

**SECOND AMENDED AND RESTATED  
MEMORANDUM OF UNDERSTANDING**

This Agreement dated as of September 26, 2012 amends and restates that certain Amended and Restated Memorandum of Understanding adopted September 20, 2006 which amended the Memorandum of Understanding made the 27<sup>th</sup> day of June, 2006 by and among the General Treasurer (the "General Treasurer") of the State of Rhode Island and Providence Plantations (the "State") the State Controller (the "State Controller") of the State, and the Rhode Island Health and Educational Building Corporation (the "Corporation"), a public corporation and agency of the State, collectively referred to herein as the "Parties",

WITNESSETH:

WHEREAS, pursuant to the Rhode Island Health and Educational Building Corporation Act, being Chapter 45-38.1, as amended, of the Rhode Island General Laws (the "Corporation Act"), the Corporation is authorized to finance and refinance all or a portion of the cost of "school housing projects" as defined in the Corporation Act; and

WHEREAS, the Corporation intends to issue, from time to time, its Public Schools Revenue Bond Financing Program Revenue Bonds in several series (the "Bonds") pursuant to one or more indentures or other similar bond documents (the "Bond Documents") to obtain funds to finance or refinance all or a portion of the cost of certain school housing projects for cities, towns and regional school districts (the "Borrowers"); and

WHEREAS, the General Treasurer shall pay such amounts pursuant to directions from the State Controller in the form of a voucher duly authenticated; and

WHEREAS, Sections 16-7-40, 16-7-41 and 16-7-44 of the Rhode Island General Laws provide that the General Treasurer shall pay to the Corporation or its designee, any state housing aid authorized pursuant to Sections 16-7-35 through 16-7-47 of the Rhode Island General Laws ("State Housing Aid") to become due to the Borrower in an amount equal to the amount required to be paid by a Borrower to the Corporation with respect to the Borrower's allocable portion of a series of Bonds; and

WHEREAS, Article 12, Section 5 of Chapter 241 of the Rhode Island Public Laws of 2012 amended Section 16-7-41 to provide that the General Treasurer shall also pay to the Corporation state basic education aid authorized pursuant to Sections 16-7-15 through 16-7-34.3 of the Rhode Island General Laws ("State Basic Education Aid") to become due to a Borrower in addition to State Housing Aid in an aggregate amount equal to the amount required to be paid by a Borrower to the Corporation with respect to the Borrower's allocable portion of a series of Bonds in the event that the Borrower fails to pay the amount due to be paid to the Corporation; and

WHEREAS, the Corporation and each of the Borrowers will enter into separate loan or financing agreements (each, a "Financing Agreement") in connection with the issuance of the Bonds, issued from time to time, pursuant to which each Borrower, among other things, has agreed as follows: (i) to accept a Loan (as defined in the Financing Agreement) from the Corporation and to repay such Loan according to the terms thereof, which may be evidenced by Borrower Bonds (as defined in the Financing Agreement) delivered to the Corporation pursuant to the Financing Agreement; (ii) to pay to the Corporation certain other amounts as required by the Financing Agreement; (iii) to pledge its General Obligation Credit or its Special Obligation

Credit (each as defined in the Financing Agreement) to cover any amounts due to the Corporation under the Financing Agreement and Borrower Bonds; (iv) that State Housing Aid and State Basic Education Aid payable by the State in respect of the Bonds shall be paid directly to the Corporation or its designee as provided in Chapter 7 of Title 16 of the Rhode Island General Laws, as amended; and (v) that upon the occurrence of any Event of Default under the Financing Agreement or the failure to make a payment under the Borrower Bonds, upon written notification by the Corporation, pursuant to a voucher from the State Controller duly authenticated, the General Treasurer shall transfer any amount due and payable to the Corporation from School Housing Aid and State Basic Education Aid due the Borrower in respect of other bonds or obligations of the Borrower, and direct said funding to the Corporation or its designee.

NOW, THEREFORE, in consideration of the contemplated financing and of the mutual promises and agreements set forth below, the Parties agree as follows:

FIRST: The Corporation shall, within five business days after payments are due from a Borrower, send a written notice ("the Delinquency Notice") to the Office of the General Treasurer, to the Office of the State Controller, (or such other persons as the General Treasurer and the State Controller shall hereafter designate in writing) and to the Rhode Island Department of Elementary and Secondary Education setting forth: (i) the name of the Borrower that has failed to timely pay any amounts due under the Financing Agreement or the Borrower Bonds; (ii) the amount of such delinquency; (iii) the name and address of the Corporation or the Corporation's designee to whom such payment should be made and wire instructions for making such payment; and (iv) the interest payment date for the related Bonds of the Corporation.

SECOND: (a) Upon receipt of a Delinquency Notice followed by a voucher from the State Controller duly authenticated, the General Treasurer shall transfer, in immediately available funds, from any State Housing Aid and State Basic Education Aid available for the benefit of the Borrower the amount set forth in the Delinquency Notice and shall pay the same to the Corporation or its designee for deposit in the applicable account or subaccount designated by the Bond Documents with respect to the Borrower. If the State Housing Aid and State Basic Education Aid which is available for payment is less than the amount set forth in the Delinquency Notice, the General Treasurer shall pay the amount of such deficiency, as determined by the Corporation and pursuant to vouchers from the State Controller, to the Corporation or its designee at the time and to the extent State Housing Aid or State Basic Education Aid subsequently become due and available to the Borrower until the amount set forth in such Delinquency Notice has been paid in full to the Corporation or its designee. The available amounts payable by the General Treasurer to the Corporation or its designee shall be payable by wire in accordance with the wire instructions provided in the Delinquency Notice not later than 5 business days prior to the interest payment date for the related Bonds of the Corporation. The parties acknowledge that State Housing Aid becomes due and available on September 15 and March 15 of each year, as provided in Section 16-7-38 of the Rhode Island General Laws, and that in accordance with Section 16-7-17 of the Rhode Island General Laws, State Basic Education Aid is paid to Borrowers in 12 monthly (but not equal) installments except for the City of East Providence ("East Providence"), which is paid during October and April in accordance with Chapter 344 of the Public Laws of 1982. The General Treasurer shall not pay any State Housing Aid or State Basic Education Aid to the Borrower for prior or subsequent

bond issues or obligations until all amounts due under any and all Delinquency Notices received by the General Treasurer and the State Controller have been paid to the Corporation or its designee.

(b) In event that: (i) the Corporation has issued more than one series of Bonds for the benefit of a Borrower and has delivered one or more Delinquency Notices to the General Treasurer in connection with such Borrower and (ii) the Corporation determines that the State Housing Aid and State Basic Education Aid that would otherwise be due and available to the Borrower is insufficient to pay in full the total amount set forth in all such Delinquency Notices; then, the Corporation shall so notify the General Treasurer, the State Controller and the Rhode Island Department of Elementary and Secondary Education in the Delinquency Notice and provide instructions with regard to the proportionate amount of such available funds to be paid to the Corporation or its designee with respect to each series of Bonds. Thereafter, in accordance with instructions provided by the Corporation and a duly authorized voucher from the State Controller, the General Treasurer shall pay such proportionate amounts.

THIRD: With respect to Bonds issued to finance school housing projects for East Providence, as Borrower, upon receipt of a Delinquency Notice followed by a voucher from the State Controller duly authenticated, the General Treasurer shall transfer, in immediately payable funds, State Basic Education Aid in the amount set forth in the Delinquency Notice to the Corporation on October 31 and April 30 of each year, or if such day is not a day when State offices are open, the next preceding day when State offices are open. In the event that a Budget Commission established for East Providence certifies to the Department of Revenue the need to

advance payments of State Basic Education Aid, and the Director of the State Department of Revenue approves the advance, then East Providence shall either:

(1) at the time of the advance, prefund any amounts due or coming due pursuant to the Financing Agreement and the East Providence Borrower Bonds in the next ensuing seven (7) calendar months; or

(2) advise the State Controller, the General Treasurer, and the Corporation to advance funds to East Providence less the amounts required in order to ensure that the Corporation has available State Housing Aid and State Basic Education Aid in an amount at least equal to 300% of sums payable by East Providence pursuant to the Financing Agreement and the Borrower Bonds in the ensuing seven (7) months.

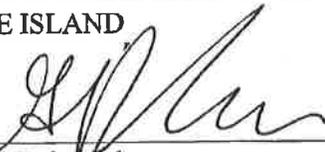
FOURTH: This Agreement shall not be changed, modified or amended except by a writing executed by each of the Parties.

FIFTH: This Agreement may be executed in several counterparts, each of which shall be an original.

**[Signatures on Next Page]**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and  
year first written above.

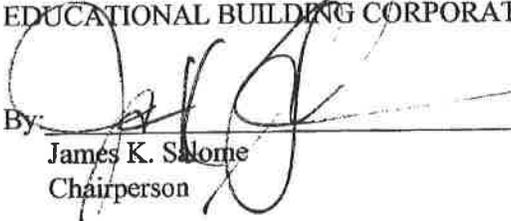
GENERAL TREASURER OF THE STATE OF  
RHODE ISLAND

  
\_\_\_\_\_  
Gina M. Raimondo

STATE CONTROLLER OF THE STATE OF  
RHODE ISLAND

  
\_\_\_\_\_  
Marc A. Leonetti

RHODE ISLAND HEALTH AND  
EDUCATIONAL BUILDING CORPORATION

By:   
\_\_\_\_\_  
James K. Salome  
Chairperson

Acknowledged:

RHODE ISLAND DEPARTMENT OF  
ELEMENTARY AND SECONDARY  
EDUCATION

By:   
\_\_\_\_\_  
David V. Abbott  
Acting Commissioner



**AMENDED AND RESTATED  
MEMORANDUM OF UNDERSTANDING**

This Agreement dated as of September 16, 2006 amends and restates that certain Memorandum of Understanding made the 27<sup>th</sup> day of June, 2006 by and among the General Treasurer (the "General Treasurer") of the State of Rhode Island and Providence Plantations (the "State") the State Controller (the "State Controller") of the State, and the Rhode Island Health and Educational Building Corporation (the "Corporation"), a public corporation and agency of the State, collectively referred to herein as the "Parties",

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WHEREAS, the Corporation intends to issue, from time to time, its Public Schools Revenue Bond Financing Program Revenue Bonds in several series (the "Bonds") pursuant to one or more indentures or other similar bond documents (the "Bond Documents") to obtain funds to finance or refinance all or a portion of the cost of certain school housing projects for cities, towns and regional school districts (the "Borrowers"); and

WHEREAS, the General Treasurer shall pay such amounts pursuant to directions from the State Controller in the form of a voucher duly authenticated; and

WHEREAS, Sections 16-7-40, 16-7-41 and 16-7-44 of the Rhode Island General Laws provide that the General Treasurer shall pay to the Corporation or its designee, any State Housing Aid to become due to the Borrower in an amount equal to the amount required to be

paid by a Borrower to the Corporation with respect to the Borrower's allocable portion of a series of Bonds; and

WHEREAS, the Corporation and each of the Borrowers will enter into separate loan or financing agreements (each, a "Financing Agreement") in connection with the issuance of the Bonds, issued from time to time, pursuant to which each Borrower, among other things, has agreed as follows: (i) to accept a Loan (as defined in the Financing Agreement) from the Corporation and to repay such Loan according to the terms thereof, which may be evidenced by Borrower Bonds (as defined in the Financing Agreement) delivered to the Corporation pursuant to the Financing Agreement; (ii) to pay to the Corporation certain other amounts as required by the Financing Agreement; (iii) to pledge its General Obligation Credit or its Special Obligation Credit (each as defined in the Financing Agreement) to cover any amounts due to the Corporation under the Financing Agreement and Borrower Bonds; (iv) that State Housing Aid payable by the State in respect of the Bonds shall be paid directly to the Corporation or its designee as provided in Chapter 7 of Title 16 of the Rhode Island General Laws, as amended; and (v) that upon the occurrence of any Event of Default under the Financing Agreement or the failure to make a payment under the Borrower Bonds, upon written notification by the Corporation, pursuant to a voucher from the State Controller duly authenticated, the General Treasurer shall transfer any amount due and payable to the Corporation from School Housing Aid due the Borrower in respect of other bonds or obligations of the Borrower, and direct said funding to the Corporation or its designee.

NOW, THEREFORE, in consideration of the contemplated financing and of the mutual promises and agreements set forth below, the Parties agree as follows:

FIRST: The Corporation shall, within five business days after payments are due from a

Borrower, send a written notice ("the Delinquency Notice") to the Office of the General Treasurer, to the Office of the State Controller, (or such other persons as the General Treasurer and the State Controller shall hereafter designate in writing) and to the Rhode Island Department of Elementary and Secondary Education setting forth: (i) the name of the Borrower that has failed to timely pay any amounts due under the Financing Agreement or the Borrower Bonds; (ii) the amount of such delinquency; (iii) the name and address of the Corporation or the Corporation's designee to whom such payment should be made and wire instructions for making such payment; and (iv) the interest payment date for the related Bonds of the Corporation.

SECOND: (a) Upon receipt of a Delinquency Notice followed by a voucher from the State Controller duly authenticated, the General Treasurer shall transfer, in immediately available funds, from any State Housing Aid available for the benefit of the Borrower the amount set forth in the Delinquency Notice and shall pay the same to the Corporation or its designee for deposit in the applicable account or subaccount designated by the Bond Documents with respect to the Borrower. If the State Housing Aid which is available for payment is less than the amount set forth in the Delinquency Notice, the General Treasurer shall pay the amount of such deficiency, as determined by the Corporation and pursuant to vouchers from the State Controller, to the Corporation or its designee at the time and to the extent State Housing Aid subsequently become due and available to the Borrower until the amount set forth in such Delinquency Notice has been paid in full to the Corporation or its designee. The available amounts payable by the General Treasurer to the Corporation or its designee shall be payable by wire in accordance with the wire instructions provided in the Delinquency Notice not later than 5 business days prior to the interest payment date for the related Bonds of the Corporation. The parties acknowledge that State Housing Aid becomes due and available in April and October of

each year. The General Treasurer shall not pay any State Housing Aid to the Borrower for prior or subsequent bond issues or obligations until all amounts due under any and all Delinquency Notices received by the General Treasurer and the State Controller have been paid to the Corporation or its designee.

(b) In event that: (i) the Corporation has issued more than one series of Bonds for the benefit of a Borrower and has delivered one or more Delinquency Notices to the General Treasurer in connection with such Borrower and (ii) the Corporation determines that the State Housing Aid that would otherwise be due and available to the Borrower is insufficient to pay in full the total amount set forth in all such Delinquency Notices; then, the Corporation shall so notify the General Treasurer, the State Controller and the Rhode Island Department of Elementary and Secondary Education in the Delinquency Notice and provide instructions with regard to the proportionate amount of such available funds to be paid to the Corporation or its designee with respect to each series of Bonds. Thereafter, in accordance with instructions provided by the Corporation and a duly authorized voucher from the State Controller, the General Treasurer shall pay such proportionate amounts.

THIRD: This Agreement shall not be changed, modified or amended except by a writing executed by each of the Parties.

FOURTH: This Agreement may be executed in several counterparts, each of which shall be an original.

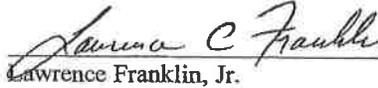
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

GENERAL TREASURER OF THE STATE OF  
RHODE ISLAND



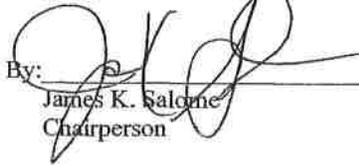
Paul J. Tavares

STATE CONTROLLER OF THE STATE OF  
RHODE ISLAND



Lawrence Franklin, Jr.

RHODE ISLAND HEALTH AND  
EDUCATIONAL BUILDING CORPORATION

By: 

James K. Salome  
Chairperson

Acknowledged:

RHODE ISLAND DEPARTMENT OF  
ELEMENTARY AND SECONDARY  
EDUCATION

By: 