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STATE TREASURER



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**THE STATE OF NEW HAMPSHIRE
STATE TREASURY**

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March 25, 2022

His Excellency Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

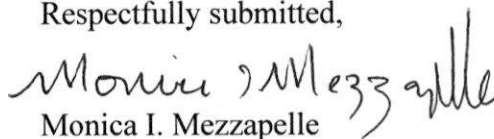
Approval is requested of the attached revised supplemental resolution authorizing the issuance of up to \$100 million of Turnpike System Revenue Bonds, 2022 Refunding Series (the "Bonds") pursuant to RSA 237-A. The revised supplemental resolution will supersede and replace in all respects the prior version of the 2022 Refunding Series Resolution approved by Governor and Executive Council on January 26, 2022, item #50, which authorized the issuance of up to \$90 million of Bonds.

EXPLANATION

Approval of the revised supplemental resolution will permit the issuance of refunding bonds to refinance certain existing Turnpike System Revenue Bonds. The revised supplemental resolution authorizes the sale of the Bonds on either a negotiated or competitive basis, as determined by the State Treasurer. The timing of the issuance of the Bonds will depend on market conditions and the terms of the bonds being refunded. The supplemental resolution provides that the sale of the Bonds must be no later than January 31, 2023.

The revised supplemental resolution requests authorization for the issuance of Bonds of a higher amount than originally anticipated in order to respond to changing market conditions and be able to achieve the highest level of potential savings for the Turnpike System at the time the Bonds are sold later in April. Preliminary estimates indicate that net present value savings exceed three percent of the refunded bonds, which is a threshold that the State Treasury has historically viewed as advantageous to the State.

Respectfully submitted,


Monica I. Mezzapelle
State Treasurer

The Governor and Council hereby certify that the attached Supplemental Resolution was adopted at their meeting on April 6, 2022.

Governor

Councilor

Councilor

Councilor

Councilor

Councilor

A true copy
Attest:

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,
2022 Refunding Series**

Adopted

April 6, 2022

ARTICLE I	AUTHORITY AND DEFINITIONS	1
Section 1.1.	Authority	1
Section 1.2.	Definitions.....	1
ARTICLE II	AUTHORIZATION OF 2022 REFUNDING SERIES BONDS.....	2
Section 2.1.	Principal Amount, Designation and Series	2
Section 2.2.	Purposes	2
Section 2.3.	Date, Maturities, Interest Payments and Redemption Terms.....	2
Section 2.4.	Book-Entry System	2
Section 2.5.	Bond Form	3
Section 2.6.	Additional Notices of Redemption	8
Section 2.7.	Sale of 2022 Refunding Series Bonds.....	8
Section 2.8.	Refunding Trust Agreement; Continuing Disclosure Certificate.....	9
Section 2.9.	Terms, Conditions and Details Determined by State Treasurer.....	9
ARTICLE III	DISPOSITION OF PROCEEDS	10
Section 3.1.	Disposition of Proceeds	10
ARTICLE IV	REBATE SUBACCOUNT	10
Section 4.1.	2022 Refunding Series Bonds Rebate Subaccount	10
Section 4.2.	Late Payments	12
Section 4.3.	Amendments of Article IV.....	12
ARTICLE V	BOND INSURANCE	13
Section 5.1.	Bond Insurance.....	13
Section 5.2.	Modifications to Article V	17
ARTICLE VI	EFFECTIVE DATE.....	18
Section 6.1.	Effective Date.....	18

**SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE
OF UP TO \$100,000,000 STATE OF NEW HAMPSHIRE TURNPIKE
SYSTEM REVENUE BONDS, 2022 REFUNDING 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 "2022 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"). This 2022 Refunding Series Resolution supersedes and replaces in all respects the prior version of this 2022 Refunding Series Resolution adopted on January 26, 2022.

SECTION 1.2. Definitions. (a) All terms which are defined in Article I of the General Resolution shall have the same meanings in this 2022 Refunding Series Resolution and with respect to the 2022 Refunding Series Bonds (as defined below), unless the context shall clearly indicate some other meaning.

(b) In this 2022 Refunding Series Resolution, the following terms shall have the following meanings, unless the context otherwise requires:

"2022 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 2022 Refunding Series Bonds.

"Bond Insurer" means the bond insurer, if any, as may be selected by the State Treasurer or by the successful bidder in a Competitive Sale, prior to the issuance of the 2022 Refunding Series Bonds.

"Code" shall have the meaning set forth in Section 4.1(a) hereof.

"Competitive Sale" shall have the meaning set forth in Section 2.7(a) hereof.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate, dated as of the date of delivery of the 2022 Refunding Series Bonds, executed by the State Treasurer, Governor and Commissioner of the Department of Transportation on behalf of the State.

"Negotiated Sale" shall have the meaning set forth in Section 2.7(a) hereof.

“Notice of Sale” shall mean the Notice of Sale authorized by Section 2.7(c) hereof.

“Purchase Contract” shall have the meaning set forth in Section 2.7(b) hereof.

“Refunded Bonds” means any of (i) the State’s Turnpike System Revenue Bonds, 2012 Refunding Series B (Delayed Delivery), dated November 5, 2012, (ii) the State’s Turnpike System Revenue Bonds, 2012 Series C, dated August 30, 2012, and (iii) any other of the State’s Turnpike System Revenue Bonds, all as determined by the State Treasurer at or prior to the sale of the 2022 Refunding Series Bonds.

“Refunding Trust Agreement” means the Refunding Trust Agreement between the State of New Hampshire and The Bank of New York Mellon Trust Company, N. A., as Trustee, dated as of the date of delivery of the 2022 Refunding Series Bonds.

“Underwriters” shall have the meaning set forth in Section 2.7(b) hereof.

ARTICLE II

AUTHORIZATION OF 2022 REFUNDING SERIES BONDS

SECTION 2.1. 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, 2022 Refunding Series”.

SECTION 2.2. Purposes. The purposes for which the 2022 Refunding Series Bonds are being issued are (i) to pay the costs of issuance relating to the 2022 Refunding Series Bonds, including without limitation, the Underwriters’ discount set forth in the Purchase Contract, if applicable, and (ii) 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, Interest Payments and Redemption Terms. The 2022 Refunding Series Bonds shall be dated and shall mature on the dates, in the years and in the principal amounts determined by the State Treasurer and as set forth in the Official Statement. The 2022 Refunding Series Bonds shall bear interest from their date, payable on the dates and at the rates and be subject to redemption or non-callable prior to maturity, all as determined by the State Treasurer and as set forth in the Official Statement and in accordance with and subject to the terms of, in the case of a Negotiated Sale, the Purchase Contract or, in the case of a Competitive Sale, the Notice of Sale.

SECTION 2.4. Book-Entry System. The 2022 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”), or its custodial agent. Transfer of ownership of the 2022 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 2022

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 2022 Refunding Series Bonds and then (a) DTC determines not to continue to act as securities depository therefor or (b) the State Treasurer determines that continuation of the book-entry system of evidence and transfer of ownership of the 2022 Refunding Series Bonds would adversely affect the interests of the beneficial owners of the 2022 Refunding Series Bonds, the State Treasurer will discontinue the book-entry system with DTC. If the State Treasurer fails to identify another qualified depository to replace DTC, the Trustee will at the direction of the State Treasurer authenticate and deliver replacement 2022 Refunding Series Bonds in the form of fully registered certificates.

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

SECTION 2.5. Bond Form. The 2022 Refunding Series Bonds shall be in substantially the following form with such insertions and deletions as the State Treasurer shall determine to be necessary or desirable to reflect the terms of the 2022 Refunding Series Bonds:

R-____

\$

United States of America

STATE OF NEW HAMPSHIRE

TURNPIKE SYSTEM REVENUE BOND
2022 REFUNDING SERIES

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP</u>	<u>Original Issue Date</u>
%	_____, _____		_____, 202_

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 _____, 20__ and semiannually thereafter on _____ and _____ 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. Interest is payable to the Registered Owner of this bond, determined as of the close of business on the applicable record date, at its address as shown on the registration books maintained by The Bank of New York Mellon Trust Company, N.A., as trustee and paying agent (the "Trustee").

The record date for payment of interest is the fifteenth 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 Registered Owners at least ten (10) days before the special record date. The Trustee will promptly certify to the State that it has mailed the notice to all Registered Owners and the certificate will be conclusive evidence that the notice was given in the required manner.

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 State 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"), or its custodial agent, 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 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 State 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 State 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 State Treasurer shall deem appropriate.

[The bonds of this series (except the bonds maturing on or before _____, which are not subject to redemption prior to maturity) are redeemable prior to maturity beginning on _____, 20____, at the option of the State, as a whole or in part at any time at a price of 100% of their principal amount plus accrued interest to the redemption date.

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

Term Bonds due _____,

Year

Principal Amount

\$

(maturity)

Term Bonds due _____,

Year

Principal Amount

\$

(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. The redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption, in a separate account established by the State for such purpose no later than the redemption date, or that the State may rescind such notice at any time prior to the scheduled redemption date if the State Treasurer delivers a notice thereof to the registered owner of the Bonds. The redemption notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded, and the failure of the State to make funds available in whole or in part on or before the redemption date shall not constitute a default. 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 State 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:

By: _____
State Treasurer

Countersigned:

Governor

(Seal)

CERTIFICATE OF AUTHENTICATION

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

The Bank of New York Mellon Trust
Company, N. A., Trustee

By: _____
Authorized Signatory

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

SECTION 2.6. Additional Notices of Redemption. In the event the State Treasurer determines that the 2022 Refunding Series Bonds shall be subject to redemption prior to maturity pursuant to Section 2.9 hereof and the State determines to exercise its option to redeem any 2022 Refunding Series Bonds at the times set forth in the 2022 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 2022 Refunding Series Bonds.

SECTION 2.7. Sale of 2022 Refunding Series Bonds. (a) The State Treasurer is hereby authorized to sell the 2022 Refunding Series Bonds either on a negotiated basis to one or more underwriters to be selected by the State Treasurer, representing themselves and a syndicate of underwriters selected by the State Treasurer (such manner of sale shall be referred to herein as a "Negotiated Sale") or on a competitive basis pursuant to an electronic bidding process (such manner of sale shall be referred to herein as a "Competitive Sale"). The State Treasurer is further authorized to determine the date or dates of sale of the 2022 Refunding Series Bonds, provided that any such date is not later than January 31, 2023 and to determine the manner of sale of the 2022 Refunding Series Bonds. The manner of sale so selected by the State Treasurer is hereby determined to be most advantageous to the State.

(b) If the State Treasurer determines that the sale of the 2022 Refunding Series Bonds shall be a Negotiated Sale, then the publication and distribution by the State Treasurer of a Preliminary Official Statement substantially in the form customarily provided by the State is hereby authorized. The sale of the 2022 Refunding Series Bonds on a negotiated basis to a syndicate of underwriters (the "Underwriters") selected by the State Treasurer, at an aggregate purchase price to be determined by the State Treasurer is hereby authorized. The State Treasurer is hereby authorized to execute and deliver a Bond Purchase Contract (the "Purchase Contract") and a final Official Statement, to the underwriters of the 2022 Refunding Series Bonds. Such Purchase Contract and final Official Statement shall set forth the principal amount of 2022 Refunding Series Bonds to be issued, the date of the 2022 Refunding Series Bonds, the principal amount of the 2022 Refunding Series Bonds maturing each year and the dates and years of such maturities, the 2022 Refunding Series Bonds constituting the term bonds and the mandatory redemption amounts related thereto, if any, and the interest rates on the 2022

Refunding Series Bonds, and the execution of such Purchase Contract shall constitute conclusive evidence of the approval of the State Treasurer and the approval of the Governor and Council thereof. The State Treasurer, Governor and Commissioner of the Department of Transportation are authorized to execute and deliver all other documents and instruments necessary or convenient in connection with the issuance of the 2022 Refunding Series Bonds, including any amendment, supplement or update to the final Official Statement authorized hereby.

(c) If the State Treasurer determines that the sale of the 2022 Refunding Series Bonds shall be a Competitive Sale, then the publication and distribution of a Preliminary Official Statement, Notice of Sale and Summary Notice of Sale, calling for electronic bids for the purchase of the 2022 Refunding Series Bonds, each in substantially the forms customarily used by the State with such changes as the State Treasurer shall determine, are hereby authorized. The sale of the 2022 Refunding Series Bonds upon the terms and conditions set forth in such Notice of Sale is hereby approved. The State Treasurer is hereby authorized to award the 2022 Refunding Series Bonds to the bidder or bidders offering to purchase all of the 2022 Refunding Series Bonds, or a maturity or maturities thereof, at the lowest true interest cost to the State, as set forth in the Notice of Sale relating to the 2022 Refunding Series Bonds and to execute and deliver a final Official Statement to the purchaser or purchasers of the 2022 Refunding Series Bonds, in such form as the State Treasurer deems appropriate. Such award shall constitute conclusive evidence of the approval of the State Treasurer and the approval of the Governor and Council thereof. The State Treasurer, Governor and Commissioner of the Department of Transportation are authorized to execute and deliver all other documents and instruments necessary or convenient in connection with the issuance of the 2022 Refunding Series Bonds, including any amendment, supplement or update the final Official Statement authorized hereby.

SECTION 2.8. Refunding Trust Agreement; Continuing Disclosure Certificate. (a) The State 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 the form as the State Treasurer may approve, execution thereof by the State Treasurer to constitute conclusive evidence of such approval and the approval of the Governor and Council.

(b) The State Treasurer, Governor and Commissioner of the Department of Transportation are hereby authorized to execute, on behalf of the State, a Continuing Disclosure Certificate, substantially in the form of similar certificates previously executed in connection with the issuance of outstanding Turnpike System Revenue Bonds and with such changes as may be necessary or desirable in connection with the issuance of the 2022 Refunding Series Bonds, their execution thereof to constitute conclusive evidence of their approval and the approval of the Governor and Council.

SECTION 2.9. Terms, Conditions and Details Determined by State Treasurer. Except as specifically provided in Article II, or in the General Resolution, the State Treasurer shall determine the aggregate principal amount of the 2022 Refunding Series Bonds, the appropriate principal amount and maturities of Refunded Bonds, and the maturities, interest rates, redemption prices and terms, if any, and the form of the 2022 Refunding Series Bonds, and all other details and terms and conditions of the 2022 Refunding Series Bonds and the sale thereof as set forth in the Official Statement, all in accordance with and subject to the terms of, in the

case of a Negotiated Sale, the Purchase Contract or, in the case of a Competitive Sale, the Notice of Sale. All such details, terms and conditions shall be deemed incorporated into and made a part of this 2022 Refunding Series Resolution. The State Treasurer is hereby authorized to make such certifications and representations and enter into such agreements as the State Treasurer deems necessary and appropriate in furtherance of the provisions of this 2022 Refunding Series Resolution. Delivery of an executed counterpart of any document, certification or representation required under the General Resolution or this 2022 Refunding Series Resolution or any other document authorized hereunder by facsimile or in electronic (i.e., "pdf" or "tif") format shall be as effective as delivery of a manually executed counterpart of any such document, certification or representation.

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 2022 Refunding Series Bonds the proceeds shall be paid to the State Treasurer or to the Trustee and applied as follows:

(a) amounts necessary to pay costs of issuance of the 2022 Refunding Series Bonds shall be applied thereto by the State Treasurer; and

(b) the remainder shall be deposited in the Refunding Trust Fund pursuant to the Refunding Trust Agreement and applied as provided therein.

ARTICLE IV

REBATE SUBACCOUNT

SECTION 4.1. 2022 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 "2022 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:

(1) "Bond Year" shall mean each one-year period (or shorter period beginning on the date of original delivery of the 2022 Refunding Series Bonds and ending on January 31, 2023) ending January 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 but only to the extent the average annual debt service on the 2022 Refunding Series Bonds is less than \$2,500,000 or the gross earnings on such amounts for the Bond Year are less than \$100,000 (or a pro rata portion of \$100,000 in the case of a short Bond Year)) acquired with any Gross Proceeds of the 2022 Refunding 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 2022 Refunding 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 2022 Refunding Series Bonds, shall mean, at any date of calculation, the cumulative net Excess, if any, as last determined by the State Treasurer in accordance with this section, less amounts previously paid to the United States under paragraph (d) of this section; and

(8) "Yield" shall mean, as the case may be, the yield on the 2022 Refunding Series Bonds or the yield on any investment of Gross Proceeds of the 2022 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 2022 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 State 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 State 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 State 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 State Treasurer and certified to the Trustee. Within sixty (60) days after the 2022 Refunding Series Bonds have been paid in full, the Trustee, upon receipt of a written direction from the State 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 State 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 State 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 State 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 State 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 2022 Refunding Series Bonds.

(g) The State shall exclude from its computations of Excess pursuant to Subsection 4.1(a) any Gross Proceeds that are not subject to rebate pursuant to Code §148(f)(4)(A), (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 2022 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 2022 Refunding 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 2022 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 2022 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 5.1. Bond Insurance. If a Bond Insurance Policy is to be issued in connection with the issuance of the 2022 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 2022 Refunding Series Bonds there is not on deposit with the Trustee sufficient moneys available to pay all principal of and interest on the 2022 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 2022 Refunding Series Bonds maintained by the Trustee. In addition:

(1) The Trustee shall provide the Bond Insurer with a list of the 2022 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 2022 Refunding Series Bondholders entitled to receive full or partial interest payments from the Bond Insurer and (B) to pay principal of the 2022 Refunding Series Bonds surrendered to the Fiscal Agent by the 2022 Refunding Series Bondholders entitled to receive full or partial principal payments from the Bond Insurer; and

(2) The Trustee shall, at the time it makes the registration books available to the Bond Insurer pursuant to (i) above, notify 2022 Refunding Series Bondholders entitled to receive the payment of principal of or interest on the 2022 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 2022 Refunding Series Bondholder is entitled to receive full payment of principal from the Bond Insurer, such 2022 Refunding Series Bondholder must tender its 2022 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 2022 Refunding Series Bondholder is entitled to receive partial payment of principal from the Bond Insurer, such 2022 Refunding Series Bondholder must tender its 2022 Refunding Series Bond for payment first to the Trustee, which shall note on such 2022 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 2022 Refunding Series Bondholder.

(b) In the event that the Trustee has notice that any payment of principal of or interest on a 2022 Refunding Series Bond has been recovered from a 2022 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 2022 Refunding Series Bondholders that in the event that any Bondholder's payment is so recovered, such 2022 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 2022 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 2022 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 2022 Refunding Series Bondholders of such 2022 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 2022 Refunding Series Bonds maintained by the Trustee upon receipt of proof of the payment of principal thereof to the 2022 Refunding Series Bondholders of such 2022 Refunding Series Bonds. Notwithstanding anything in this 2022 Refunding Series Resolution or the 2022 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 Bond 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 State 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 State 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 2022 Refunding Series Bonds, which notice shall include the principal amount, maturity dates and CUSIP numbers of the 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Refunding Series Bonds, (ii) no amendment or supplement to Article V of this 2022 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 2022 Refunding Series Bonds and (B) request that the Trustee intervene in any judicial proceedings that affects the 2022 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 2022 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 2022 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 2022 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 2022 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 5.1(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 2022 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 2022 Refunding Series Bonds, or in either case, at such 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 2022 Refunding Series Bonds, upon delivery by the State Treasurer to the Trustee of a certificate specifying the amendments or modifications which are, in the opinion of the State Treasurer, necessary or desirable in order to cause the Bond Insurer to issue the Bond Insurance Policy. Any such amendments or modifications made by the State Treasurer shall be deemed to be part of this 2022 Refunding Series Resolution.

ARTICLE VI

EFFECTIVE DATE

SECTION 6.1. Effective Date. This 2022 Refunding Series Resolution shall take effect upon delivery of the opinion described in Section 8.4 of the General Resolution.