

Ratings Services  
25 Broadway  
New York, NY 10004-1064  
Tel 212 208-1863  
Reference No.: 959438

Marla Fox  
Director  
Public Finance Ratings

#21

Standard & Poor's  
A Division of The McGraw-Hill Companies

REVISED COPY

June 25, 1998

Mr. Glen M. Okimoto  
Deputy Director  
State Of Hawaii  
Department Of Transportation  
869 Punchbowl Street, Rm. 508  
Honolulu, HI 96813

Re: *\$94,920,000 Hawaii Department Of Transportation, Highway Revenue Bonds, Series 1998, dated: June 16, 1998, due: July 1, 2018*

Dear Mr. Okimoto:

Pursuant to your request for a Standard & Poor's rating on the above debt obligations, we have reviewed the information furnished to us and, subject to the terms and conditions of the *MEMORANDUM OF AGREEMENT* on the reverse side hereof, have assigned a rating of 'AA' to the obligations. S&P views the outlook for this rating over the intermediate to longer term as stable.

Please note that the ongoing information required includes annual audits and budgets and, for revenue bond ratings in connection with construction financing, progress reports, not less often than quarterly, covering the project being financed and should be forwarded to:

*Standard & Poor's Ratings Services  
Public Finance Secondary Markets Surveillance  
25 Broadway, Munt Drop Box No. 1  
New York, NY 10004-1064*

S&P relies on the issuer and its counsel, accountants and other experts for the accuracy and completeness of the information submitted in connection with the rating. In addition, it should be understood that the rating is not a "market" rating nor a recommendation to buy, hold or sell these securities. Please note that the rating, as is the case with all of S&P's municipal ratings, does not address the likelihood that interest payable on the Bonds may be deemed or declared includable in the gross income of Bondholders by the relevant authorities at any time.

In the event that you decide to include this rating in an Official Statement, prospectus or other offering literature, we request that you include S&P's definition of the rating together with a statement that the rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information.

We are pleased to have been of service to you. Thank you for choosing Standard & Poor's Ratings Services. If you have any questions, please contact us.

Very truly yours,

*Marla Fox*

ga  
cc: Mr. Christopher Mukal, Vice President  
Merrill Lynch & Co.

Ratings Services  
25 Broadway  
New York NY 10004-1064  
Tel 212 208-1740  
Fax 212 208-3262

Bond Insurance  
Public Finance Ratings

Standard & Poor's

A Division of The McGraw-Hill Companies



July 17, 1998

Mr. Joseph Campion  
Group Leader  
Financial Guaranty Insurance Company  
115 Broadway  
New York, NY 10006

Re: \$67,340,000 State of Hawaii, Highway Revenue Bonds, Series 1998, dated: July 1, 1998, Serial Bonds due: July 1, 1999-2018, Term Bonds due: July 1, 2008, (POLICY #98010658)

Dear Mr. Campion:

Pursuant to your request for a Standard & Poor's ("S&P") rating on the subject obligations, we have reviewed the information submitted and have assigned a rating of 'AAA'.

This reflects our assessment of the likelihood of repayment of principal and interest based on the bond insurance policy your company is providing.

Rating adjustments may result from changes in the financial position of your company or from alterations in documents governing the issue. With respect to the latter, please notify us of any changes or amendments over the term of the issue.

When using the S&P's rating, include the definition of the rating together with a statement that this may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. This rating is not a "market rating", because it is not a recommendation to buy, hold or sell the obligations.

Please remember that complete documentation relating to this issue must be submitted no later than 90 days after the date of this letter. If you have any questions, please contact us.

Very truly yours,

Vincent Orloff

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**Moody's Investors Service**

99 Church Street  
New York, New York 10007

Renee Boicourt  
Managing Director,  
State Ratings  
Public Finance Group  
Tel: 212.553.7162  
Fax: 212.233.6263

June 25, 1998

Mr. Glenn Okimoto  
Deputy Director  
State of Hawaii  
888 Punchbowl Street, 5<sup>th</sup> Floor  
Honolulu, HI 96813

Dear Mr. Okimoto:

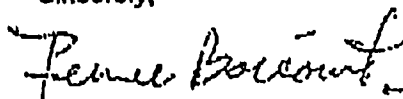
We wish to inform you that on June 24, 1998 Moody's Rating Committee assigned a Aa3 rating to the State of Hawaii's Highway Revenue Bonds, Series 1998. With this letter, Moody's affirms the Aa3 rating on the outstanding Series 1993 and 1996 Highway Revenue Bonds.

Moody's will monitor these ratings and reserves the right, in its sole discretion, to revise or withdraw these ratings at any time in the future.

These ratings as well as any revisions or withdrawals thereof will be publicly disseminated by Moody's through normal print and electronic media and in response to oral requests to Moody's ratings desk.

Should you have any questions regarding the above, please do not hesitate to contact me or the analyst assigned to this transaction, Raymond Murphy at 212-553-4673.

Sincerely,

  
Renee Boicourt  
Managing Director 



**Moody's Investors Service**

99 Church Street  
New York, New York 10007  
[www.moodys.com](http://www.moodys.com)

July 20, 1998

Financial Guaranty Insurance Company  
115 Broadway  
New York, New York 10006

To Whom It May Concern:

Moody's Investors Service has assigned the rating of Aaa (Financial Guaranty Insurance Company Insured - Policy No. 98010658) to the \$67,340,000.00 State of Hawaii, Highway Revenue Bonds, Series 1998, dated July 1, 1998 which sold on July 14, 1998. The rating is based upon an insurance policy provided by Financial Guaranty Insurance Company.

Should you have any questions regarding the above, please do not hesitate to contact the assigned analyst, Margaret Kessler at (212) 553-7884.

Sincerely yours,

*Laura Levenstein*

Laura Levenstein  
Vice President and  
Managing Director



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