolution, the Treasurer shall determine the aggregate principal amount of the 1999 Refunding Series B Bonds and the maturities, sinking fund installments, interest rates, redemption prices and terms, and the form of the 1999 Series Bonds, and all other details and terms and conditions of sale of the 1999 Series Bonds. The Treasurer is hereby authorized to make such certifications and representations and enter into such agreements as she deems necessary and appropriate in furtherance of the provisions of this 1999 Series Resolution.

ARTICLE III

DISPOSITION OF PROCEEDS

SECTION 3.1. Disposition of Proceeds. In accordance with Section 2.7 of the General Resolution, upon delivery of the 1999 Series Bonds the proceeds shall be paid to the Treasurer or to the Trustee and applied as follows:

- (a) an amount representing accrued interest on the 1999 Series Bonds shall be deposited into the Interest Subaccount in the Debt Service Account;
- (b) an amount representing all or a portion, as determined by the Treasurer, of the Debt Service Reserve Account Requirement shall be deposited into the Debt Service Reserve Account;
- (c) amounts necessary to pay costs of issuance of the 1999 Series Bonds shall be applied thereto by the Treasurer;
- (d) an amount necessary to refund the Refunded Bonds shall be deposited in the Refunding Trust Fund pursuant to the Refunding Trust Agreement and applied as provided therein; and

(e) the remainder shall be deposited into the Construction Account, provided that an amount necessary to reimburse the Highway Fund of the State for the principal amount of advances previously made from it for the purpose of paying Project Costs, as certified by an Authorized Officer, shall be applied thereto by the Treasurer upon receipt of such certificate.

ARTICLE IV

REBATE SUBACCOUNT

SECTION 4.1. 1999 Series Bonds Rebate Subaccount. There is hereby established a subaccount of the Rebate Account established by Section 3.4 of the General Resolution to be known as the "1999 Series Bonds Rebate Subaccount" and referred to hereafter in this Article as the "Rebate Subaccount". Moneys in the Rebate Subaccount shall be held by the Trustee and applied in accordance with the provisions of this section.

(a) For purposes of this section, the following terms shall have the following meanings:

(1) "Bond Year" shall mean each one-year period (or longer period beginning on the date of original delivery of the 1999 Series Bonds and ending on March 31, 2000) ending March 31;

(2) "Code" shall mean the Internal Revenue Code of 1986.

(3) "Excess" for any period means the sum of:

(i) the excess of

(A) the aggregate amount earned on all Nonpurpose Investments (other than investments attributable to an excess described in this subparagraph (i) and investments of amounts deposited in the Debt Service Account) acquired with any Gross Proceeds of the 1999 Series Bonds over

(B) the amount which would have been earned if all such Nonpurpose Investments were invested at a rate equal to the Yield on the 1999 Series Bonds, plus

(ii) any income attributable to the investment of the excess described in subparagraph (i) above.

(4) "Gross Proceeds" shall have the meaning given such term in the Rebate Provision;

(5) "Nonpurpose Investments" shall have the meaning given such term in the Rebate Provision;

(6) "Rebate Provision" shall mean Section 148(f) of the Code and the regulations thereunder;

(7) "Rebate Requirement," with respect to the 1999 Series Bonds, shall mean, at any date of calculation, the cumulative net Excess, if any, as last determined by the Treasurer in accordance with this section, less amounts previously paid to the United States under paragraph (d) of this section;

(8) "Yield" shall mean the yield on the 1999 Series Bonds or the yield on any investment of Gross Proceeds of the 1999 Series Bonds, in either case calculated as required by the Rebate Provision.

(b) Except as otherwise provided in this section, amounts on deposit in the Rebate Subaccount shall not be subject to the claim of any party (including Bondholders) and shall not be paid over to any party other than the United States of America. In addition to the Rebate Subaccount, the State hereby covenants to establish such other separate accounts or subaccounts within the accounts established pursuant to the General Resolution as may be necessary or desirable to account for the Gross Proceeds of the 1999 Series Bonds and all Nonpurpose Investments acquired therewith in order to comply with the Rebate Provision.

(c) Within forty-five (45) days after the close of each Bond Year (or any earlier date that may be necessary to make a required payment to the United States under paragraph (d) of this section), the Treasurer shall compute and certify to the Trustee in reasonable detail the Rebate Requirement as of the close of such Bond Year and shall deposit into the Rebate Subaccount from moneys held in the Revenue Account an amount sufficient to cause the balance in the Rebate Subaccount to equal the Rebate Requirement as so determined. If at the date of calculation of the Rebate Requirement the amount on deposit in the Rebate Subaccount exceeds the Rebate Requirement as so determined, upon written certification thereof in reasonable detail by the Treasurer to the Trustee, such excess shall be transferred by the Trustee to the Revenue Account. For purposes of this paragraph (c), computations of Excess shall be made as if the last day of the applicable Bond Year were a "computation date" within the meaning of Treas. Reg. §1.148-3(e) or any successor regulation. In determining the aggregate amount earned on Nonpurpose Investments, any gain or loss on the disposition of such Investments shall be taken into account.

(d) Within sixty (60) days of the end of the fifth Bond Year, and each fifth Bond Year thereafter, the Trustee, upon receipt of a written direction from the Treasurer, shall pay from the Rebate Subaccount to the United States on behalf of the State the amount then required to be paid under the Rebate Provision as determined by the Treasurer and certified to the Trustee. Within sixty (60) days after the 1999 Series Bonds have been paid in full, the Trustee, upon receipt of a written direction from the Treasurer, shall pay to the United States on behalf of the State the full amount then required to be paid under the Rebate Provision as determined by the Treasurer and certified to the Trustee. Each such payment shall be filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania, 19255, or any other address as directed by the Internal Revenue Service, accompanied by a Form 8038-T. If at the time of any such payment the amount of the Rebate Subaccount is insufficient to pay the amount required to be paid

under the Rebate Provision, the deficiency shall be paid from the Revenue Account by the Treasurer.

(e) Not later than fifteen (15) days prior to each date on which a payment could become due under paragraph (d) hereof (a "Rebate Payment Date"), the Treasurer shall deliver to the Trustee a certificate either summarizing the determination that no amount is required to be paid or specifying the amount then required to be paid pursuant to paragraph (d) hereof and, if an amount is required to be paid, the Trustee shall make such payment on the Rebate Payment Date from the Rebate Subaccount.

(f) The Trustee and the Treasurer shall keep such records as will enable them to fulfill their responsibilities under this section and the Rebate Provision and shall retain such records for at least six years following final payment of the 1999 Series Bonds.

(g) The State shall exclude from its computations of Excess pursuant to Subsection 6.1(a) any Gross Proceeds that are not subject to rebate pursuant to Code §148(f)(4)(B) or (C) or pursuant to the provisions of Treas. Reg. 1.148-7.

SECTION 4.2. Late Payments. In the event any rebatable arbitrage with respect to the 1999 Series Bonds is not paid to the United States when due, the State shall pay to the United States any interest, penalty or other amount necessary to prevent the 1999 Series Bonds from becoming arbitrage bonds within the meaning of Section 148 of the Code.

SECTION 4.3. Amendments of Article IV. The provisions of this Article IV shall be complied with by the State in order to meet the requirements of the Code such that interest on the 1999 Series Bonds shall be and remain excludable from the gross income of the recipients thereof for federal income tax purposes; provided, however, the State shall not be required to comply with any such provision with respect to the 1999 Series Bonds in the event the State receives an unqualified opinion of nationally recognized bond counsel that compliance with such provision is no longer required to satisfy the requirements of the Code or that compliance with some other provision in lieu of a provision specified in this Article IV will satisfy said requirements, in which case compliance with the other provision specified in such opinion shall constitute compliance with the provisions specified in this Article IV. The State shall adopt a Supplemental Resolution reflecting the deletion or substitution of any such provision of this Article IV in the same manner as provided for Supplemental Resolutions adopted in accordance with Section 8.1 of the General Resolution.

ARTICLE V BOND INSURANCE

SECTION 5.1 Bond Insurance. (a) Notwithstanding anything in Section 3.3 of the General Resolution to the contrary, if, on the third day preceding any interest payment date for the 1999 Insured Bonds there is not on deposit with the Trustee sufficient moneys available to pay all principal of and interest on the 1999 Insured Bonds due on such date, the Trustee shall immediately notify the Bond Insurer and State Street Bank and Trust Company, N.A., New

York, New York or its successor as its Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency. If, by said interest payment date, the State has not provided the amount of such deficiency, the Trustee shall simultaneously make available to the Bond Insurer and to the Fiscal Agent the registration books for the 1999 Insured Bonds maintained by the Trustee. In addition:

(i) The Trustee shall provide the Bond Insurer with a list of the 1999 Insured Bondholders entitled to receive principal or interest payments from the Bond Insurer under the terms of the Bond Insurance Policy and shall make arrangements for the Bond Insurer and its Fiscal Agent (A) to mail checks or drafts to 1999 Insured Bondholders entitled to receive full or partial interest payments from the Bond Insurer and (B) to pay principal of the 1999 Insured Bonds surrendered to the Fiscal Agent by the 1999 Insured Bondholders entitled to receive full or partial principal payments from the Bond Insurer; and

(ii) The Trustee shall, at the time it makes the registration books available to the Bond Insurer pursuant to (i) above, notify 1999 Insured Bondholders entitled to receive the payment of principal of or interest on the 1999 Insured Bonds from the Bond Insurer (A) as to the fact of such entitlement, (B) that the Bond Insurer will remit to them all or part of the interest payments coming due, (C) that, except as provided in paragraph (b) below, in the event that any 1999 Insured Bondholder is entitled to receive full payment of principal from the Bond Insurer, such 1999 Insured Bondholder must tender his 1999 Insured Bond with the instrument of transfer in the form provided on the Bond executed in the name of the Bond Insurer, and (D) that, except as provided in paragraph (b) below, in the event that such 1999 Insured Bondholder is entitled to receive partial payment of principal from the Bond Insurer, such 1999 Insured Bondholder must tender his 1999 Insured Bond for payment first to the Trustee, which shall note on such 1999 Insured Bond the portion of principal paid by the Trustee, and then, with the form of transfer executed in the name of the Bond Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal to the 1999 Insured Bondholder.

(b) In the event that the Trustee has notice that any payment of principal of or interest on a 1999 Insured Bond has been recovered from a 1999 Insured Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall at the time it provides notice to the Bond Insurer, notify all 1999 Insured Bondholders that in the event that any Bondholder's payment is so recovered, such 1999 Insured Bondholder will be entitled to payment from the Bond Insurer to the extent of such recovery, and the Trustee shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the 1999 Insured Bonds which have been made by the Trustee and subsequently recovered from Bondholders, and the dates on which such payments were made.

(c) The Bond Insurer shall, to the extent it makes payment of principal of or interest on the 1999 Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy and, to evidence such subrogation, (i) in the case of subrogation as to claims for past due interest, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books maintained by the Trustee upon receipt from the Bond Insurer of proof of the payment of interest thereon to the 1999 Insured Bondholders of such 1999 Insured Bonds and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Bond Insurer's rights as subrogee on the registration

books for the 1999 Insured Bonds maintained by the Trustee upon receipt of proof of the payment of principal thereof to the 1999 Insured Bondholders of such 1999 Insured Bonds. Notwithstanding anything in this 1999 Series Resolution or the 1999 Insured Bonds to the contrary, the Trustee shall make payment of such past due interest and past due principal directly to the Bond Insurer to the extent that the Bonds Insurer is a subrogee with respect thereto.

(d) For as long as the Bond Insurance Policy shall be in full force and effect, (i) the State shall provide the Bond Insurer with the following information:

(A) a copy of the Annual Budget filed with the Treasurer in accordance with Section 4.2 of the General Resolution, which shall be provided within fifteen (15) days of the date it is filed with the Treasurer;

(B) a copy of the annual financial statement filed with the Trustee in accordance with Section 4.7 of the General Resolution, which shall be provided within fifteen (15) days of the date it is filed with the Trustee;

(C) a copy of any official statement or other disclosure document prepared by the State in connection with the issuance of Additional Bonds or any other indebtedness secured by a pledge of Revenues inferior to the pledge of Revenues created by the Resolution which shall be provided within thirty (30) days of the sale of such indebtedness; and

- (D) (I) Annual vehicular traffic (number)
 - (aa) % commercial
 - (bb) % passenger
- (II) Annual vehicular miles traveled
 - (aa) % commercial
 - (bb) % passenger
- (III) Toll rates currently in effect for all classes of vehicles.
- (IV) Any planned expansions or improvement projects or projects in process.

The information to be provided pursuant to this such clause (D) shall be provided separately for the Central New Hampshire Turnpike and the Eastern New Hampshire Turnpike (each as defined in the Act) portions of the System and for the remainder of the System, if any. This information shall be provided by the State to the Bond Insurer within 180 days after the end of each Fiscal Year.

(ii) The Trustee shall provide the following to the Bond Insurer:

(A) notice of any deficiency in or withdrawal from the Debt Service Reserve Account (other than a transfer of any excess therein to the Revenue Account in accordance with the second sentence of Section 3.5(c) of the General Resolution); and

(B) notice of the redemption, other than from sinking fund installments, of any of the 1999 Insured Bonds, which notice shall include the principal amount, maturity dates and CUSIP numbers of the 1999 Insured Bonds being redeemed.

(e) Notwithstanding any provision in the Resolution to the contrary, for so long as the Bond Insurance Policy shall be in full force and effect, the Trustee shall not give notice of redemption of any of the 1999 Insured Bonds, other than from sinking fund installments, unless and until the Trustee shall hold sufficient funds to pay the redemption price of such 1999 Insured Bonds when due.

(f) For so long as the Bond Insurance Policy shall be in full force and effect, the Trustee shall (i) immediately give notice to the Bond Insurer of the occurrence of any Event of Default specified in clause (1), (2) or (3) of Section 7.1(a) of the General Resolution and (ii) give notice to the Bond Insurer of the occurrence of any other Event of Default specified in Section 7.1(a) of the General Resolution within thirty (30) days of the Trustee having knowledge of such Event of Default.

(g) The Trustee, in determining whether an Event of Default specified in clause (1), (2) or (3) of Section 7.1(a) of the General Resolution shall have occurred with respect to the 1999 Insured Bonds, shall do so without regard to any payments made under the Bond Insurance Policy. In executing its obligations under the Resolution, including, but not limited to, Article V thereof, the Trustee shall perform such obligations, including, but not limited to, any actions taken to protect the interests of the 1999 Insured Bondholders and to enforce the provisions of the Resolution to the same extent as it would if the Bond Insurance Policy were not in effect.

(h) For so long as the Bond Insurance Policy shall be in full force and effect and provided that the Bond Insurer shall not have defaulted on its payment obligations under the Bond Insurance Policy, (i) for all purposes of Article VII of the General Resolution (except the giving of notice of an Event of Default pursuant to Section 5.4 of the General Resolution) and Article VIII of the General Resolution, the Bond Insurer shall be deemed to be the sole Bondholder of the 1999 Insured Bonds, (ii) no amendment or supplement to Article V of this 1999 Series Resolution shall be made without the prior written consent of the Bond Insurer, and (iii) the Bond Insurer shall be a party in interest to the Resolution and shall be entitled to (A) notify the Trustee of the occurrence of any Event of Default with respect to the 1999 Insured Bonds and (B) request that the Trustee intervene in any judicial proceedings that affects the 1999 Insured Bonds or the security therefor, subject, however, to the rights of the Trustee under Sections 5.3(g) and 7.6(b) of the General Resolution. The Trustee shall accept any notice of the occurrence of an Event of Default from the Bond Insurer.

(i) Notwithstanding anything in Article V of the General Resolution to the contrary, (A) no resignation or removal of the Trustee shall become effective until a successor has been appointed and has accepted the duties of Trustee and (B) for so long as the Bond Insurance Policy shall be in full force and effect, the State shall furnish the Bond Insurer with written notice of the resignation or removal of the Trustee and the appointment of any successor thereto.

(j) Unless otherwise approved by the Bond Insurer, obligations described in clause (ii) of the definition of "Defeasance Obligations" set forth in Section 1.1 of the General

Resolution may be used pursuant to Section 2.9 of the General Resolution to discharge and satisfy the obligation, pledge, covenants and agreements of the State with respect to the 1999 Insured Bonds only if such obligations are rated in the highest rating category of either Moody's Investors Service Inc. ("Moody's") or Standard & Poor's ("S&P"). In addition, no Defeasance Obligation shall be so used unless it is non-callable. In the event the 1999 Insured Bonds are discharged pursuant to Section 2.9 of the General Resolution, the State shall cause to be delivered to the Bond Insurer a report of an independent nationally recognized certified public accountant verifying that the amounts held by the Trustee, together with interest income thereon, will be sufficient to pay when due the principal or redemption price of and interest on such 1999 Insured Bonds being discharged.

(k) Notwithstanding anything in the Resolution to the contrary, for so long as the Bond Insurance Policy remains in full force and effect, any calculation of "Net Revenue Requirement" shall compute Debt Service on Variable Rate Bonds by using the Maximum Interest Rate applicable to such Bonds, provided that to the extent Variable Rate Bonds issued or to be issued include related select auction variable rate securities and residual interest bonds or other related issues which, taken together, are the equivalent of a fixed rate obligation of the State, such issues shall be aggregate and treated as a single issue of fixed rate Bonds.

(l) Notwithstanding anything in the Resolution to the contrary, for so long as the Bond Insurance Policy remains in effect, any surety bond, insurance policy or letter of credit deposited into the Debt Service Reserve Account in lieu of cash pursuant to Section 3.5(d) of the General Resolution shall be rated in the highest rating category by Moody's or S&P.

(m) For so long as the Bond Insurance Policy shall remain in full force and effect, the State shall provide the Bond Insurer and each rating agency then maintaining a rating on the 1999 Insured Bonds with a full transcript of all proceedings relating to the adoption of any Supplemental Resolution.

(n) Any notice, direction, document or other information required to be delivered to the Bond Insurer or Fiscal Agent (as defined in Section 7.1(a) hereof), shall be deemed given when delivered (i) in the case of the Bond Insurer to Financial Guaranty Insurance Company, 115 Broadway, New York, New York 10006, Attention: Risk Management; and (ii) in the case of the Fiscal Agent, to State Street Bank and Trust Company, N.A., 61 Broadway, New York, New York 10006, Attention: Corporate Trust Department, or in either case, at such other office or addressed in such other manner as the party to whom the notice is given has designated by written notice to the party giving the notice.

SECTION 5.2 Modifications to Article V. The provisions of this Article V may be modified or amended on or prior to the date of delivery of the 1999 Insured Bonds, upon delivery by the Treasurer to the Trustee of a certificate specifying the amendments or modifications which are, in her opinion, necessary or desirable in order to cause the Bond Insurer to issue the Bond Insurance Policy. Any such amendments or modifications made by the Treasurer shall be deemed to be part of this 1999 Series Resolution.

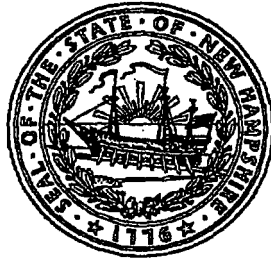
ARTICLE VI

EFFECTIVE DATE

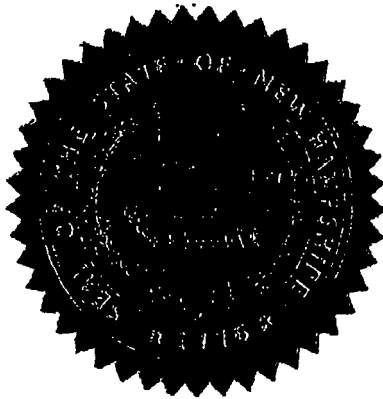
SECTION 6.1. Effective Date. This 1999 Series Resolution shall take effect upon delivery of the opinion described in Section 8.4 of the General Resolution.

State of New Hampshire

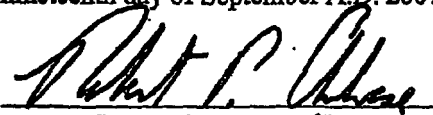
Office of Secretary of State



I, ROBERT P. AMBROSE, Deputy Secretary of State of the State of New Hampshire, do hereby certify that the following and hereto attached is a true copy of Item #61 that was approved at the Governor and Executive Council meeting held on September 19, 2001, as recorded in this office and held in the custody of the Secretary of State.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Seal of the State, at Concord, this nineteenth day of September A.D. 2001


Deputy Secretary of State

095 SEP 01 10:13

61



gie A. Thomas
TE TREASURER

THE STATE OF NEW HAMPSHIRE
TREASURY DEPARTMENT
25 CAPITOL STREET, ROOM 121
CONCORD, N.H. 03301
603 271-2621
FAX 603-271-3922
TDD Access: Relay NH 1-800-735-2964

September 4, 2001

Her Excellency the Governor
and the Honorable Council
State House
Concord NH 03301

REQUESTED ACTION

Ratify and confirm the adoption of the attached resolution authorizing the supplemental resolution for the Turnpike System Revenue Bonds, 2002 Refunding Series.

EXPLANATION

As a quorum of executive councilors was not physically present at the special Governor and Council meeting on August 31, 2001, Bond Counsel has requested that the Council confirm and ratify action taken at that meeting at its next regularly scheduled meeting.

Respectfully submitted,

Georgie A. Thomas
State Treasurer

#61

The Governor and Council hereby certify that the attached resolutions were adopted at their meeting on September 19, 2001.

Jeanne Shaker
Governor

Ray Linton
Councilor

W. J. Paul
Councilor

Keith L. Griffin
Councilor

Thomas C. Colantoni
Councilor

Dave Wheeler
Councilor

A true copy

Attest:

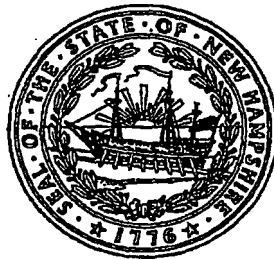
Robert P. Allen
DEPUTY Secretary of State

RESOLVED: That the adoption of the "Supplemental Resolution Authorizing the Issuance of up to \$100,000,000 State of New Hampshire Turnpike System Revenue Bonds, 2002 Refunding Series" on August 31, 2001 is hereby ratified and confirmed in all respects.

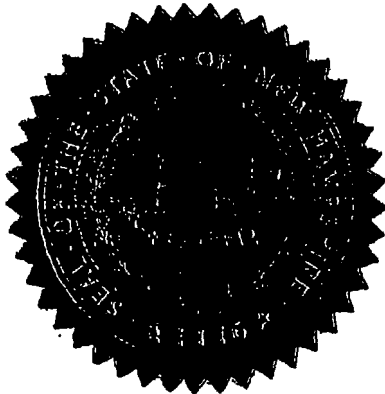
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State of New Hampshire

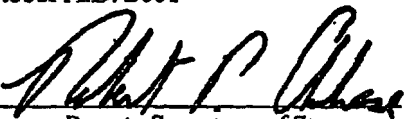
Office of Secretary of State



I, ROBERT P. AMBROSE, Deputy Secretary of State of the State of New Hampshire, do hereby certify that the following and hereto attached is a true copy of the Supplemental Resolution Authorizing the Issuance of up to \$100,000,000.00 State of New Hampshire Turnpike System Revenue Bonds, 2002 Refunding Series Adopted August 31, 2001, and subsequently ratified and confirmed at the Governor and Executive Council meeting of September 19, 2001, Item Number 61 as recorded and held in the custody in the office of the Secretary of State.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Seal of the State, at Concord, this eighth day of October A.D. 2001


Deputy Secretary of State

**STATE OF NEW HAMPSHIRE
SUPPLEMENTAL RESOLUTION**

Authorizing the Issuance of

up to

\$100,000,000

State of New Hampshire

Turnpike System Revenue Bonds,

2002 Refunding Series

Adopted

August 31, 2001

**SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE
OF UP TO \$100,000,000 STATE OF NEW HAMPSHIRE TURNPIKE
SYSTEM REVENUE BONDS, 2002 REFUNDING SERIES**

Be it resolved by the Governor and Council of the State of New Hampshire as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS

SECTION 101. Authority. This Supplemental Resolution (hereinafter referred to as the "2002 Refunding Series Resolution") is adopted in accordance with the provisions of Article II, Section 2.2, and Article VIII of the General Bond Resolution adopted November 9, 1987, as amended (the "General Resolution"), authorizing the issuance of Turnpike System Revenue Bonds of the State pursuant to the authority contained in Chapter 237²A of the New Hampshire Revised Statutes Annotated (the "Act").

SECTION 102. Definitions.

(a) All terms which are defined in Article I of the General Resolution shall have the same meanings in this 2002 Refunding Series Resolution and with respect to the 2002 Refunding Series Bonds (as defined below), unless the context shall clearly indicate some other meaning.

(b) In this 2002 Refunding Series Resolution, the following terms shall have the following meanings, unless the context otherwise requires:

"2002 Refunding Series Bonds" means the series of Bonds authorized by Article II hereof.

"Bond Insurance Policy" means the municipal bond new issue insurance policy, if any, issued by the Bond Insurer that guarantees payment of principal of and interest on the 2002 Refunding Series Bonds.

"Bond Insurer" means, with respect to the 2002 Refunding Series Bonds, such bond insurer, if any, as may be selected by the Treasurer prior to the issuance of the 2002 Refunding Series Bonds in accordance with the Purchase Contract.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate, dated as of the date of delivery of the 2002 Refunding Series Bonds, executed by the Treasurer, Governor and Commissioner of the Department of Transportation on behalf of the State.

"Purchase Contract" means the Accelerated Purchase Contract dated August 31, 2001, between the State and Goldman, Sachs & Co., as the Underwriter named therein.

"Refunded Bonds" means the \$85,255,000 aggregate principal amount of the State's Turnpike System Revenue Bonds, 1992 Refunding Series, dated August 1, 1992 and maturing on April 1 in the years 2004 through 2020, inclusive.

"Refunding Trust Agreement" means the Refunding Trust Agreement between the State of New Hampshire and State Street Bank and Trust Company, as Trustee, dated as of the date of delivery of the 2002 Refunding Series Bonds.

ARTICLE II.

AUTHORIZATION OF 2002 REFUNDING SERIES BONDS

SECTION 201. Principal Amount, Designation and Series. Pursuant to the provisions of the General Resolution, a series of Bonds is hereby authorized in the maximum aggregate principal amount of \$100,000,000 and shall be designated as "Turnpike System Revenue Bonds, 2002 Refunding Series".

SECTION 202. Purposes. The purposes for which the 2002 Refunding Series Bonds are being issued are (i) to pay for certain costs of issuance relating to the 2002 Refunding Series Bonds, (ii) to provide for the discount realized upon the sale of the 2002 Refunding Series Bonds pursuant to the Purchase Contract (as defined in Section 2.7), and (iii) to provide for the payment of the redemption price of and interest on the Refunded Bonds in accordance with the Refunding Trust Agreement.

SECTION 203. Date, Maturities, Interest Payments and Redemption Terms. The 2002 Refunding Series Bonds shall be dated and shall mature on the dates, in the years and in the principal amounts determined by the Treasurer in accordance with and subject to the terms of the Purchase Contract. The 2002 Refunding Series Bonds shall bear interest from their date, payable on the dates and at the rates and be subject to redemption, all as determined by the Treasurer in accordance with and subject to the terms of the Purchase Contract.

SECTION 204. Book-Entry System. The 2002 Refunding Series Bonds will be issued by means of a book-entry system, with bond certificates immobilized at The Depository Trust Company, New York, New York ("DTC"). Transfer of ownership of the 2002 Refunding Series Bonds, if and for as long as DTC acts as securities depository therefor, shall be made only through DTC and its participants in accordance with the rules and regulations specified by DTC. Notwithstanding anything in the General Resolution to the contrary, if and for as long as DTC acts as securities depository therefor, notices of redemption of the 2002 Refunding Series Bonds or any portion thereof shall be sent to DTC by registered or certified mail not less than thirty days nor more than sixty days prior to the date fixed for redemption.

In the event that DTC acts as securities depository for the 2002 Refunding Series Bonds and then (a) DTC determines not to continue to act as securities depository therefor or (b) the Treasurer determines that continuation of the book-entry system of evidence and transfer of ownership of the 2002 Refunding Series Bonds would adversely affect the interests of the beneficial owners of the 2002 Refunding Series Bonds, the Treasurer will discontinue the book-

entry system with DTC. If the Treasurer fails to identify another qualified depository to replace DTC, the Trustee will at the direction of the Treasurer authenticate and deliver replacement Bonds in the form of fully registered certificates.

The Treasurer is hereby authorized to make such representations and enter into such agreements as she deems necessary and appropriate in furtherance of the provisions of this section.

SECTION 205. Bond Form. The 2002 Refunding Series Bonds shall be in substantially the following form with such insertions and deletions as the Treasurer shall determine to be necessary or desirable to reflect the terms of the 2002 Refunding Series Bonds:

R-___

\$

United States of America

STATE OF NEW HAMPSHIRE

TURNPIKE SYSTEM REVENUE BOND

2002 REFUNDING SERIES

Interest	Maturity		Original
Rate	Date	CUSIP	Issue Date
%	____ 1;		____, 2002

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The State of New Hampshire (the "State"), for value received, promises to pay to the Registered Owner of this bond or registered assigns, but solely from the Revenues to be provided under the Resolution described below, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date unless this bond is called for earlier redemption, upon presentation and surrender hereof, with interest (calculated on the basis of a 360-day year of twelve 30-day months) at the Interest Rate per annum, payable on ____ 1, 2002 and semiannually thereafter on ____ 1 and ____ 1 of each year (each, an "Interest Payment Date") until the Principal Amount is paid or has been duly provided for. This bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the Original Issue Date.

This Bond is one of a series of \$_____ aggregate principal amount issued by the State for the purpose of refunding certain bonds pursuant to RSA 237-A, as amended, previously issued under the General Bond Resolution duly adopted by the Governor and Council on

November 9, 1987, as supplemented and amended by Supplemental Resolutions duly adopted by the Governor and Council on November 9, 1987, March 21, 1990, March 27, 1991, August 12, 1992, February 9, 1994, February 3, 1999 and August 31, 2001 (collectively, the "Resolution").

The bonds issued under the Resolution are payable solely from and are equally and ratably secured by a pledge of the Revenues derived by the State from the ownership and operation of its Turnpike System, subject to the payment of Operating Expenses.

Neither the full faith and credit nor the taxing power of the State or any political subdivision is pledged for the payment of the bonds.

Reference is made to the Resolution for a description of the Revenues pledged, the expenses payable therefrom before payment of the bonds, the terms and conditions upon which additional bonds may be issued or the Resolution amended, and the rights, limitations of rights, duties, obligations and immunities of the State, the Trustee and the bondholders, including the order of payments in the event of insufficient funds and restrictions on the rights of the bondholders to bring suit. Copies of the Resolution may be inspected at the offices of the Secretary of State and the Treasurer or at the principal corporate trust office of the Trustee. Terms not defined herein shall have the meanings given them in the Resolution.

In case any Event of Default occurs, the principal amount of this bond together with accrued interest may be declared due and payable in the manner and with the effect provided in the Resolution.

The bonds of this series are being issued by means of a book entry system, with bond certificates immobilized at The Depository Trust Company, New York, New York ("DTC") evidencing ownership of the bonds in principal amounts of \$5,000 or integral multiples thereof, and with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Bond certificates are not available for distribution to the public. The principal or redemption price, if any, of and interest on this bond are payable by _____, as Trustee and paying agent (the "Trustee") to the Registered Owner of this bond, as nominee of DTC. Transfer of principal, redemption price, if any, and interest payments to participants of DTC is the responsibility of DTC; transfer of principal, redemption price, if any, and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The State and Trustee are not responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the bonds or (b) the Treasurer determines that continuation of the book entry system of evidence and transfer of ownership would adversely affect the interests of the beneficial owners of the bonds, the State will discontinue the book entry system with DTC. If the State fails to identify another qualified securities depository to replace DTC, the Trustee will at the direction of the Treasurer authenticate and deliver replacement bonds in the form of fully registered certificates.

This bond is transferable only upon the books of the State which shall be kept for such purpose by the Trustee, but only in a manner which will maintain immobilization of bond certificates at one or more securities depositories. This bond may not be transferred or exchanged in a manner which would involve the delivery of bond certificates to the beneficial owners of bonds unless the book entry system has been discontinued by the State in accordance with the preceding paragraph, in which case replacement bonds may be issued in accordance with law and such procedures as the Treasurer shall deem appropriate.

The bonds of this series (except the bonds maturing on or before ____ 1, ____, which are not subject to redemption prior to maturity) are redeemable prior to maturity beginning on ____ 1, ____, at the option of the State, as a whole or in part at any time at the following prices expressed in percentages of their principal amount plus accrued interest to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
____ 1, ____ through ____ [31], ____, inclusive	%
____ 1, ____ through ____ [31], ____, inclusive	%
____ 1, ____ and thereafter	100

In the event this bond is called for redemption, notice will be sent by first class, registered or certified mail not more than sixty (60) days nor less than thirty (30) days prior to the redemption date to the Registered Owner, as nominee of DTC. It will be the responsibility of DTC and its participants to give notice of the redemption to beneficial owners of this bond. Failure to mail notice to the registered owner of any other bond, any defect in the notice to such an owner, or failure by DTC and its participants to provide notice of redemption to the beneficial owners of this bond will not affect the redemption of this bond. Notice of redemption having been duly mailed, this bond, or the portion called for redemption, will become due and payable on the redemption date at the applicable redemption price and, moneys for the redemption having been deposited with the Trustee, from and after the date fixed for redemption interest on this bond (or such portion) will no longer accrue.

Portions of the principal sum of this bond in the amount of five thousand dollars (\$5,000) or any multiple thereof may be redeemed. In the event of such a partial redemption, the identity of the beneficial owners whose beneficial interests in this bond shall be redeemed and the amount of any such redemption shall be determined by DTC and its participants by lot in such manner as DTC and its participants shall deem appropriate. If less than all of the principal sum is to be redeemed, upon surrender of this bond to the Trustee there will be issued to the Registered Owner, without charge, a new bond for the unredeemed principal sum.

In connection with the offering of the bonds the State has executed a Continuing Disclosure Certificate (as it may be amended from time to time, the "Certificate"). The State hereby covenants to comply with the provisions of the Certificate, and reference is made to the Certificate for a description of the nature and extent of the obligations of the State and the rights of the Registered Owner under the Certificate. The Certificate is described in the Official

Statement relating to the bonds. A copy of the Certificate is available from the Treasurer upon request.

This bond will not be valid unless the Certificate of Authentication has been signed by the Trustee.

STATE OF NEW HAMPSHIRE

Date of
Registration:(Seal)

By: _____
Treasurer

Countersigned:

Governor

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Resolution.

_____, as Trustee

By: _____
Authorized Signatory

[STATEMENT OF INSURANCE if any, to be inserted]

SECTION 206. Additional Notices of Redemption.

(a) In the event the State determines to exercise its option to redeem any 2002-Refunding Series Bonds at the times set forth in the 2002 Refunding Series Bonds, the State shall give notice to the Trustee of such determination at least ten (10) days prior to the last date on which the Trustee may give notice of such redemption to the affected Bondholders, as set forth in the form of the 2002 Refunding Series Bonds.

(b) In addition to the notice of redemption set forth in the 2002 Refunding Series Bonds in accordance with Section 2.6 of the General Resolution, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for

redemption if notice thereof is given as set forth in the 2002 Refunding Series Bonds. Each further notice of redemption shall be sent at least thirty-five (35) days prior to the redemption date by registered or certified mail or overnight delivery service to at least two national information services that disseminate notices of redemption of obligations like the 2002 Refunding Series Bonds.

SECTION 207. Sale of 2002 Refunding Series Bonds. The Treasurer is hereby authorized to sell the 2002 Refunding Series Bonds to Goldman, Sachs & Co., representing themselves and the other Underwriters (collectively, the "Purchasers"), at the price determined by the Treasurer, plus accrued interest, if any, to the date of delivery of the 2002 Refunding Series Bonds. The Treasurer is hereby authorized to execute on behalf of the State the Purchase Contract substantially in the form attached hereto, with such changes as she may approve, her execution thereof to constitute conclusive evidence of her approval and the approval of the Governor and Council.

The Treasurer is hereby authorized to prepare, make public, execute and authorize distribution of a Preliminary Official Statement and an Official Statement, substantially in the form of the Official Statements previously prepared in connection with the issuance of Turnpike System Revenue Bonds, with such insertions and changes as she may approve, her execution thereof to constitute conclusive evidence of her approval and the approval of the Governor and Council of the insertions and changes, and to sign and deliver the Official Statement to the Purchasers.

SECTION 208. Refunding Trust Agreement; Continuing Disclosure Certificate. The Treasurer is hereby authorized to execute on behalf of the State the Refunding Trust Agreement providing for the refunding of the Refunded Bonds, substantially in such form as she may approve, her execution thereof to constitute conclusive evidence of her approval and the approval of the Governor and Council. The Treasurer, Governor and Commissioner of the Department of Transportation are hereby authorized to execute on behalf of the State the Continuing Disclosure Certificate, substantially in the form previously delivered in connection with the issuance of Turnpike System Revenue Bonds, with such insertion and changes as the signing officers may approve, their execution thereof to constitute conclusive evidence of their approval and the approval of the Governor and Council.

SECTION 209. Terms, Conditions and Details Determined by Treasurer. Except as specifically provided in Article II, or in the General Resolution, the Treasurer shall determine the aggregate principal amount of the 2002 Refunding Series Bonds and the maturities, interest rates, redemption prices and terms, and the form of the 2002 Refunding Series Bonds, and all other details and terms and conditions of sale of the 2002 Refunding Series Bonds, all in accordance with and subject to the terms of the Purchase Contract. The Treasurer is hereby authorized to make such certifications and representations and enter into such agreements as she deems necessary and appropriate in furtherance of the provisions of this 2002 Refunding Series Resolution.

ARTICLE III.

DISPOSITION OF PROCEEDS

SECTION 301. Disposition of Proceeds. In accordance with Section 2.7 of the General Resolution, upon delivery of the 2002 Refunding Series Bonds the proceeds shall be paid to the Treasurer or to the Trustee and applied as follows:

- (a) an amount representing accrued interest on the 2002 Refunding Series Bonds, if any, shall be deposited into the Interest Subaccount in the Debt Service Account;
- (b) amounts necessary to pay costs of issuance of the 2002 Refunding Series Bonds shall be applied thereto by the Treasurer; and
- (c) the remainder shall be deposited in the Refunding Trust Fund to refund the Refunded Bonds pursuant to the Refunding Trust Agreement and applied as provided therein.

ARTICLE IV.

REBATE SUBACCOUNT

SECTION 401. 2002 Refunding Series Bonds Rebate Subaccount. There is hereby established a subaccount of the Rebate Account established by Section 3.4 of the General Resolution to be known as the "2002 Refunding Series Bonds Rebate Subaccount" and referred to hereafter in this Article as the "Rebate Subaccount". Moneys in the Rebate Subaccount shall be held by the Trustee and applied in accordance with the provisions of this section.

(a) For purposes of this section, the following terms shall have the following meanings:

- (i) "Bond Year" shall mean each one-year period (or shorter period beginning on the date of original delivery of the 2002 Refunding Series Bonds and ending on September 30, 2002) ending September 30;
- (ii) "Code" shall mean the Internal Revenue Code of 1986.
- (iii) "Excess" for any period means the sum of:

(A) the excess of

1. the aggregate amount earned on all Nonpurpose Investments (other than investments attributable to an excess described in this subparagraph (i) and investments of amounts deposited in the Debt Service Account) acquired with any Gross Proceeds of the 2002 Refunding Series Bonds over

2. the amount which would have been earned if all such Nonpurpose Investments were invested at a rate equal to the Yield on the 2002 Refunding Series Bonds, plus

- (B) any income attributable to the investment of the excess described in subparagraph (i) above.
- (iv) "Gross Proceeds" shall have the meaning given such term in the Rebate Provision;
- (v) "Nonpurpose Investments" shall have the meaning given such term in the Rebate Provision;
- (vi) "Rebate Provision" shall mean Section 148(f) of the Code and the regulations thereunder;
- (vii) "Rebate Requirement," with respect to the 2002 Refunding Series Bonds, shall mean, at any date of calculation, the cumulative net Excess, if any, as last determined by the Treasurer in accordance with this section, less amounts previously paid to the United States under paragraph (d) of this section;
- (viii) "Yield" shall mean the yield on the 2002 Refunding Series Bonds or the yield on any investment of Gross Proceeds of the 2002 Refunding Series Bonds, in either case calculated as required by the Rebate Provision.

(b) Except as otherwise provided in this section, amounts on deposit in the Rebate Subaccount shall not be subject to the claim of any party (including Bondholders) and shall not be paid over to any party other than the United States of America. In addition to the Rebate Subaccount, the State hereby covenants to establish such other separate accounts or subaccounts within the accounts established pursuant to the General Resolution as may be necessary or desirable to account for the Gross Proceeds of the 2002 Refunding Series Bonds and all Nonpurpose Investments acquired therewith in order to comply with the Rebate Provision.

(c) Within forty-five (45) days after the close of each Bond Year (or any earlier date that may be necessary to make a required payment to the United States under paragraph (d) of this section), the Treasurer shall compute and certify to the Trustee in reasonable detail the Rebate Requirement as of the close of such Bond Year and shall deposit into the Rebate Subaccount from moneys held in the Revenue Account an amount sufficient to cause the balance in the Rebate Subaccount to equal the Rebate Requirement as so determined. If at the date of calculation of the Rebate Requirement the amount on deposit in the Rebate Subaccount exceeds the Rebate Requirement as so determined, upon written certification thereof in reasonable detail by the Treasurer to the Trustee, such excess shall be transferred by the Trustee to the Revenue Account. For purposes of this paragraph (c), computations of Excess shall be made as if the last day of the applicable Bond Year were a "computation date" within the meaning of Treas. Reg. §1.148-3(e) or any successor regulation. In determining the aggregate amount earned on

Nonpurpose Investments, any gain or loss on the disposition of such Investments shall be taken into account.

(d) Within sixty (60) days of the end of the fifth Bond Year, and each fifth Bond Year thereafter, the Trustee, upon receipt of a written direction from the Treasurer, shall pay from the Rebate Subaccount to the United States on behalf of the State the amount then required to be paid under the Rebate Provision as determined by the Treasurer and certified to the Trustee. Within sixty (60) days after the 2002 Refunding Series Bonds have been paid in full, the Trustee, upon receipt of a written direction from the Treasurer, shall pay to the United States on behalf of the State the full amount then required to be paid under the Rebate Provision as determined by the Treasurer and certified to the Trustee. Each such payment shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, or any other address as directed by the Internal Revenue Service, accompanied by a Form 8038-T. If at the time of any such payment the amount of the Rebate Subaccount is insufficient to pay the amount required to be paid under the Rebate Provision, the deficiency shall be paid from the Revenue Account by the Treasurer.

(e) Not later than fifteen (15) days prior to each date on which a payment could become due under paragraph (d) hereof (a "Rebate Payment Date"), the Treasurer shall deliver to the Trustee a certificate either summarizing the determination that no amount is required to be paid or specifying the amount then required to be paid pursuant to paragraph (d) hereof and, if an amount is required to be paid, the Trustee shall make such payment on the Rebate Payment Date from the Rebate Subaccount.

(f) The Trustee and the Treasurer shall keep such records as will enable them to fulfill their responsibilities under this section and the Rebate Provision and shall retain such records for at least six years following final payment of the 2002 Refunding Series Bonds.

(g) The State shall exclude from its computations of Excess pursuant to Subsection 6.1(a) any Gross Proceeds that are not subject to rebate pursuant to Code §148(f)(4)(B) or (C) or pursuant to the provisions of Treas. Reg. 1.148-7.

SECTION 402. Late Payments. In the event any rebatable arbitrage with respect to the 2002 Refunding Series Bonds is not paid to the United States when due, the State shall pay to the United States any interest, penalty or other amount necessary to prevent the 2002 Refunding Series Bonds from becoming arbitrage bonds within the meaning of Section 148 of the Code.

SECTION 403. Amendments of Article IV. The provisions of this Article IV shall be complied with by the State in order to meet the requirements of the Code such that interest on the 2002 Refunding Series Bonds shall be and remain excludable from the gross income of the recipients thereof for federal income tax purposes; provided, however, the State shall not be required to comply with any such provision with respect to the 2002 Refunding Series Bonds in the event the State receives an unqualified opinion of nationally recognized bond counsel that compliance with such provision is no longer required to satisfy the requirements of the Code or that compliance with some other provision in lieu of a provision specified in this Article IV will satisfy said requirements, in which case compliance with the other provision specified in such

opinion shall constitute compliance with the provisions specified in this Article IV. The State shall adopt a Supplemental Resolution reflecting the deletion or substitution of any such provision of this Article IV in the same manner as provided for Supplemental Resolutions adopted in accordance with Section 8.1 of the General Resolution.

ARTICLE V.

BOND INSURANCE

SECTION 501. Bond Insurance. If a Bond Insurance Policy is to be issued in connection with the issuance of the 2002 Refunding Series Bonds, the following provisions shall apply:

(a) Notwithstanding anything in Section 3.3 of the General Resolution to the contrary, if, on the third day preceding any interest payment date for the 2002 Refunding Series Bonds there is not on deposit with the Trustee sufficient moneys available to pay all principal of and interest on the 2002 Refunding Series Bonds due on such date, the Trustee shall immediately notify the Bond Insurer and State Street Bank and Trust Company, N.A., New York, New York or its successor as its Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency. If, by said interest payment date, the State has not provided the amount of such deficiency, the Trustee shall simultaneously make available to the Bond Insurer and to the Fiscal Agent the registration books for the 2002 Refunding Series Bonds maintained by the Trustee. In addition:

(i) The Trustee shall provide the Bond Insurer with a list of the 2002 Refunding Series Bondholders entitled to receive principal or interest payments from the Bond Insurer under the terms of the Bond Insurance Policy and shall make arrangements for the Bond Insurer and its Fiscal Agent (A) to mail checks or drafts to 2002 Refunding Series Bondholders entitled to receive full or partial interest payments from the Bond Insurer and (B) to pay principal of the 2002 Refunding Series Bonds surrendered to the Fiscal Agent by the 2002 Refunding Series Bondholders entitled to receive full or partial principal payments from the Bond Insurer; and

(ii) The Trustee shall, at the time it makes the registration books available to the Bond Insurer pursuant to (i) above, notify 2002 Refunding Series Bondholders entitled to receive the payment of principal of or interest on the 2002 Refunding Series Bonds from the Bond Insurer (A) as to the fact of such entitlement, (B) that the Bond Insurer will remit to them all or part of the interest payments coming due, (C) that, except as provided in paragraph (b) below, in the event that any 2002 Refunding Series Bondholder is entitled to receive full payment of principal from the Bond Insurer, such 2002 Refunding Series Bondholder must tender his 2002 Refunding Series Bond with the instrument of transfer in the form provided on the Bond executed in the name of the Bond Insurer, and (D) that, except as provided in paragraph (b) below, in the event that such 2002 Refunding Series Bondholder is entitled to receive partial payment of

principal from the Bond Insurer, such 2002 Refunding Series Bondholder must tender his 2002 Refunding Series Bond for payment first to the Trustee, which shall note on such 2002 Refunding Series Bond the portion of principal paid by the Trustee, and then, with the form of transfer executed in the name of the Bond Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal to the 2002 Refunding Series Bondholder.

(b) In the event that the Trustee has notice that any payment of principal of or interest on a 2002 Refunding Series Bond has been recovered from a 2002 Refunding Series Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall at the time it provides notice to the Bond Insurer, notify all 2002 Refunding Series Bondholders that in the event that any Bondholder's payment is so recovered, such 2002 Refunding Series Bondholder will be entitled to payment from the Bond Insurer to the extent of such recovery, and the Trustee shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the 2002 Refunding Series Bonds which have been made by the Trustee and subsequently recovered from Bondholders, and the dates on which such payments were made.

(c) The Bond Insurer shall, to the extent it makes payment of principal of or interest on the 2002 Refunding Series Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy and, to evidence such subrogation, (i) in the case of subrogation as to claims for past due interest, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books maintained by the Trustee upon receipt from the Bond Insurer of proof of the payment of interest thereon to the 2002 Refunding Series Bondholders of such 2002 Refunding Series Bonds and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books for the 2002 Refunding Series Bonds maintained by the Trustee upon receipt of proof of the payment of principal thereof to the 2002 Refunding Series Bondholders of such 2002 Refunding Series Bonds. Notwithstanding anything in this 2002 Refunding Series Resolution or the 2002 Refunding Series Bonds to the contrary, the Trustee shall make payment of such past due interest and past due principal directly to the Bond Insurer to the extent that the Bonds Insurer is a subrogee with respect thereto.

(d) For as long as the Bond Insurance Policy shall be in full force and effect, (i) the State shall provide the Bond Insurer with the following information:

(A) a copy of the Annual Budget filed with the Treasurer in accordance with Section 4.2 of the General Resolution, which shall be provided within fifteen (15) days of the date it is filed with the Treasurer;

(B) a copy of the annual financial statement filed with the Trustee in accordance with Section 4.7 of the General Resolution, which shall be provided within fifteen (15) days of the date it is filed with the Trustee;

(C) a copy of any official statement or other disclosure document prepared by the State in connection with the issuance of Additional Bonds or any other indebtedness secured by a pledge of Revenues inferior to the pledge of Revenues created by the Resolution which shall be provided within thirty (30) days of the sale of such indebtedness; and

- (D) (I) Annual vehicular traffic (number)
 - (aa) % commercial
 - (bb) % passenger
- (II) Annual vehicular miles traveled
 - (aa) % commercial
 - (bb) % passenger
- (III) Toll rates currently in effect for all classes of vehicles.
- (IV) Any planned expansions or improvement projects or projects in process.

The information to be provided pursuant to this such clause (D) shall be provided separately for the Central New Hampshire Turnpike and the Eastern New Hampshire Turnpike (each as defined in the Act) portions of the System and for the remainder of the System, if any. This information shall be provided by the State to the Bond Insurer within 180 days after the end of each Fiscal Year.

(ii) The Trustee shall provide the following to the Bond Insurer:

(A) notice of any deficiency in or withdrawal from the Debt Service Reserve Account (other than a transfer of any excess therein to the Revenue Account in accordance with the second sentence of Section 3.5(c) of the General Resolution); and

(B) notice of the redemption, other than from sinking fund installments, of any of the 2002 Refunding Series Bonds, which notice shall include the principal amount, maturity dates and CUSIP numbers of the 2002 Refunding Series Bonds being redeemed.

(e) Notwithstanding any provision in the Resolution to the contrary, for so long as the Bond Insurance Policy shall be in full force and effect, the Trustee shall not give notice of redemption of any of the 2002 Refunding Series Bonds, other than from sinking fund installments, unless and until the Trustee shall hold sufficient funds to pay the redemption price of such 2002 Refunding Series Bonds when due.

(f) For so long as the Bond Insurance Policy shall be in full force and effect, the Trustee shall (i) immediately give notice to the Bond Insurer of the occurrence of any Event of Default specified in clause (1), (2) or (3) of Section 7.1(a) of the General Resolution and (ii) give notice to the Bond Insurer of the occurrence of any other Event of Default specified in Section 7.1(a) of the General Resolution within thirty (30) days of the Trustee having knowledge of such Event of Default.

(g) The Trustee, in determining whether an Event of Default specified in clause (1), (2) or (3) of Section 7.1(a) of the General Resolution shall have occurred with respect to the 2002 Refunding Series Bonds, shall do so without regard to any payments made under the Bond Insurance Policy. In executing its obligations under the Resolution, including, but not limited to, Article V thereof, the Trustee shall perform such obligations, including, but not limited to, any actions taken to protect the interests of the 2002 Refunding Series Bondholders and to enforce the provisions of the Resolution to the same extent as it would if the Bond Insurance Policy were not in effect.

(h) For so long as the Bond Insurance Policy shall be in full force and effect and provided that the Bond Insurer shall not have defaulted on its payment obligations under the Bond Insurance Policy, (i) for all purposes of Article VII of the General Resolution (except the giving of notice of an Event of Default pursuant to Section 5.4 of the General Resolution) and Article VIII of the General Resolution, the Bond Insurer shall be deemed to be the sole Bondholder of the 2002 Refunding Series Bonds, (ii) no amendment or supplement to Article V of this 2002 Refunding Series Resolution shall be made without the prior written consent of the Bond Insurer, and (iii) the Bond Insurer shall be a party in interest to the Resolution and shall be entitled to (A) notify the Trustee of the occurrence of any Event of Default with respect to the 2002 Refunding Series Bonds and (B) request that the Trustee intervene in any judicial proceedings that affects the 2002 Refunding Series Bonds or the security therefor, subject, however, to the rights of the Trustee under Sections 5.3(g) and 7.6(b) of the General Resolution. The Trustee shall accept any notice of the occurrence of an Event of Default from the Bond Insurer.

(i) Notwithstanding anything in Article V of the General Resolution to the contrary, (A) no resignation or removal of the Trustee shall become effective until a successor has been appointed and has accepted the duties of Trustee and (B) for so long as the Bond Insurance Policy shall be in full force and effect, the State shall furnish the Bond Insurer with written notice of the resignation or removal of the Trustee and the appointment of any successor thereto.

(j) Unless otherwise approved by the Bond Insurer, obligations described in clause (ii) of the definition of "Defeasance Obligations" set forth in Section 1.1 of the General Resolution may be used pursuant to Section 2.9 of the General Resolution to discharge and satisfy the obligation, pledge, covenants and agreements of the State with respect to the 2002 Refunding Series Bonds only if such obligations are rated in the highest rating category of either Moody's Investors Service Inc. ("Moody's") or Standard & Poor's ("S&P"). In addition, no Defeasance Obligation shall be so used unless it is non-callable. In the event the 2002 Refunding Series Bonds are discharged pursuant to Section 2.9 of the General Resolution, the

State shall cause to be delivered to the Bond Insurer a report of an independent nationally recognized certified public accountant verifying that the amounts held by the Trustee, together with interest income thereon, will be sufficient to pay when due the principal or redemption price of and interest on such 2002 Refunding Series Bonds being discharged.

(k) Notwithstanding anything in the Resolution to the contrary, for so long as the Bond Insurance Policy remains in full force and effect, any calculation of "Net Revenue Requirement" shall compute Debt Service on Variable Rate Bonds by using the Maximum Interest Rate applicable to such Bonds, provided that to the extent Variable Rate Bonds issued or to be issued include related select auction variable rate securities and residual interest bonds or other related issues which, taken together, are the equivalent of a fixed rate obligation of the State, such issues shall be aggregate and treated as a single issue of fixed rate Bonds.

(l) Notwithstanding anything in the Resolution to the contrary, for so long as the Bond Insurance Policy remains in effect, any surety bond, insurance policy or letter of credit deposited into the Debt Service Reserve Account in lieu of cash pursuant to Section 3.5(d) of the General Resolution shall be rated in the highest rating category by Moody's or S&P.

(m) For so long as the Bond Insurance Policy shall remain in full force and effect, the State shall provide the Bond Insurer and each rating agency then maintaining a rating on the 2002 Refunding Series Bonds with a full transcript of all proceedings relating to the adoption of any Supplemental Resolution.

(n) Any notice, direction, document or other information required to be delivered to the Bond Insurer or Fiscal Agent (as defined in Section 7.1(a) hereof), shall be deemed given when delivered (i) in the case of the Bond Insurer to such address as the Bond Insurer shall identify prior to the date of delivery of the 2002 Refunding Series Bonds; and (ii) in the case of the Fiscal Agent, to State Street Bank and Trust Company, N.A., 61 Broadway, New York, New York 10006, Attention: Corporate Trust Department, or in either case, at such other office or addressed in such other manner as the party to whom the notice is given has designated by written notice to the party giving the notice.

Modifications to Article V. The provisions of this Article V may be modified or amended on or prior to the date of delivery of the 2002 Refunding Series Bonds, upon delivery by the Treasurer to the Trustee of a certificate specifying the amendments or modifications which are, in her opinion, necessary or desirable in order to cause the Bond Insurer to issue the Bond Insurance Policy. Any such amendments or modifications made by the Treasurer shall be deemed to be part of this 2002 Refunding Series Resolution.

ARTICLE VI.

EFFECTIVE DATE

SECTION 601. Effective Date. This 2002 Refunding Series Resolution shall take effect upon delivery of the opinion described in Section 8.4 of the General Resolution.

Exhibit A

MODIFICATIONS TO ARTICLE V OF THE 2002 SERIES RESOLUTION

Pursuant to the Section of the 2002 Series Resolution captioned "Modifications to Article V," the following amendments or modifications to the 2002 Series Resolution are necessary or desirable to cause the Bond Insurer to issue the Bond Insurance Policy and are deemed to be a part of the 2002 Series Resolution:

(a) Sections 501(a), (b) and (c) of the 2002 Series Resolution are hereby replaced by the following:

“(a) If, on the third business day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the General Resolution; moneys sufficient to pay the principal of and interest on the 2002 Refunding Series Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the “Bond Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the 2002 Refunding Series Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the 2002 Refunding Series Bonds and the amount required to pay principal of the 2002 Refunding Series Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Trustee shall authenticate and deliver to affected 2002 Refunding Series Bondholders who surrender their 2002 Refunding Series Bonds a new 2002 Refunding Series Bond or 2002 Refunding Series Bonds in an aggregate principal amount equal to the unredeemed portion of the 2002 Refunding Series Bond surrendered. The Trustee shall designate any portion of payment of principal on 2002 Refunding Series Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of 2002 Refunding Series Bonds registered to the then current 2002 Refunding Series Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement 2002 Refunding Series Bond to the Bond Insurer, registered in the name of Financial Security Assurance Inc., in a

principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement 2002 Refunding Series Bond shall have no effect on the amount of principal or interest payable by the State on any 2002 Refunding Series Bond or the subrogation rights of the Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any 2002 Refunding Series Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Bond Insurance Policy the Trustee shall establish a separate special purpose trust account for the benefit of 2002 Refunding Series Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of 2002 Refunding Series Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to 2002 Refunding Series Bondholders in the same manner as principal and interest payments are to be made with respect to the 2002 Refunding Series Bonds under the sections hereof regarding payment of 2002 Refunding Series Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee.

Any funds remaining in the Policy Payments Account following a 2002 Refunding Series Bond payment date shall promptly be remitted to the Bond Insurer.

Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the General Resolution and shall remain outstanding and continue to be due and owing until paid by the State in accordance with the General Resolution. The General Resolution shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

(b) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the 2002 Refunding Series Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of

the Bond Insurance Policy. The obligations to the Bond Insurer shall survive discharge or termination of the General Resolution.

(c) The notice address of the Bond Insurer is: Financial Security Assurance Inc., 350 Park Avenue, New York, New York 10022-6022, Attention: Managing Director – Surveillance; Re: Policy No. 28376-N, Telephone: (212) 826-0100; Telecopier: (212) 339-3529. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED”.

(b) Section 501(d) of the 2002 Series Resolution is hereby replaced by the following:

“(d) For so long as the Bond Insurance Policy shall be in full force and effect, the Bond Insurer shall be provided with the following information:

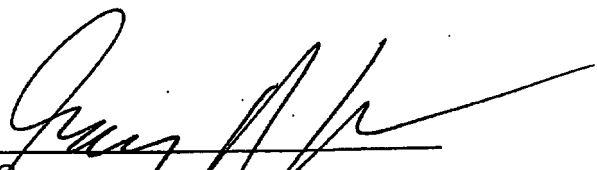
- (i) Annual audited financial statements within 120 days after the end of the State’s fiscal year and the State’s annual budget within 30 days after the approval thereof;
- (ii) Notice of any draw upon the Debt Service Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Account Requirement and (ii) withdrawals in connection with a refunding of 2002 Refunding Series Bonds;
- (iii) Notice of any default known to the Trustee within five Business Days after knowledge thereof;
- (iv) Prior notice of the advance refunding or redemption of any of the 2002 Refunding Series Bonds, including the principal amount, maturities and CUSIP numbers thereof;
- (v) Notice of the resignation or removal of the Trustee, Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;
- (vi) Notice of the commencement of any proceeding by or against the State commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”);
- (vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer or any payment of principal of, or interest on, the 2002 Refunding Series Bonds;


- (viii) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the General Resolution; and
- (ix) All reports, notices and correspondence to be delivered under the terms of the General Resolution.”

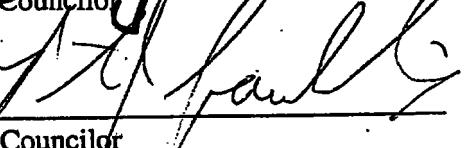
(c) Section 501(n) of the 2002 Series Resolution is hereby replaced by the following:

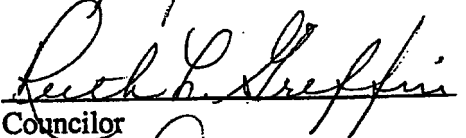
“(n) Any notice, direction, document or other information required to be delivered to the Bond Insurer or the Bond Insurer’s Fiscal Agent (as defined in Section 7.1(a) hereof), shall be deemed given when delivered (i) in the case of the Bond Insurer to the address noted in Section 501(c) hereof; and (ii) in the case of the Bond Insurer’s Fiscal Agent, to the person or entity designated by the Bond Insurer, or in either case, at such other office or addressed in such other manner as the party to whom the notice is given has designated by written notice to the party giving the notice.”

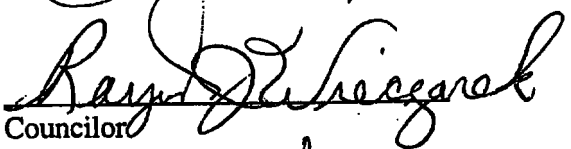
The Governor and Council hereby certify that the attached Supplemental Resolution was adopted at their meeting on June 4, 2003.

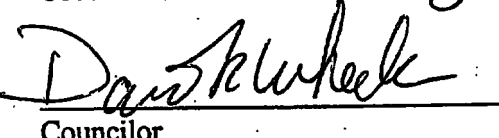

Governor


Councilor



Councilor


Councilor


Councilor


Councilor

A true copy
Attest:


Secretary of State



STATE OF NEW HAMPSHIRE

SUPPLEMENTAL RESOLUTION

AUTHORIZING ADDITIONAL PROJECTS

ADOPTED

JUNE 4, 2003

SUPPLEMENTAL RESOLUTION AUTHORIZING ADDITIONAL PROJECTS

Be it resolved by the Governor and Council of the State of New Hampshire as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS

SECTION 1.1. Authority. This Supplemental Resolution (hereinafter referred to as the "2003 Supplemental Resolution") is adopted in accordance with the provisions of Section 2.2 and Article VIII of the General Bond Resolution adopted November 9, 1987, as heretofore amended and supplemented (the "General Resolution") and Section 2.2(a) of the 1999 Series A Resolution (as defined below), authorizing the allocation of proceeds of the 1999 Series A Bonds (as defined below) to additional projects related to the System and described or permitted under the Act in the event the State determines it is necessary or desirable to do so.

SECTION 1.2. Definitions. (a) All terms which are defined in Article I of the General Resolution shall have the same meanings in this 2003 Supplemental Resolution, unless the context shall clearly indicate some other meaning.

(b) In this 2003 Supplemental Resolution, the following terms shall have the following meanings, unless the context otherwise requires:

"1999 Series A Bonds" means the \$90,000,000 State of New Hampshire Turnpike System Revenue Bonds, 1999 Series A.

"1999 Series A Resolution" means the Supplemental Resolution adopted by the Governor and Council of the State of New Hampshire on February 3, 1999, authorizing the issuance of the 1999 Series A Bonds.

ARTICLE II

AUTHORIZATION OF ADDITIONAL PROJECTS

SECTION 2.1. Purposes. The list of projects set forth in Section 2.2 of the 1999 Series A Resolution is hereby amended to include the following projects, which are permitted to be financed under the Act in accordance with applicable provisions of the current Ten-Year Transportation Improvement Plan enacted as Chapter 259 of the Laws of 2002 and with respect to which the State hereby determines it is necessary and desirable to do so:

Central Turnpike

- Project A18 Engineering and construction of replaced bridge over the Souhegan River (Merrimack).
- Project A19 Engineering, right-of-way acquisition and construction of Bedford toll expansion (Bedford).
- Project A20 Engineering, right-of-way acquisition and construction of U.S. Route 3 bridge over the F.E. Everett Turnpike (Bedford).

Blue Star (Route -I-95) Turnpike

- Project C1 Expansion of Hampton toll plaza (Hampton/North Hampton).

Other Projects

- Project #13760 Expansion of Hampton toll ramp (Hampton/North Hampton).
- Project #11151Z
and11238Z Deployment of Intelligent Transportation System

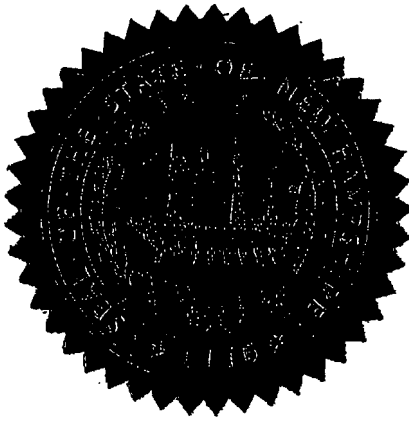
Project Costs incurred in connection with the projects listed above, including repayment of amounts previously advanced from the State's Highway Fund for the purpose of paying Project Costs, may be financed with the proceeds of the 1999 Series A Bonds.

ARTICLE III

EFFECTIVE DATE

SECTION 3.1. Effective Date. This 2003 Supplemental Resolution shall take effect upon delivery of the opinion described in Section 8.4 of the General Resolution.

The Governor and Council hereby certify that the attached Supplemental Resolution was adopted at their meeting on June 25, 2003.



[Signature]
Governor

[Signature]
Councilor

[Signature]
Councilor

[Signature]
Councilor

[Signature]
Councilor

[Signature]
Councilor

A true copy
Attest:

[Signature]
Secretary of State

**STATE OF NEW HAMPSHIRE
SUPPLEMENTAL RESOLUTION**

Authorizing the Issuance of

up to

\$105,000,000

State of New Hampshire

Turnpike System Revenue Bonds,

2003 Refunding Series

Adopted

June 25, 2003

**SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE
OF UP TO \$105,000,000 STATE OF NEW HAMPSHIRE TURNPIKE
SYSTEM REVENUE BONDS, 2003 REFUNDING SERIES**

Be it resolved by the Governor and Council of the State of New Hampshire as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS

SECTION 101. **Authority.** This Supplemental Resolution (hereinafter referred to as the "2003 Refunding Series Resolution") is adopted in accordance with the provisions of Article II, Section 2.2, and Article VIII of the General Bond Resolution adopted November 9, 1987, as amended (the "General Resolution"), authorizing the issuance of Turnpike System Revenue Bonds of the State pursuant to the authority contained in Chapter 237-A of the New Hampshire Revised Statutes Annotated (the "Act").

SECTION 102. **Definitions.**

(a) All terms which are defined in Article I of the General Resolution shall have the same meanings in this 2003 Refunding Series Resolution and with respect to the 2003 Refunding Series Bonds (as defined below), unless the context shall clearly indicate some other meaning.

(b) In this 2003 Refunding Series Resolution, the following terms shall have the following meanings, unless the context otherwise requires:

"2003 Refunding Series Bonds" means the series of Bonds authorized by Article II hereof.

"Bond Insurance Policy" means the municipal bond new issue insurance policy, if any, issued by the Bond Insurer that guarantees payment of principal of and interest on the 2003 Refunding Series Bonds.

"Bond Insurer" means, with respect to the 2003 Refunding Series Bonds, such bond insurer, if any, as may be selected by the Treasurer prior to the issuance of the 2003 Refunding Series Bonds in accordance with the Purchase Contract.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate, dated as of the date of delivery of the 2003 Refunding Series Bonds, executed by the Treasurer, Governor and Commissioner of the Department of Transportation on behalf of the State.

"Purchase Contract" means the Purchase Contract authorized by Section 207 between the State and A. G. Edwards & Sons, Inc., as representative of the Underwriters named therein.

"Refunded Bonds" means the \$53,055,000 aggregate principal amount of the State's Turnpike System Revenue Bonds, 1994 Series A (Fixed Rate Serial and Term Bonds), dated

February 1, 1994 and maturing on February 1 in the years 2005 through 2014, inclusive, and 2019; \$10,245,000 aggregate principal amount of the State's Turnpike System Revenue Bonds, 1994 Series A (Indexed Inverse Floaters) dated February 17, 1994 and maturing on February 1, 2015; \$15,600,000 aggregate principal amount of the State's Turnpike System Revenue Bonds, 1994 Series B, Select Auction Variable Rate Securities (SAVRS), dated February 17, 1994 and maturing on February 1, 2024; and \$15,600,000 aggregate principal amount of the State's Turnpike System Revenue Bonds, 1994 Series C, Residual Interest Bonds (RIBS), dated February 17, 1994 and maturing on February 1, 2024 or such lesser principal amount of such bonds as the Treasurer shall determine to be in the best interests of the State at or before the date of sale of the 2003 Refunding Series Bonds.

"Refunding Trust Agreement" means the Refunding Trust Agreement between the State of New Hampshire and U.S. Bank National Association, as Trustee, dated as of the date of delivery of the 2003 Refunding Series Bonds.

ARTICLE II

AUTHORIZATION OF 2003 REFUNDING SERIES BONDS

SECTION 201. Principal Amount, Designation and Series. Pursuant to the provisions of the General Resolution, a series of Bonds is hereby authorized in the maximum aggregate principal amount of \$105,000,000 and shall be designated as "Turnpike System Revenue Bonds, 2003 Refunding Series".

SECTION 202. Purposes. The purposes for which the 2003 Refunding Series Bonds are being issued are (i) to pay for certain costs of issuance relating to the 2003 Refunding Series Bonds, (ii) to provide for the discount realized upon the sale of the 2003 Refunding Series Bonds pursuant to the Purchase Contract, and (iii) to provide for the payment of the redemption price of and interest on the Refunded Bonds in accordance with the Refunding Trust Agreement.

SECTION 203. Date, Maturities, Interest Payments and Redemption Terms. The 2003 Refunding Series Bonds shall be dated and shall mature on the dates, in the years and in the principal amounts determined by the Treasurer in accordance with and subject to the terms of the Purchase Contract. The 2003 Refunding Series Bonds shall bear interest from their date, payable on the dates and at the rates and be subject to redemption, all as determined by the Treasurer in accordance with and subject to the terms of the Purchase Contract.

SECTION 204. Book-Entry System. The 2003 Refunding Series Bonds will be issued by means of a book-entry system, with bond certificates immobilized at The Depository Trust Company, New York, New York ("DTC"). Transfer of ownership of the 2003 Refunding Series Bonds, if and for as long as DTC acts as securities depository therefor, shall be made only through DTC and its participants in accordance with the rules and regulations specified by DTC. Notwithstanding anything in the General Resolution to the contrary, if and for as long as DTC acts as securities depository therefor, notices of redemption of the 2003 Refunding Series Bonds or any portion thereof shall be sent to DTC by registered or certified mail not less than thirty days nor more than sixty days prior to the date fixed for redemption.

In the event that DTC acts as securities depository for the 2003 Refunding Series Bonds and then (a) DTC determines not to continue to act as securities depository therefor or (b) the Treasurer determines that continuation of the book-entry system of evidence and transfer of ownership of the 2003 Refunding Series Bonds would adversely affect the interests of the beneficial owners of the 2003 Refunding Series Bonds, the Treasurer will discontinue the book-entry system with DTC. If the Treasurer fails to identify another qualified depository to replace DTC, the Trustee will at the direction of the Treasurer authenticate and deliver replacement Bonds in the form of fully registered certificates.

The Treasurer is hereby authorized to make such representations and enter into such agreements as he deems necessary and appropriate in furtherance of the provisions of this section.

SECTION 205. Bond Form. The 2003 Refunding Series Bonds shall be in substantially the following form with such insertions and deletions as the Treasurer shall determine to be necessary or desirable to reflect the terms of the 2003 Refunding Series Bonds:

R- _____ \$

United States of America

STATE OF NEW HAMPSHIRE

TURNPIKE SYSTEM REVENUE BOND

2003 REFUNDING SERIES

Interest Rate	Maturity <u>Date</u>	<u>CUSIP</u>	Original <u>Issue Date</u>
%	_____ 1,		_____, 2003

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The State of New Hampshire (the "State"), for value received, promises to pay to the Registered Owner of this bond or registered assigns, but solely from the Revenues to be provided under the Resolution described below, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date unless this bond is called for earlier redemption, upon presentation and surrender hereof, with interest (calculated on the basis of a 360-day year of twelve 30-day months) at the Interest Rate per annum, payable on _____ 1, _____ and semiannually thereafter on _____ 1 and _____ 1 of each year (each, an "Interest Payment Date") until the Principal Amount is paid or has been duly provided for. This bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the Original Issue Date.

This Bond is one of a series of \$ _____ aggregate principal amount issued by the State for the purpose of refunding certain bonds pursuant to RSA 237-A, as amended, previously issued under the General Bond Resolution duly adopted by the Governor and Council on November 9, 1987, as heretofore supplemented and amended (collectively, the "Resolution").

The bonds issued under the Resolution are payable solely from and are equally and ratably secured by a pledge of the Revenues derived by the State from the ownership and operation of its Turnpike System, subject to the payment of Operating Expenses.

Neither the full faith and credit nor the taxing power of the State or any political subdivision is pledged for the payment of the bonds.

Reference is made to the Resolution for a description of the Revenues pledged, the expenses payable therefrom before payment of the bonds, the terms and conditions upon which additional bonds may be issued or the Resolution amended, and the rights, limitations of rights, duties, obligations and immunities of the State, the Trustee and the bondholders, including the order of payments in the event of insufficient funds and restrictions on the rights of the bondholders to bring suit. Copies of the Resolution may be inspected at the offices of the Secretary of State and the Treasurer or at the principal corporate trust office of the Trustee. Terms not defined herein shall have the meanings given them in the Resolution.

In case any Event of Default occurs, the principal amount of this bond together with accrued interest may be declared due and payable in the manner and with the effect provided in the Resolution.

The bonds of this series are being issued by means of a book entry system, with bond certificates immobilized at The Depository Trust Company, New York, New York ("DTC") evidencing ownership of the bonds in principal amounts of \$5,000 or integral multiples thereof, and with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Bond certificates are not available for distribution to the public. The principal or redemption price, if any, of and interest on this bond are payable by _____, as Trustee and paying agent (the "Trustee") to the Registered Owner of this bond, as nominee of DTC. Transfer of principal, redemption price, if any, and interest payments to participants of DTC is the responsibility of DTC; transfer of principal, redemption price, if any, and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The State and Trustee are not responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the bonds or (b) the Treasurer determines that continuation of the book entry system of evidence and transfer of ownership would adversely affect the interests of the beneficial owners of the bonds, the State will discontinue the book entry system with DTC. If the State fails to identify another qualified securities depository to replace DTC, the Trustee will at the direction of the Treasurer authenticate and deliver replacement bonds in the form of fully registered certificates.

This bond is transferable only upon the books of the State which shall be kept for such purpose by the Trustee, but only in a manner which will maintain immobilization of bond certificates at one or more securities depositories. This bond may not be transferred or exchanged in a manner which would involve the delivery of bond certificates to the beneficial owners of bonds unless the book entry system has been discontinued by the State in accordance with the preceding paragraph, in which case replacement bonds may be issued in accordance with law and such procedures as the Treasurer shall deem appropriate.

[The bonds of this series (except the bonds maturing on or before ____ 1, ____, which are not subject to redemption prior to maturity) are redeemable prior to maturity beginning on ____ 1, ____, at the option of the State, as a whole or in part at any time at the following prices expressed in percentages of their principal amount plus accrued interest to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
____ 1, ____ through ____ [31], ____, inclusive	%
____ 1, ____ through ____ [31], ____, inclusive	
____ 1, ____ and thereafter	100

The bonds of this series maturing on _____ 1, _____ are also subject to redemption from sinking fund installments in amounts sufficient to redeem on _____ 1 of each year the principal amount of bonds shown below, without premium, plus accrued interest to the redemption date:

Bonds due _____ 1, _____

<u>Year</u>	<u>Principal Amount</u>
	\$
(maturity)]

In the event this bond is called for redemption, notice will be sent by first class, registered or certified mail not more than sixty (60) days nor less than thirty (30) days prior to the redemption date to the Registered Owner, as nominee of DTC. It will be the responsibility of DTC and its participants to give notice of the redemption to beneficial owners of this bond. Failure to mail notice to the registered owner of any other bond, any defect in the notice to such an owner, or failure by DTC and its participants to provide notice of redemption to the beneficial owners of this bond will not affect the redemption of this bond. Notice of redemption having been duly mailed, this bond, or the portion called for redemption, will become due and payable on the redemption date at the applicable redemption price and, moneys for the redemption having been deposited with the Trustee, from and after the date fixed for redemption interest on this bond (or such portion) will no longer accrue.

Portions of the principal sum of this bond in the amount of five thousand dollars (\$5,000) or any multiple thereof may be redeemed. In the event of such a partial redemption, the identity of the beneficial owners whose beneficial interests in this bond shall be redeemed and the amount of any such redemption shall be determined by DTC and its participants by lot in such

manner as DTC and its participants shall deem appropriate. If less than all of the principal sum is to be redeemed, upon surrender of this bond to the Trustee there will be issued to the Registered Owner, without charge, a new bond for the unredeemed principal sum.

In connection with the offering of the bonds the State has executed a Continuing Disclosure Certificate (as it may be amended from time to time, the "Certificate"). The State hereby covenants to comply with the provisions of the Certificate, and reference is made to the Certificate for a description of the nature and extent of the obligations of the State and the rights of the Registered Owner under the Certificate. The Certificate is described in the Official Statement relating to the bonds. A copy of the Certificate is available from the Treasurer upon request.

This bond will not be valid unless the Certificate of Authentication has been signed by the Trustee.

STATE OF NEW HAMPSHIRE

Date of
Registration:
(Seal)

By: _____
Treasurer

Countersigned:

Governor

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Resolution.

_____, as Trustee

By: _____
Authorized Signatory

[STATEMENT OF INSURANCE, if any, to be inserted]

SECTION 206. Additional Notices of Redemption.

(a) In the event the State determines to exercise its option to redeem any 2003 Refunding Series Bonds at the times set forth in the 2003 Refunding Series Bonds, the State shall

give notice to the Trustee of such determination at least ten (10) days prior to the last date on which the Trustee may give notice of such redemption to the affected Bondholders, as set forth in the form of the 2003 Refunding Series Bonds.

(b) In addition to the notice of redemption set forth in the 2003 Refunding Series Bonds in accordance with Section 2.6 of the General Resolution, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as set forth in the 2003 Refunding Series Bonds. Each further notice of redemption shall be sent at least thirty-five (35) days prior to the redemption date by registered or certified mail or overnight delivery service to at least two national information services that disseminate notices of redemption of obligations like the 2003 Refunding Series Bonds.

SECTION 207. Sale of 2003 Refunding Series Bonds. The Treasurer is hereby authorized to sell the 2003 Refunding Series Bonds to A.G. Edwards & Sons, Inc., representing themselves and the other Underwriters (collectively, the "Purchasers"), at the price determined by the Treasurer, plus accrued interest, if any, to the date of delivery of the 2003 Refunding Series Bonds. The Treasurer is hereby authorized to execute on behalf of the State the Purchase Contract substantially in such form as he may approve, his execution thereof to constitute conclusive evidence of his approval and the approval of the Governor and Council.

The Treasurer is hereby authorized to prepare, make public, execute and authorize distribution of a Preliminary Official Statement and an Official Statement, substantially in the form of the Preliminary Official Statement, with such insertions and changes as he may approve, his execution thereof to constitute conclusive evidence of his approval and the approval of the Governor and Council of the insertions and changes, and to sign and deliver the Official Statement to the Purchasers.

SECTION 208. Refunding Trust Agreement; Continuing Disclosure Certificate. The Treasurer is hereby authorized to execute on behalf of the State the Refunding Trust Agreement providing for the refunding of the Refunded Bonds, substantially in such form as he may approve, his execution thereof to constitute conclusive evidence of his approval and the approval of the Governor and Council. The Treasurer, Governor and Commissioner of the Department of Transportation are hereby authorized to execute on behalf of the State the Continuing Disclosure Certificate, substantially in the form previously delivered in connection with the issuance of Turnpike System Revenue Bonds, with such insertion and changes as the signing officers may approve, their execution thereof to constitute conclusive evidence of their approval and the approval of the Governor and Council.

SECTION 209. Terms, Conditions and Details Determined by Treasurer. Except as specifically provided in Article II, or in the General Resolution, the Treasurer shall determine the aggregate principal amount of the 2003 Refunding Series Bonds, the aggregate principal amount of Refunded Bonds and the maturities, interest rates, redemption prices and terms, and the form of the 2003 Refunding Series Bonds, and all other details and terms and conditions of sale of the 2003 Refunding Series Bonds, all in accordance with and subject to the terms of the Purchase Contract. The Treasurer is hereby authorized to make such certifications

and representations and enter into such agreements as he deems necessary and appropriate in furtherance of the provisions of this 2003 Refunding Series Resolution.

ARTICLE III

DISPOSITION OF PROCEEDS

SECTION 301. **Disposition of Proceeds.** In accordance with Section 2.7 of the General Resolution, upon delivery of the 2003 Refunding Series Bonds the proceeds shall be paid to the Treasurer or to the Trustee and applied as follows:

- (a) an amount representing accrued interest on the 2003 Refunding Series Bonds, if any, shall be deposited into the Interest Subaccount in the Debt Service Account;
- (b) amounts necessary to pay costs of issuance of the 2003 Refunding Series Bonds shall be applied thereto by the Treasurer; and
- (c) the remainder shall be deposited in the Refunding Trust Fund to refund the Refunded Bonds pursuant to the Refunding Trust Agreement and applied as provided therein.

ARTICLE IV

REBATE SUBACCOUNT

SECTION 401. **2003 Refunding Series Bonds Rebate Subaccount.** There is hereby established a subaccount of the Rebate Account established by Section 3.4 of the General Resolution to be known as the "2003 Refunding Series Bonds Rebate Subaccount" and referred to hereafter in this Article as the "Rebate Subaccount". Moneys in the Rebate Subaccount shall be held by the Trustee and applied in accordance with the provisions of this section.

- (a) For purposes of this section, the following terms shall have the following meanings:
 - (i) "Bond Year" shall mean each one-year period (or shorter period beginning on the date of original delivery of the 2003 Refunding Series Bonds and ending on January 31, 2004) ending January 31;
 - (ii) "Code" shall mean the Internal Revenue Code of 1986.
 - (iii) "Excess" for any period means the sum of:
 - (A) the excess of
 - 1. the aggregate amount earned on all Nonpurpose Investments (other than investments attributable to an excess described in this subparagraph (i) and investments of amounts deposited in the Debt Service Account) acquired with any Gross Proceeds of the 2003 Refunding Series Bonds over

2. the amount which would have been earned if all such Nonpurpose Investments were invested at a rate equal to the Yield on the 2003 Refunding Series Bonds, plus

- (B) any income attributable to the investment of the excess described in subparagraph (i) above.
- (iv) "Gross Proceeds" shall have the meaning given such term in the Rebate Provision;
- (v) "Nonpurpose Investments" shall have the meaning given such term in the Rebate Provision;
- (vi) "Rebate Provision" shall mean Section 148(f) of the Code and the regulations thereunder;
- (vii) "Rebate Requirement," with respect to the 2003 Refunding Series Bonds, shall mean, at any date of calculation, the cumulative net Excess, if any, as last determined by the Treasurer in accordance with this section, less amounts previously paid to the United States under paragraph (d) of this section;
- (viii) "Yield" shall mean the yield on the 2003 Refunding Series Bonds or the yield on any investment of Gross Proceeds of the 2003 Refunding Series Bonds, in either case calculated as required by the Rebate Provision.

(b) Except as otherwise provided in this section, amounts on deposit in the Rebate Subaccount shall not be subject to the claim of any party (including Bondholders) and shall not be paid over to any party other than the United States of America. In addition to the Rebate Subaccount, the State hereby covenants to establish such other separate accounts or subaccounts within the accounts established pursuant to the General Resolution as may be necessary or desirable to account for the Gross Proceeds of the 2003 Refunding Series Bonds and all Nonpurpose Investments acquired therewith in order to comply with the Rebate Provision.

(c) Within forty-five (45) days after the close of each Bond Year (or any earlier date that may be necessary to make a required payment to the United States under paragraph (d) of this section), the Treasurer shall compute and certify to the Trustee in reasonable detail the Rebate Requirement as of the close of such Bond Year and shall deposit into the Rebate Subaccount from moneys held in the Revenue Account an amount sufficient to cause the balance in the Rebate Subaccount to equal the Rebate Requirement as so determined. If at the date of calculation of the Rebate Requirement the amount on deposit in the Rebate Subaccount exceeds the Rebate Requirement as so determined, upon written certification thereof in reasonable detail by the Treasurer to the Trustee, such excess shall be transferred by the Trustee to the Revenue Account. For purposes of this paragraph (c), computations of Excess shall be made as if the last day of the applicable Bond Year were a "computation date" within the meaning of Treas. Reg. §1.148-3(e) or any successor regulation. In determining the aggregate amount earned on Nonpurpose Investments, any gain or loss on the disposition of such Investments shall be taken into account.

(d) Within sixty (60) days of the end of the fifth Bond Year, and each fifth Bond Year thereafter, the Trustee, upon receipt of a written direction from the Treasurer, shall pay from the Rebate Subaccount to the United States on behalf of the State the amount then required to be paid under the Rebate Provision as determined by the Treasurer and certified to the Trustee. Within sixty (60) days after the 2003 Refunding Series Bonds have been paid in full, the Trustee, upon receipt of a written direction from the Treasurer, shall pay to the United States on behalf of the State the full amount then required to be paid under the Rebate Provision as determined by the Treasurer and certified to the Trustee. Each such payment shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, or any other address as directed by the Internal Revenue Service, accompanied by a Form 8038-T. If at the time of any such payment the amount of the Rebate Subaccount is insufficient to pay the amount required to be paid under the Rebate Provision, the deficiency shall be paid from the Revenue Account by the Treasurer.

(e) Not later than fifteen (15) days prior to each date on which a payment could become due under paragraph (d) hereof (a "Rebate Payment Date"), the Treasurer shall deliver to the Trustee a certificate either summarizing the determination that no amount is required to be paid or specifying the amount then required to be paid pursuant to paragraph (d) hereof and, if an amount is required to be paid, the Trustee shall make such payment on the Rebate Payment Date from the Rebate Subaccount.

(f) The Trustee and the Treasurer shall keep such records as will enable them to fulfill their responsibilities under this section and the Rebate Provision and shall retain such records for at least six years following final payment of the 2003 Refunding Series Bonds.

(g) The State shall exclude from its computations of Excess pursuant to Subsection 6.1(a) any Gross Proceeds that are not subject to rebate pursuant to Code §148(f)(4)(B) or (C) or pursuant to the provisions of Treas. Reg. 1.148-7.

SECTION 402. Late Payments. In the event any rebatable arbitrage with respect to the 2003 Refunding Series Bonds is not paid to the United States when due, the State shall pay to the United States any interest, penalty or other amount necessary to prevent the 2003 Refunding Series Bonds from becoming arbitrage bonds within the meaning of Section 148 of the Code.

SECTION 403. Amendments of Article IV. The provisions of this Article IV shall be complied with by the State in order to meet the requirements of the Code such that interest on the 2003 Refunding Series Bonds shall be and remain excludable from the gross income of the recipients thereof for federal income tax purposes; provided, however, the State shall not be required to comply with any such provision with respect to the 2003 Refunding Series Bonds in the event the State receives an unqualified opinion of nationally recognized bond counsel that compliance with such provision is no longer required to satisfy the requirements of the Code or that compliance with some other provision in lieu of a provision specified in this Article IV will satisfy said requirements, in which case compliance with the other provision specified in such opinion shall constitute compliance with the provisions specified in this Article IV. The State shall adopt a Supplemental Resolution reflecting the deletion or substitution of any such provision of this Article IV in the same manner as provided for Supplemental Resolutions adopted in accordance with Section 8.1 of the General Resolution.

ARTICLE V

BOND INSURANCE

SECTION 501. Bond Insurance. If a Bond Insurance Policy is to be issued in connection with the issuance of the 2003 Refunding Series Bonds, the following provisions shall apply:

(a) Notwithstanding anything in Section 3.3 of the General Resolution to the contrary, if, on the third day preceding any interest payment date for the 2003 Refunding Series Bonds there is not on deposit with the Trustee sufficient moneys available to pay all principal of and interest on the 2003 Refunding Series Bonds due on such date, the Trustee shall immediately notify the Bond Insurer and its Fiscal Agent, if any (the "Fiscal Agent"), of the amount of such deficiency. If, by said interest payment date, the State has not provided the amount of such deficiency, the Trustee shall simultaneously make available to the Bond Insurer and to the Fiscal Agent the registration books for the 2003 Refunding Series Bonds maintained by the Trustee. In addition:

(i) The Trustee shall provide the Bond Insurer with a list of the 2003 Refunding Series Bondholders entitled to receive principal or interest payments from the Bond Insurer under the terms of the Bond Insurance Policy and shall make arrangements for the Bond Insurer and its Fiscal Agent (A) to mail checks or drafts to 2003 Refunding Series Bondholders entitled to receive full or partial interest payments from the Bond Insurer and (B) to pay principal of the 2003 Refunding Series Bonds surrendered to the Fiscal Agent by the 2003 Refunding Series Bondholders entitled to receive full or partial principal payments from the Bond Insurer; and

(ii) The Trustee shall, at the time it makes the registration books available to the Bond Insurer pursuant to (i) above, notify 2003 Refunding Series Bondholders entitled to receive the payment of principal of or interest on the 2003 Refunding Series Bonds from the Bond Insurer (A) as to the fact of such entitlement, (B) that the Bond Insurer will remit to them all or part of the interest payments coming due, (C) that, except as provided in paragraph (b) below, in the event that any 2003 Refunding Series Bondholder is entitled to receive full payment of principal from the Bond Insurer, such 2003 Refunding Series Bondholder must tender its 2003 Refunding Series Bond with the instrument of transfer in the form provided on the Bond executed in the name of the Bond Insurer, and (D) that, except as provided in paragraph (b) below, in the event that such 2003 Refunding Series Bondholder is entitled to receive partial payment of principal from the Bond Insurer, such 2003 Refunding Series Bondholder must tender its 2003 Refunding Series Bond for payment first to the Trustee, which shall note on such 2003 Refunding Series Bond the portion of principal paid by the Trustee, and then, with the form of transfer executed in the name of the Bond Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal to the 2003 Refunding Series Bondholder.

(b) In the event that the Trustee has notice that any payment of principal of or interest on a 2003 Refunding Series Bond has been recovered from a 2003 Refunding Series Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall at the time it provides notice to the Bond Insurer, notify all 2003 Refunding Series Bondholders that in the event that any Bondholder's payment is so recovered, such 2003 Refunding Series Bondholder will be entitled to payment from the Bond Insurer to the extent of such recovery, and the Trustee shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the 2003 Refunding Series Bonds which have been made by the Trustee and subsequently recovered from Bondholders, and the dates on which such payments were made.

(c) The Bond Insurer shall, to the extent it makes payment of principal of or interest on the 2003 Refunding Series Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy and, to evidence such subrogation, (i) in the case of subrogation as to claims for past due interest, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books maintained by the Trustee upon receipt from the Bond Insurer of proof of the payment of interest thereon to the 2003 Refunding Series Bondholders of such 2003 Refunding Series Bonds and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books for the 2003 Refunding Series Bonds maintained by the Trustee upon receipt of proof of the payment of principal thereof to the 2003 Refunding Series Bondholders of such 2003 Refunding Series Bonds. Notwithstanding anything in this 2003 Refunding Series Resolution or the 2003 Refunding Series Bonds to the contrary, the Trustee shall make payment of such past due interest and past due principal directly to the Bond Insurer to the extent that the Bonds Insurer is a subrogee with respect thereto.

(d) For as long as the Bond Insurance Policy shall be in full force and effect, (i) the State shall provide the Bond Insurer with the following information:

(A) a copy of the Annual Budget filed with the Treasurer in accordance with Section 4.2 of the General Resolution, which shall be provided within fifteen (15) days of the date it is filed with the Treasurer;

(B) a copy of the annual financial statement filed with the Trustee in accordance with Section 4.7 of the General Resolution, which shall be provided within fifteen (15) days of the date it is filed with the Trustee;

(C) a copy of any official statement or other disclosure document prepared by the State in connection with the issuance of Additional Bonds or any other indebtedness secured by a pledge of Revenues inferior to the pledge of Revenues created by the Resolution which shall be provided within thirty (30) days of the sale of such indebtedness; and

(D) (I) Annual vehicular traffic (number)

- (aa) % commercial
- (bb) % passenger
- (II) Annual vehicular miles traveled
 - (aa) % commercial
 - (bb) % passenger
- (III) Toll rates currently in effect for all classes of vehicles.
- (IV) Any planned expansions or improvement projects or projects in process.

The information to be provided pursuant to this such clause (D) shall be provided separately for the Central New Hampshire Turnpike and the Eastern New Hampshire Turnpike (each as defined in the Act) portions of the System and for the remainder of the System, if any. This information shall be provided by the State to the Bond Insurer within 180 days after the end of each Fiscal Year.

(ii) The Trustee shall provide the following to the Bond Insurer:

(A) notice of any deficiency in or withdrawal from the Debt Service Reserve Account (other than a transfer of any excess therein to the Revenue Account in accordance with the second sentence of Section 3.5(c) of the General Resolution); and

(B) notice of the redemption, other than from sinking fund installments, of any of the 2003 Refunding Series Bonds, which notice shall include the principal amount, maturity dates and CUSIP numbers of the 2003 Refunding Series Bonds being redeemed.

(e) Notwithstanding any provision in the Resolution to the contrary, for so long as the Bond Insurance Policy shall be in full force and effect, the Trustee shall not give notice of redemption of any of the 2003 Refunding Series Bonds, other than from sinking fund installments, unless and until the Trustee shall hold sufficient funds to pay the redemption price of such 2003 Refunding Series Bonds when due.

(f) For so long as the Bond Insurance Policy shall be in full force and effect, the Trustee shall (i) immediately give notice to the Bond Insurer of the occurrence of any Event of Default specified in clause (1), (2) or (3) of Section 7.1(a) of the General Resolution and (ii) give notice to the Bond Insurer of the occurrence of any other Event of Default specified in Section 7.1(a) of the General Resolution within thirty (30) days of the Trustee having knowledge of such Event of Default.

(g) The Trustee, in determining whether an Event of Default specified in clause (1), (2) or (3) of Section 7.1(a) of the General Resolution shall have occurred with respect to the 2003 Refunding Series Bonds, shall do so without regard to any payments made under the Bond Insurance Policy. In executing its obligations under the Resolution, including, but not limited to,

Article V thereof, the Trustee shall perform such obligations, including, but not limited to, any actions taken to protect the interests of the 2003 Refunding Series Bondholders and to enforce the provisions of the Resolution to the same extent as it would if the Bond Insurance Policy were not in effect.

(h) For so long as the Bond Insurance Policy shall be in full force and effect and provided that the Bond Insurer shall not have defaulted on its payment obligations under the Bond Insurance Policy, (i) for all purposes of Article VII of the General Resolution (except the giving of notice of an Event of Default pursuant to Section 5.4 of the General Resolution) and Article VIII of the General Resolution, the Bond Insurer shall be deemed to be the sole Bondholder of the 2003 Refunding Series Bonds, (ii) no amendment or supplement to Article V of this 2003 Refunding Series Resolution shall be made without the prior written consent of the Bond Insurer, and (iii) the Bond Insurer shall be a party in interest to the Resolution and shall be entitled to (A) notify the Trustee of the occurrence of any Event of Default with respect to the 2003 Refunding Series Bonds and (B) request that the Trustee intervene in any judicial proceedings that affects the 2003 Refunding Series Bonds or the security therefor, subject, however, to the rights of the Trustee under Sections 5.3(g) and 7.6(b) of the General Resolution. The Trustee shall accept any notice of the occurrence of an Event of Default from the Bond Insurer.

(i) Notwithstanding anything in Article V of the General Resolution to the contrary, (A) no resignation or removal of the Trustee shall become effective until a successor has been appointed and has accepted the duties of Trustee and (B) for so long as the Bond Insurance Policy shall be in full force and effect, the State shall furnish the Bond Insurer with written notice of the resignation or removal of the Trustee and the appointment of any successor thereto.

(j) Unless otherwise approved by the Bond Insurer, obligations described in clause (ii) of the definition of "Defeasance Obligations" set forth in Section 1.1 of the General Resolution may be used pursuant to Section 2.9 of the General Resolution to discharge and satisfy the obligation, pledge, covenants and agreements of the State with respect to the 2003 Refunding Series Bonds only if such obligations are rated in the highest rating category of either Moody's Investors Service Inc. ("Moody's") or Standard & Poor's ("S&P"). In addition, no Defeasance Obligation shall be so used unless it is non-callable. In the event the 2003 Refunding Series Bonds are discharged pursuant to Section 2.9 of the General Resolution, the State shall cause to be delivered to the Bond Insurer a report of an independent nationally recognized certified public accountant verifying that the amounts held by the Trustee, together with interest income thereon, will be sufficient to pay when due the principal or redemption price of and interest on such 2003 Refunding Series Bonds being discharged.

(k) Notwithstanding anything in the Resolution to the contrary, for so long as the Bond Insurance Policy remains in full force and effect, any calculation of "Net Revenue Requirement" shall compute Debt Service on Variable Rate Bonds by using the Maximum Interest Rate applicable to such Bonds, provided that to the extent Variable Rate Bonds issued or to be issued include related select auction variable rate securities and residual interest bonds or other related issues which, taken together, are the equivalent of a fixed rate obligation of the State, such issues shall be aggregate and treated as a single issue of fixed rate Bonds.

(l) Notwithstanding anything in the Resolution to the contrary, for so long as the Bond Insurance Policy remains in effect, any surety bond, insurance policy or letter of credit deposited into the Debt Service Reserve Account in lieu of cash pursuant to Section 3.5(d) of the General Resolution shall be rated in the highest rating category by Moody's or S&P.

(m) For so long as the Bond Insurance Policy shall remain in full force and effect, the State shall provide the Bond Insurer and each rating agency then maintaining a rating on the 2003 Refunding Series Bonds with a full transcript of all proceedings relating to the adoption of any Supplemental Resolution.

(n) Any notice, direction, document or other information required to be delivered to the Bond Insurer or Fiscal Agent (as defined in Section 7.1(a) hereof), shall be deemed given when delivered (i) in the case of the Bond Insurer to such address as the Bond Insurer shall identify prior to the date of delivery of the 2003 Refunding Series Bonds; and (ii) in the case of the Fiscal Agent, to such address as the Bond Insurer shall identify prior to the date of delivery of the 2003 Refunding Series Bonds, or in either case, at such other office or addressed in such other manner as the party to whom the notice is given has designated by written notice to the party giving the notice.

SECTION 502. Modifications to Article V. The provisions of this Article V may be modified or amended on or prior to the date of delivery of the 2003 Refunding Series Bonds, upon delivery by the Treasurer to the Trustee of a certificate specifying the amendments or modifications which are, in his opinion, necessary or desirable in order to cause the Bond Insurer to issue the Bond Insurance Policy. Any such amendments or modifications made by the Treasurer shall be deemed to be part of this 2003 Refunding Series Resolution.

ARTICLE VI

EFFECTIVE DATE

SECTION 601. Effective Date. This 2003 Refunding Series Resolution shall take effect upon delivery of the opinion described in Section 8.4 of the General Resolution.

Exhibit A

MODIFICATIONS TO ARTICLE V OF
THE 2003 REFUNDING SERIES RESOLUTION

Pursuant to the Section of the 2003 Refunding Series Resolution captioned "Modifications to Article V," the following amendments or modifications to the 2003 Refunding Series Resolution are necessary or desirable to cause the Bond Insurer to issue the Bond Insurance Policy and are deemed to be a part of the 2003 Refunding Series Resolution:

1. Sections 501(a) and (b) of the 2003 Refunding Series Resolution are hereby replaced by the following:

"(a) Bond Insurance Payment Procedures. (i) Notwithstanding anything in Section 3.3 to the contrary, at least one (1) day prior to all Interest Payment Dates the Trustee will determine whether there will be sufficient funds in the Debt Service Account to pay the principal of or interest on the 2003 Refunding Series Bonds on such Interest Payment Date. If the Trustee determines that there will be insufficient funds in such account, the Trustee shall so notify the Bond Insurer. Such notice shall specify the amount of the anticipated deficiency, the 2003 Refunding Series Bonds to which such deficiency is applicable and whether such 2003 Refunding Series Bonds will be deficient as to principal or interest, or both. If the Trustee has not so notified the Bond Insurer at least one (1) day prior to an Interest Payment Date, the Bond Insurer will make payments of principal or interest due on the 2003 Refunding Series Bonds on or before the first (1st) day next following the date on which the Bond Insurer shall have received notice of nonpayment from the Trustee.

(ii) the Trustee shall, after giving notice to the Bond Insurer as provided in (a) above, make available to the Bond Insurer and, at the Bond Insurer's direction, to The Bank of New York, in New York, New York, as insurance trustee for the Bond Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the State maintained by the Trustee and all records relating to the funds and accounts maintained under the Resolution.

(iii) the Trustee shall provide the Bond Insurer and the Insurance Trustee with a list of 2003 Refunding Series Bondholders entitled to receive principal or interest payments from the Bond Insurer under the terms of the Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (A) to mail checks or drafts to the 2003 Refunding Series Bondholders entitled to receive full or partial interest payments from the Bond Insurer and (B) to pay principal upon 2003 Refunding Series Bonds surrendered to the Insurance Trustee by the 2003 Refunding Series Bondholders entitled to receive full or partial principal payments from the Bond Insurer.

(iv) the Trustee shall, at the time it provides notice to the Bond Insurer pursuant to (a)(i) above, notify 2003 Refunding Series Bondholders entitled to receive the payment of principal or interest thereon from the Bond Insurer (A) as to the fact of such entitlement, (B) that the Bond Insurer will remit to them all or a part of the interest payments next coming

due upon proof of 2003 Refunding Series Bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the 2003 Refunding Series Bondholder's right to payment, (C) that should they be entitled to receive full payment of principal from the Bond Insurer, they must surrender their 2003 Refunding Series Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such 2003 Refunding Series Bonds to be registered in the name of the Bond Insurer) for payment to the Insurance Trustee, and not the Trustee and (D) that should they be entitled to receive partial payment of principal from the Bond Insurer, they must surrender their 2003 Refunding Series Bonds for payment thereon first to the Trustee who shall note on such Bonds the portion of the principal paid by the Trustee and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(v) in the event that the Trustee has notice that any payment of principal of or interest on an Bond which has become due for payment and which is made to a 2003 Refunding Series Bondholder by or on behalf of the State has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time the Bond Insurer is notified pursuant to (i) above, notify all 2003 Refunding Series Bondholders that in the event that any Bondholder's payment is so recovered, such registered owner will be entitled to payment from the Bond Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the 2003 Refunding Series Bonds which have been made by the Trustee and subsequently recovered from 2003 Refunding Series Bondholders and the dates on which such payments were made.

(vi) in addition to those rights granted the Bond Insurer under the Resolution, the Bond Insurer shall, to the extent it makes payment of principal of or interest on 2003 Refunding Series Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, and to evidence such subrogation (A) in the case of subrogation as to claims for past due interest, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books of the State maintained by the Trustee upon receipt from the Bond Insurer of proof of the payment of interest thereon to the 2003 Refunding Series Bondholder, and (B) in the case of subrogation as to claims for past due principal, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books of the State maintained by the Trustee upon surrender of the 2003 Refunding Series Bonds by the 2003 Refunding Series Bondholders thereof together with proof of the payment of principal thereof."

(b) Rights of the Bond Insurer. (i) Any provision of this 2003 Refunding Series Resolution expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer. The Bond Insurer reserves the right to charge the State a fee for any consent or amendment to the 2003 Refunding Series Resolution while the Bond Insurance Policy is outstanding.

(ii) Unless otherwise provided in this section, the Bond Insurer's consent shall be required in addition to Bondholder consent, when required, for the following purposes: (A) execution and delivery of any Supplemental Resolution or any amendment, supplement or change to or modification of the Resolution, (B) removal of the Trustee and selection and appointment of any successor trustee; and (C) initiation or approval of any action not described in (A) or (B) above which requires Bondholder consent.

(iii) Notwithstanding any provision in the Resolution to the contrary, upon the occurrence and continuance of an event of default as defined herein, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the 2003 Refunding Series Bondholders or the Trustee for the benefit of the 2003 Refunding Series Bondholders under this 2003 Refunding Series Resolution.

(iv) While the Bond Insurance Policy is in effect, the State or the Trustee as appropriate shall deliver the following information at the State's expense to the attention of the Surveillance Department:

(A) upon request, a copy of any financial statement, audit and annual report of the State; and

(B) a copy of any notice to be given to the registered owners of the 2003 Refunding Series Bonds, including, without limitation, notice of any redemption of or defeasance of 2003 Refunding Series Bonds, and any certificate rendered pursuant to this 2003 Refunding Series Resolution relating to the security for the 2003 Refunding Series Bonds; and

(C) a copy of any notice of a material event provided to the nationally recognized municipal repositories pursuant to the Continuing Disclosure Agreement executed in connection with the delivery of the 2003 Refunding Series Bonds.

(v) The Trustee or the State as appropriate shall notify the Bond Insurer of any failure of the State to provide relevant notices or certificates required to be delivered under the 2003 Refunding Series Resolution.

(vi) Notwithstanding any other provision of this 2003 Refunding Series Resolution, the Trustee or the State as appropriate shall immediately notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

(vii) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the 2003 Refunding Series Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the 2003 Refunding Series Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the State, and the assignment and pledge of the Resolution and all covenants, agreements and other obligations of the State to the 2003 Refunding Series Bondholders shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Bondholders.

(viii) The State shall give the Bond Insurer prior written notice of any Trustee resignation. Notwithstanding any other provision of this 2003 Refunding Series Resolution, no removal, resignation or termination of the Trustee shall take effect until a successor has been appointed.

(ix) Notwithstanding any other provision of this 2003 Refunding Series Resolution, in determining whether the rights of the 2003 Refunding Series Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this 2003 Refunding Series Resolution, the Trustee shall consider the effect on the 2003 Refunding Series Bondholders as if there were no Bond Insurance Policy.

(x) To the extent that this 2003 Refunding Series Resolution confers upon or gives or grants to Ambac any right, remedy or claim under or by reason of this 2003 Refunding Series Resolution, Ambac is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

(xi) Nothing in this 2003 Refunding Series Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the State, the Trustee, the Bond Insurer, and the 2003 Refunding Series Bondholders, any right, remedy or claim under or by reason of this 2003 Refunding Series Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this 2003 Refunding Series Resolution contained by and on behalf of the State shall be for the sole and exclusive benefit of the State, the Trustee, the Bond Insurer, and the 2003 Refunding Series Bondholders.

2. Sections 501(c) through 501(n) of the 2003 Refunding Series Resolution are hereby deleted.