

## MEMORANDUM

TO: File No. 4-610

FROM: Alicia F. Goldin  
Division of Trading and Markets

DATE: June 14, 2011

RE: Meetings with Representatives of the National Association of Health and Educational Facilities Finance Authorities (NAHEFFA)

On June 2, 2011, the following representatives of NAHEFFA:

- Maribeth Wright, Executive Director of the Iowa Higher Education Loan Authority and President of NAHEFFA;
- Robert Donovan, Executive Director of the Rhode Island Health and Educational Building Authority; and
- Charles Samuels, Mintz Levin and Washington Advocate for NAHEFFA

met with Commissioner Elisse B. Walter; Cyndi Rodriguez and Lesli Sheppard from the Office of Commissioner Walter; Martha Haines, David Sanchez and Alicia Goldin from the Division of Trading and Markets; Amy Starr and William Hines from the Division of Corporation Finance; Stanislava Nikolova from the Division of Risk, Strategy and Financial Innovation and Jennifer McHugh from the Office of the Chairman, to discuss issues related to the municipal securities market, and in particular, the nature and structure of financing by health and educational institutions, as well as their disclosure policies and procedures. The NAHEFFA representatives provided the attached documentation.

## The Corporation

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Established by the General Assembly in 1966 as a Rhode Island non-business corporation with the name of "Rhode Island Educational Building Corporation," the Corporation was constituted as a public body corporate and agency of the State and was given broad powers to assist in providing educational facilities to accommodate the projected increases in the college and university enrollment levels in the State. In 1968, additional legislation changed the Corporation's name to its present name, and the Corporation's powers were expanded to enable it to assist hospitals in the State in the financing of health care facilities.

Since 1968, the Corporation's powers have been repeatedly expanded to provide assistance to non-profit health associations and cooperative hospital service organizations. The Corporation was given the power to initiate a student loan program for institutions for higher education in the State as well as the power to treat any non-profit corporation, all of whose members are hospitals or parent corporations of hospitals. It was also authorized to guaranty or insure loans to a participating hospital or institution for higher education and to pledge.

In the 90s, the Corporation's powers were expanded to allow it to provide financial assistance to non-profit visiting nurse associations, and to assist in financing a broad range of non-profit health care providers. In 1992, the Corporation's powers were expanded to enable it to assist in financing non-profit secondary schools and child day care centers and to finance facilities for companies, pursuant to state contracts, which counsel and assist troubled youths. In 1994, the Corporation's powers were expanded to enable it to assist in financing the development of the site of the former Narragansett Brewery in the City of Cranston as a multi-purpose facility to be used as a center for economic development, biotechnology research, education, health care, governmental and other similar uses. In 1998, the Corporation's powers were expanded to enable it to assist in financing stand-alone non-profit assisted living facilities and adult day care facilities.

In the last 10 years, the Corporation's powers have changed to enable it to issue Revenue Anticipation Notes and Capital Notes. In 2003, the Corporation's powers were expanded to enable it to assist local educational authorities within the State in financing school projects and to issue bonds to refund any obligations issued by or for the benefit of a participating educational institution for a School Project. When legislation was passed to have RIHEBC issue the school construction aid bonds, it was based on the premise that a centralized entity with extensive experience in issuing tax-exempt bonds could affect savings for the program. In 2008, the Corporation's powers were expanded to enable it to assist in financing non-profit clinical laboratories.

## Programs

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- Bond Financing Program
- Equipment Lease Purchase Program
- Community Facility Loan Program
- School Housing Aid Program

## 2010 Financing Projects

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RIHEBC issued \$304,950,000 of bonds during the fiscal year ending June 30, 2010. Of that amount, approximately \$245,815,000 was used for new projects and \$59,135,000 was issued to refund or defease prior bonds.

- Kent County Memorial Hospital
- St. Antoine Residence
- Brown University
- City of Woonsocket
- New England Institute of Technology
- Chariho Regional School District
- City of Warwick
- City of Central Falls
- Rhode Island College
- University of Rhode Island

## Historical Financings

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Year	Number of Bond Issues	Total Amount
1967 – 1969	2	\$ 14,600,000
1970 – 1979	11	\$ 48,285,000
1980 – 1989	26	\$ 338,077,000
1990 – 1999	47	\$ 772,624,364
2000 – 2010	138	\$ 3,360,171,403

**NEW ISSUE - BOOK ENTRY ONLY**

**NO RATING**  
(See "No Rating" herein)

*In the opinion of Partridge Snow & Hahn LLP, Bond Counsel, assuming the accuracy of certain representations and continuous compliance with certain covenants of the Corporation and the Borrower, under existing statutes and court decisions, interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under the Code, interest on the Bonds will not be treated as a preference item in calculating the alternative minimum taxable income of individuals or corporations but will be includible in the adjusted current earnings of a corporation for purposes of calculating the alternative minimum tax that may be imposed with respect to corporations. Income on the Bonds, including any profit made on the sale thereof, is exempt from Rhode Island personal income taxes, although the Bonds and any income thereon may be included in the measure of Rhode Island estate taxes and of certain Rhode Island corporate and business taxes. (See "TAX MATTERS" and Appendix G - Form of Opinion of Bond Counsel herein).*



**\$41,900,000**  
**RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION**  
**HEALTH FACILITIES REVENUE BONDS**  
**TOCKWOTTON HOME ISSUE, SERIES 2011**

**Dated:** Date of Delivery

**Due:** January 1 of the years shown below

This Official Statement of the Rhode Island Health and Educational Building Corporation (the "Corporation") has been prepared in connection with the issuance and delivery of \$41,900,000 of its Health Facilities Revenue Bonds, Tockwotton Home Issue, Series 2011 (the "Bonds" or "Series 2011 Bonds").

The Bonds will bear interest at the fixed rates and mature on the dates and in the principal amounts set forth below. Interest on the Bonds will accrue from their date of delivery and will be payable semiannually on each January 1 and July 1, commencing July 1, 2011. The Bonds will be subject to optional, special optional, extraordinary optional and mandatory redemption prior to maturity, including redemption or purchase at par in certain circumstances, as more fully described herein.

The Bonds shall be issued initially in denominations of \$100,000 or any multiple of \$5,000 in excess thereof. Upon the achievement of an investment rating and satisfaction of the conditions described herein, the authorized denominations may be reduced to \$5,000. Purchases of the Bonds will be made only in book-entry form and will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York. Purchasers of the Bonds will not receive certificates representing their interest in Bonds purchased. See "THE BONDS - Book-Entry Only System" herein. The principal or redemption price, if any, and interest on the Bonds will be payable by The Bank of New York Mellon Trust Company, N.A., as Paying Agent (the "Paying Agent") to Cede & Co., as nominee of DTC. So long as DTC or its nominee, Cede & Co., is the Bondowner, principal and interest payments to the DTC Participants are the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants and the indirect Participants, as described herein.

The Bonds are special obligations of the Corporation and, except to the extent payable from the proceeds received from the sale thereof or from other sources as described herein, are payable solely from the revenues or other receipts, funds or moneys of the Corporation pledged therefor or otherwise available to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") under a Loan and Trust Agreement (the "Agreement"), dated as of May 1, 2011 by and among the Corporation, Tockwotton Home (the "Borrower") and the Trustee. Proceeds of the Bonds will be applied by the Borrower to the construction and equipping of a replacement assisted living and nursing facility to be located in East Providence, Rhode Island.

The purchase of the Bonds involves a significant degree of risk. The sale of the Bonds is intended only for qualified institutional buyers as such term is defined in Rule 144A under the Securities Act of 1933, as amended. See "Investor Suitability Requirements" and "RISK FACTORS" herein.

**AMOUNTS, INTEREST RATES, MATURITIES, PRICES AND CUSIPS**

\$11,200,000 8.125% Term Bonds due January 1, 2033 - Price 100% - CUSIP 7622432H5  
\$30,700,000 8.375% Term Bonds due January 1, 2046 - Price 100% - CUSIP 7622432J1

**NEITHER THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS NOR THE CORPORATION IS OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY OR INTEREST ON THE BONDS EXCEPT FROM THE REVENUES UNDER THE AGREEMENT AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS OR OF ANY MUNICIPALITY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE CORPORATION DOES NOT HAVE TAXING POWER.**

The Bonds are offered when, as and if issued and received by Cain Brothers & Company LLC (the "Underwriter"), subject to prior sale, withdrawal or modification of the offer without notice and subject to the approving opinion of Partridge Snow & Hahn LLP, Providence, Rhode Island, Bond Counsel. Certain legal matters will be passed upon for the Corporation by its counsel, Moses & Afonso, Ltd., Providence, Rhode Island; for the Borrower by its counsel, Edwards Angell Palmer & Dodge LLP, Providence, Rhode Island; and for the Underwriter by its counsel, Hawkins Delafield & Wood LLP, New York, New York. Public Finance Management, Boston, Massachusetts, is serving as financial advisor for the Corporation in this transaction. It is expected that the Bonds will be available for delivery in definitive form through the facilities of DTC in New York, New York on or about June 8, 2011.

**CAIN BROTHERS**

**APPENDIX E**

**SUMMARY OF THE LOAN AND TRUST AGREEMENT**

the Trustee under the Agreement, without any further act or conveyance. Such successor Trustee shall execute, deliver, record and file such instruments as are required to confirm or perfect its succession under the Agreement and any predecessor Trustee shall from time to time execute, deliver, record and file such instruments as the incumbent Trustee may reasonably require to confirm or perfect any succession under the Agreement. (Section 604)

**Paying Agent.** The Corporation may discharge the Paying Agent from time to time and appoint a successor. The Corporation shall also designate a successor if the Paying Agent resigns or becomes ineligible. The Paying Agent may also be removed by the Institution upon at least ninety (90) days' written notice from the Institution to the Trustee, the Corporation, the Paying Agent, and the Bondholders, provided that the Institution is not in default at the time of such notice or removal and provided further that the Corporation shall have given the written consent to such removal (which consent shall not be unreasonably withheld) and shall have appointed a successor Paying Agent. The Paying Agent shall be a commercial bank or trust company having a capital and surplus of not less than \$50,000,000. The Corporation shall give notice of the appointment of a successor Paying Agent in writing, to each Bondowner. The Corporation will promptly certify to the Trustee that it has mailed such notice to all Bondowners and such certificate will be conclusive evidence that such notice was given in the manner required hereby. The Paying Agent may but need not be the same person as the Trustee. The Paying Agent shall act as such and as bond registrar and transfer agent. (Section 605)

**Continuing Disclosure Agreement.** Pursuant to Section 905 of the Agreement the Institution has undertaken all responsibility for compliance of the continuing disclosure requirement of Securities and Exchange Commission Rule 15c2-12(b)(5), 59 Fed. Reg. 59590 (1994) (codified at 17 CFR Section 240.15c2-12(b)(5)) and the Corporation shall have no liabilities to the holders of the Bonds or any other person with respect to such disclosure matters. The Trustee covenants and agrees under the Agreement that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement and Section 905 of the Agreement. Notwithstanding any other provisions of the Agreement failure of the Institution or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default and no money damages shall be available as a remedy; however, the Trustee may (at the request of any participating underwriter or the holders of least 25% aggregate principal amount of Outstanding Bonds shall) or any bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Institution to comply with its obligation under the Agreement or to cause the Trustee to comply with its obligation under this section. (Section 606)

**Additional Ongoing Disclosures.**

(a) **Annually.** In addition to the reports required to be filed pursuant to Section 903(b) of the Agreement, the Institution shall file or cause to be filed with EMMA on an annual basis the following:

(i) no later than the beginning of a Fiscal Year, the budget of the Institution for the upcoming Fiscal Year, which shall include, but not be limited to, discussion of the operating and financial covenants in the Agreement and the projected ability of the Institution to meet such covenants under the budget;

(ii) no later than one hundred twenty (120) days after the end of the Institution's Fiscal Year, the audited financial statements of the Institution for such Fiscal Year, and a certificate of an Authorized Officer of the Institution certifying to compliance with all covenants under the Agreement, provided that, so long as the Institution is diligently pursuing the completion of the audited financial statements and the failure to complete them within one hundred twenty (120) days after the end of the Fiscal Year is not the fault of the Institution, the audited financial statements and the certificate may be filed no later than one hundred eighty (180) days after the end of the Fiscal Year.

(b) Quarterly and Monthly. The Institution shall file or cause to be filed with EMMA within forty-five (45) days of the end of each fiscal quarter or monthly, as applicable, the following:

(i) quarterly occupancy census and payor mix for the Existing Facility or the new Project Facility, as applicable, provided that, prior to the Stabilization Date, occupancy census shall be filed monthly. Absolute numbers as well as percentages shall be provided;

(ii) Debt Service Coverage Ratio, quarterly;

(iii) Days Cash on Hand, quarterly;

(iv) Profitability Ratio, quarterly;

(v) quarterly financial statements, which shall include an income statement and a balance sheet, prepared by management;

(vi) a quarterly comparison of income statement for the most recently completed quarter to budget with management discussion and analysis explaining the reasons for variances; and

(vii) prior to occupancy of the new Project facility, the Institution shall file or cause to be filed with EMMA on a monthly basis, the monthly construction progress reports submitted to the Institution and the Trustee by the Construction Monitor, which reports shall include information regarding the percentage of completion of Project construction, the total amount of monies disbursed for construction out of the Project Fund, a reconciliation of change orders with various contingency accounts, along with the amount of monies remaining in the Project Fund.

(c) Investor Calls. Prior to the Stabilization Date, the Institution shall have a quarterly investor call no later than sixty (60) days after the end of each fiscal quarter. Following the Stabilization Date, the Institution shall have an annual investor call no later than one hundred fifty (150) days after the end of each Fiscal Year. The Institution shall post or cause to be posted on EMMA at least thirty (30) days before each such investor call notice of the scheduled date and time of such call with a call-in number.

(d) Copies (which may be electronic) of all reports filed with EMMA pursuant to this Section shall be contemporaneously filed by the Institution with the Corporation and the Trustee. **(Section 607)**

## FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by Tockwotton Home (the "Institution") and The Bank of New York Mellon Trust Company, N.A. (in such capacity, the "Trustee") in connection with the issuance of \$41,900,000 Rhode Island Health and Educational Building Corporation Health Facilities Revenue Bonds Tockwotton Home Issue, Series 2011 (the "Bonds"). The Bonds are being issued pursuant to a Loan and Trust Agreement, dated as of May 1, 2011 (the "Agreement"), by and among the Rhode Island Health and Educational Building Corporation (the "Corporation"), the Institution and the Trustee. The proceeds from the sale of the Bonds are being loaned by the Corporation to the Institution pursuant to the Agreement. The Institution and the Trustee covenant and agree as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Institution and the Trustee for the benefit of the Bondowners and in order to assist the Underwriter (defined below) in complying with the Rule (defined below). The Institution and the Trustee acknowledge that the Corporation has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Bondowner of the Bonds, with respect to any such reports, notices or disclosures.

**SECTION 2. Definitions.** In addition to the definitions set forth in the Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Institution pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Bondowner" shall mean the registered owner of a Bond, and any beneficial owner thereof, as established to the reasonable satisfaction of the Trustee or the Institution.

"Dissemination Agent" shall mean any Dissemination Agent or successor Dissemination Agent designated in writing by the Institution and which has filed with the Institution, the Trustee and the Corporation a written acceptance of such designation. The same entity may serve as both Trustee and Dissemination Agent. In the absence of a third party Dissemination Agent, the Institution shall serve as Dissemination Agent.

"EMMA System" shall mean the MSRB's Electronic Municipal Market System.

"GAAP" means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Agreement.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The MSRB is currently the sole National Repository.

"Notice Events" shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

"Quarterly Report" means the Quarterly Report provided by the Institution under Section 5 hereof.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, including any official interpretations thereof issued either before or after the effective date of this Disclosure Agreement which are applicable to this Disclosure Agreement.

“SEC” means the United States Securities and Exchange Commission.

“Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

**SECTION 3. Provision of Annual Reports:**

(a) The Dissemination Agent, not later than 120 days after the end of the Institution’s fiscal year, commencing with fiscal year ending December 31, 2011 (the “Filing Deadline”), shall provide to the National Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) Business Days prior to said date, the Institution (if it is not the Dissemination Agent) shall provide the Annual Report to the Dissemination Agent. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Institution may be submitted separately from and at a later date than, the balance of the Annual Report if such audited financial statements are not available as of the date set forth above. If the Institution submits its audited financial statements at a later date, it shall provide unaudited financial statements by the above specified deadline and shall provide the audited financial statements as soon as practicable after the audited financial statements become available.

(b) The Dissemination Agent shall file a report with the Institution, the Corporation and the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided (the “Compliance Certificate”).

(c) If the Trustee has not received a Compliance Certificate by the Filing Deadline, the Trustee shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A.

(d) If the Dissemination Agent has not provided the Annual Report to the Repositories by the Filing Deadline, the Institution shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A.

**SECTION 4. Content of Annual Reports.** The Institution’s Annual Report shall contain or incorporate by reference the following information relating to the Institution for or as of the most recently completed fiscal year of the Institution:

- 1) Audited Financial Statements,
- 2) To the extent not included in the Audited Financial Statements, the material to be provided pursuant to Section 6.07 of the Agreement.

The Institution agrees that the financial statements provided pursuant to Sections 3 and 4 of this Disclosure Agreement shall be prepared in conformity with generally accepted accounting principles (to the extent applicable), as in effect from time to time. Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Institution is an “obligated person” (as defined by the Rule), which have been filed with the MSRB or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Institution shall clearly identify each such other document so incorporated by reference.

**SECTION 5. Other Periodic Reports.** The Institution hereby agrees to provide to those parties receiving information pursuant to Section 3 hereof, financial and other information pursuant to the requirements of Section 903 of the Agreement.



**SECTION 6. Reporting of Certain Events.**

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Notice Events with respect to the Bonds in a timely manner, but in any event within ten (10) business days after the occurrence of any such Notice Event:

1. principal and interest payment delinquencies;
2. non payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to the rights of the Bondowners, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the Institution;
13. the consummation of a merger, consolidation, or acquisition involving the Institution or the sale of all or substantially all of the assets of the Institution, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional Trustee or the change of name of a Trustee, if material.

(b) Whenever the Institution obtains knowledge of the occurrence of a Notice Event, the Institution shall, in a timely manner as set forth above, file or direct the Dissemination Agent to file a notice of such occurrence with the MSRB, with a copy to the Corporation.

**SECTION 7. Transmission of Information and Notices.** Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

**SECTION 8 Termination of Reporting Obligation.** The Institution's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, or upon delivery to the Trustee of an opinion of counsel expert in federal securities laws selected by the Institution and acceptable to the Trustee to the effect that compliance with this Disclosure Agreement no longer is required by the Rule. If the Institution's obligations under the Agreement are assumed in full by some other entity,

such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Institution and the original Institution shall have no further responsibility hereunder.

**SECTION 9 Dissemination Agent.** The Institution may, from time to time with notice to the Trustee and the Corporation, appoint or engage a third-party Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may, with notice to the Trustee and the Corporation, discharge any such third-party Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the Institution) may resign upon thirty (30) days written notice to the Institution, the Trustee and the Corporation.

**SECTION 10 Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Institution and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Institution and which does not affect the rights and remedies of the Trustee or Dissemination Agent) and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Institution and the Trustee to the effect that such amendment or waiver would not, in and of itself, violate the Rule. Without limiting the foregoing, the Institution and the Trustee may amend this Disclosure Agreement if (a) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Institution or of the type of business conducted by the Institution, (b) this Disclosure Agreement, as so amended, would have complied with the requirements of the Rule at the time the Bonds were issued, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c)(i) the Trustee determines, or the Trustee receives an opinion of counsel expert in federal securities laws and acceptable to the Trustee to the effect that, the amendment does not materially impair the interests of the Bondowners or (ii) the amendment is consented to by the Bondowners as though it were an amendment to the Agreement, pursuant to Section 905 of the Agreement. The annual financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. Neither the Trustee nor the Dissemination Agent shall be required to accept or acknowledge any amendment of this Disclosure Agreement if the amendment adversely affects its respective rights or immunities or increases its respective duties hereunder.

**SECTION 11 Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Institution from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Notice Event, in addition to that which is required by this Disclosure Agreement. If the Institution chooses to include any information in any Annual Report or notice of occurrence of a Notice Event, in addition to that which is specifically required by this Disclosure Agreement, the Institution shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Notice Event.

**SECTION 12 Default.** In the event of a failure of the Institution or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of Bondowners of at least 25% aggregate principal amount of Outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Institution or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. Without regard to the foregoing, any Bondowner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Institution or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Institution or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

**SECTION 13 Duties, Immunities and Liabilities of Trustee and Dissemination Agent.** Article VI of the Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Agreement. The Trustee in its capacity as Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Institution agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense

and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Institution under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**SECTION 14 Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Institution, the Trustee, the Dissemination Agent, the Participating Underwriters, the Corporation and Bondowners from time to time of the Bonds, and shall create no rights in any other person or entity.

**SECTION 15 Disclaimer.** No Annual Report or notice of a Notice Event filed by or on behalf of the Institution under this Disclosure Agreement shall obligate the Institution to file any information regarding matters other than those specifically described in Section 3 and Section 4 hereof, nor shall any such filing constitute a representation by the Institution or raise any inference that no other material events have occurred with respect to the Institution or the Bonds or that all material information regarding the Institution or the Bonds has been disclosed. The Institution shall have no obligation under this Disclosure Agreement to update information provided pursuant to this Disclosure Agreement except as specifically stated herein.

**SECTION 16. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: \_\_\_\_\_, 2011

**TOCKWOTTON HOME**

By \_\_\_\_\_  
Name: Kevin McKay  
Title: Executive Director

**THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee**

By \_\_\_\_\_  
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Rhode Island Health and Educational Building Corporation  
Name of Bond Issue: Health Facilities Revenue Bonds Tockwotton Home Issue, Series 2011  
Name of Institution: Tockwotton Home  
Date of Issuance: June 8, 2011

NOTICE IS HEREBY GIVEN that Tockwotton Home (the "Institution") has not provided an Annual Report with respect to the above named Bonds as required by the Continuing Disclosure Agreement, dated \_\_\_\_\_, 2011, by and between the Institution and The Bank of New York Mellon Trust Company, N.A., as Trustee.

Dated:

**[DISSEMINATION AGENT]**

cc: Tockwotton Home

In the opinion of Partridge Snow & Hahn LLP, Bond Counsel, assuming the accuracy of certain representations and continuous compliance with certain covenants of the Corporation and the Hospitals, under existing statutes and court decisions, interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under the Code, interest on the Bonds will not be treated as a preference item in calculating the alternative minimum taxable income of individuals or corporations and will not be includible in the adjusted current earnings of a corporation for purposes of calculating the alternative minimum tax that may be imposed with respect to corporations. Income on the Bonds, including any profit made on the sale thereof, is exempt from Rhode Island personal income taxes, although the Bonds and any income thereon may be included in the measure of Rhode Island estate taxes and of certain Rhode Island corporate and business taxes. (See "TAX MATTERS" and Appendix H - Form of Opinion of Bond Counsel herein.)



**\$114,985,000**  
**RHODE ISLAND HEALTH AND EDUCATIONAL**  
**BUILDING CORPORATION**  
**HOSPITAL FINANCING REVENUE BONDS**  
**LIFESPAN OBLIGATED GROUP ISSUE, SERIES 2009 A**

**Lifespan**

**Dated: Date of Delivery**

**Due: As shown on the inside cover hereof**

This Official Statement of the Rhode Island Health and Educational Building Corporation (the "Corporation") has been prepared in connection with the issuance and delivery of \$114,985,000 of its Hospital Financing Revenue Bonds, Lifespan Obligated Group Issue, Series 2009 A (the "Bonds" or "Series 2009 Bonds").

The Bonds will bear interest at the fixed rates and mature on the dates and in the principal amounts set forth on the inside cover hereof. Interest on the Bonds will accrue from their date of delivery and will be payable semiannually on each May 15 and November 15, commencing May 15, 2009. The Bonds will be subject to optional and mandatory redemption and purchase in lieu of redemption prior to maturity, including redemption or purchase at par in certain circumstances, as more fully described herein.

The Bonds shall be issued in denominations of \$5,000 or any multiple of \$5,000 in excess thereof. Purchases of the Bonds will be made only in book-entry form and will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York. Purchasers of the Bonds will not receive certificates representing their interest in Bonds purchased. See "THE BONDS - Book-Entry-Only System" herein. The principal or redemption price, if any, and interest on the Bonds will be payable by Wells Fargo Bank, N.A., as Paying Agent (the "Paying Agent") to Cede & Co., as nominee of DTC. So long as DTC or its nominee, Cede & Co., is the Bondowner, principal and interest payments to the DTC Participants are the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants and the indirect Participants, as described herein.

The Bonds are special obligations of the Corporation and, except to the extent payable from the proceeds received from the sale thereof or from other sources as described herein, are payable solely from the revenues or other receipts, funds or moneys of the Corporation pledged therefor or otherwise available to Wells Fargo Bank, N.A., as trustee (the "Bond Trustee") under an Indenture of Trust and Pledge (the "Bond Indenture"), dated as of March 15, 2009, by and between the Corporation and the Bond Trustee, including those derived under a Loan Agreement (the "Loan Agreement"), dated as of March 15, 2009, by and among Rhode Island Hospital ("RIH"), The Miriam Hospital ("TMH") and Emma Pendleton Bradley Hospital ("EPBH") and together with RIH and TMH, collectively, the "Hospitals" and together with certain affiliates of the Hospitals, the "Obligated Group" and the Corporation, and the provisions of a Master Trust Indenture, as supplemented, all as more fully described herein.

The scheduled payment of the principal of and interest on the Bonds maturing on May 15, 2027 and May 15, 2030 and on the Bonds maturing on May 15, 2039 bearing CUSIP number 762243K36 (collectively, the "Insured Bonds") when due will be guaranteed under a financial guaranty insurance policy (the "Policy") to be issued concurrently with the delivery of the Insured Bonds by Assured Guaranty Corp. (the "Insurer"). The Bonds maturing on May 15, 2039 bearing CUSIP number 762243K28 will not be guaranteed under the Policy.

**ASSURED  
GUARANTY**

**NEITHER THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS NOR THE CORPORATION IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS EXCEPT FROM THE REVENUES UNDER THE BOND INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS OR OF ANY MUNICIPALITY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE CORPORATION DOES NOT HAVE TAXING POWER.**

The Bonds will be offered when, as and if issued by the Corporation and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, and the approval of legality and certain other matters by Partridge Snow & Hahn LLP, Providence, Rhode Island, Bond Counsel, as well as certain other conditions. Certain legal matters will be passed upon for the Corporation by its counsel, Moses & Afonso Ltd., Providence, Rhode Island, for the Underwriters by their counsel, Edwards Angell Palmer & Dodge LLP, Providence, Rhode Island and for the Obligated Group by its counsel, Ropes & Gray LLP. Public Financial Management, Inc. is serving as financial advisor for the Corporation in this transaction. The Bonds are expected to be available for delivery through the facilities of DTC in New York, New York on or about March 30, 2009.

**MORGAN STANLEY**

**Goldman, Sachs & Co.**

**Oppenheimer & Co, Inc.**

Dated: March 18, 2009

**APPENDIX I**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by Rhode Island Hospital (“RIH”), The Miriam Hospital (“TMH”) and Emma Pendleton Bradley Hospital (“EPBH” and together with RIH and TMH, collectively, the “Hospitals”), for themselves and on behalf of the Obligated Group (as hereinafter defined), and Wells Fargo Bank, N.A. (the “Trustee”), in connection with the issuance of \$114,985,000 Rhode Island Health and Educational Building Corporation Hospital Financing Revenue Bonds, Lifespan Obligated Group Issue, Series 2009 A (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust and Pledge dated as of March 15, 2009 (the “Bond Indenture”). The proceeds of the Bonds are being loaned by the Rhode Island Health and Educational Building Corporation (the “Corporation”) to the Hospitals pursuant to a Loan Agreement dated as of March 15, 2009 (the “Loan Agreement”). The Hospitals, for themselves and on behalf of the Obligated Group, and the Trustee covenant and agree as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Hospitals on behalf of the Obligated Group and the Trustee for the benefit of the Bondowners (which term shall include the beneficial owners of the Bonds) and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The Hospitals and the Trustee acknowledge that the Corporation has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any owner of the Bonds, with respect to any such reports, notices or disclosures.

**SECTION 2. Definitions.** In addition to the definitions set forth in the Bond Indenture and the Loan Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Obligated Group pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Audited Financial Statements” shall mean the audited consolidated financial statements of Lifespan Corporation (“Lifespan Corporation”) and its affiliates and supplemental consolidating statements.

“Dissemination Agent” shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Obligated Group and which has filed with the Trustee a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.



“National Repository” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories as of the date of execution of this Disclosure Agreement are listed in Exhibit C.

“Obligated Group” or “Obligated Group Members” shall mean, collectively, the Hospitals, Rhode Island Hospital Foundation (“RIHF”) and The Miriam Hospital Foundation (“TMHF”).

“Operating Data” shall mean certain information pertaining to the operations of the Obligated Group of the type contained in Appendix A to the Official Statement under the heading “Hospital Utilization” or such similar or other information that the Hospitals deem relevant.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Quarterly Financial Information” shall mean (i) financial information, which shall be based on the quarterly unaudited consolidated financial statements of Lifespan Corporation (including statements of financial position, statements of operations and cash flow statements) and (ii) Operating Data for the same period covered by the financial information described above.

“Repository” shall mean each National Repository and each State Depository.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Depository” shall mean any public or private repository or entity designated by the State of Rhode Island as a state information repository for the purpose of the Rule. As of the date of this Disclosure Agreement, there is no State Depository.

“Transmission Agent” shall mean any central filing office, conduit or similar entity which undertakes responsibility for accepting filings under the Rule for submission to each Repository. The current Transmission Agents are listed on Exhibit C attached hereto.

**SECTION 3. Provision of Annual Reports.** (a) The Hospitals shall, or shall cause the Dissemination Agent to, not later than one hundred fifty (150) days after the end of the Obligated Group’s fiscal year, commencing with the fiscal year ending September 30, 2009, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than five (5) Business Days prior to said 150th day, the Hospitals shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). The Hospitals shall submit the Audited Financial Statements to the Dissemination Agent as soon as practicable after they become available. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the Audited Financial Statements may be submitted separately from and at a later date than, the balance of the Annual Report if such Audited Financial Statements are not available as of the date set forth above. If the Hospitals submit the Audited Financial Statements at a later date, it shall provide unaudited financial statements by the above-specified deadline and shall provide the

Audited Financial Statements as soon as practicable after the Audited Financial Statements become available.

(b) If by fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repositories, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Senior Vice President and Chief Financial Officer of Lifespan Corporation on behalf of the Obligated Group to determine if the Obligated Group is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify from Lifespan Corporation that an Annual Report has been provided to the Repositories by the date required in subsection (a), the Trustee on behalf of the Obligated Group shall send a notice of such failure to file the Annual Report by the date required in subsection (a) to each Repository in the form of Exhibit A attached hereto.

(d) The Dissemination Agent shall:

(i) determine each year within five (5) Business Days of the date for providing the Annual Report the name and address of each National Repository and each State Depository, if any, as provided by the Hospitals (insofar as determinations regarding Repositories are concerned, the Hospitals and the Dissemination Agent may conclusively rely on the list of repositories maintained by the Securities and Exchange Commission); and

(ii) file a report with the Hospitals certifying whether it has provided the Annual Report pursuant to this Disclosure Agreement, and if so, stating the date it was provided, and listing all the Repositories to which it was provided.

(e) If the Trustee is not the Dissemination Agent, the Hospitals will provide a copy of all reports required hereunder to the Trustee.

**SECTION 4. Content of Annual Reports.** The Obligated Group's Annual Reports, in addition to the Audited Financial Statements, shall contain or incorporate by reference the following information for the prior fiscal year (except to the extent contained in the Audited Financial Statements):

- 1) Combined Statements of Operations of the Obligated Group;
- 2) Combined Statements of Financial Position of the Obligated Group;
- 3) Pension information;
- 4) Hospital utilization for each Hospital;
- 5) Summary Statement of Operations for each Obligated Group Member;
- 6) Market Value of Investments of each Obligated Group Member;
- 7) Indebtedness of each Obligated Group Member; and
- 8) Sources of Patient Service Revenue for each Hospital.

The Hospitals agree that the financial statements provided pursuant to Sections 3 and 4 of this Disclosure Agreement shall be prepared in conformity with generally accepted accounting principles, as in effect from time to time. Any or all of the items listed above may be incorporated by

reference from other documents, including official statements of debt issues with respect to which the Obligated Group Members are each an “obligated person” (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board (“MSRB”). The Hospitals shall clearly identify each such other document so incorporated by reference. Neither the Trustee nor the Dissemination Agent shall be under any obligation to verify the content or correctness of, and shall not be responsible for the sufficiency of, the Annual Report, or for the compliance of the contents of any Annual Report with the Rule or this Disclosure Agreement.

**SECTION 5. Reporting of Significant Events.**

The Hospitals shall, in a timely manner, file or direct the Dissemination Agent to file with the Repositories, with a copy to the Corporation, notice of any of the following events with respect to the Bonds, if material:

- 1) Principal and interest payment delinquencies;
- 2) Non-payment related defaults;
- 3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- 4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- 5) Substitution of credit or liquidity providers, or their failure to perform;
- 6) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- 7) Modifications to rights of Bondowners;
- 8) Bond calls;
- 9) Defeasances;
- 10) Release, substitution, or sale of property securing repayment of the bonds; and
- 11) Rating changes.

**SECTION 6. Provision of Quarterly Financial Information.** (a) The Hospitals shall, while any Bonds are Outstanding, provide the Quarterly Financial Information to the Dissemination Agent on or before March 1, June 1, September 1 and December 1 of each year (each a “Quarterly Submission Date”), commencing June 30, 2009, and the Dissemination Agent shall provide to each then existing Repository such Quarterly Financial Information on or before the fifteenth Business Day of each month beginning with a Quarterly Submission Date (each a “Quarterly Report Date”) or, if not received by the Dissemination Agent by the Quarterly Submission Date, then within 15 Business Days of its receipt by the Dissemination Agent. The Hospitals shall include with each

submission of Quarterly Financial Information to the Dissemination Agent a written representation addressed to the Dissemination Agent to the effect that the Quarterly Financial Information is the Quarterly Financial Information required by this Disclosure Agreement and that it complies with the applicable requirements of this Disclosure Agreement. The Hospitals may amend the Quarterly Submission Dates and the Quarterly Report Dates to reflect a change in Fiscal Year in accordance with the requirements therefor set forth in Section 3(a) above.

(b) If the Hospitals are unable to provide the Dissemination Agent and the Dissemination Agent is unable to provide to each then existing Repository the Quarterly Financial Information (including, without limitation, the required operating data) by the date(s) required in subsection (a) above, the Dissemination Agent shall send a notice to each then existing Repository in substantially the form attached hereto as Exhibit B.

(c) The Dissemination Agent shall determine prior to the date for providing the Quarterly Financial Information the name and address of each National Repository and State Depository, if any.

**SECTION 7. Content of Quarterly Financial Information.** The Quarterly Financial Information shall contain or incorporate by reference the information described in the definition of "Quarterly Financial Information" contained in Section 2 of this Disclosure Agreement, as well as the following:

(i) the accounting principles pursuant to which the unaudited consolidated financial statements were prepared, and

(ii) that the above-described information has been provided directly by the Dissemination Agent, on behalf of the Obligated Group.

The Hospitals reserve the right to cross-reference any or all of such Quarterly Financial Information and Operating Data to other documents to be provided to the Repositories or the MSRB;

The Hospitals reserve the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Hospitals; provided that the Hospitals agree that any such modification will be done in a manner consistent with the Rule as provided in Section 11 hereof.

It shall be sufficient if the Hospitals provide to the Dissemination Agent and the Dissemination Agent provides to each then existing Repository the Quarterly Financial Information by specific reference to documents previously provided to each Repository or filed with the Securities and Exchange Commission and, if such document is a final official statement, available from the MSRB. The Hospitals shall clearly identify each such other document so incorporated by reference.

**SECTION 8. Termination of Reporting Obligation.** The Obligated Group's obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or upon delivery to the Trustee of an opinion of counsel expert in federal

securities laws selected by the Hospitals and acceptable to the Trustee to the effect that compliance with this Disclosure Agreement no longer is required by the Rule. If the Hospitals' obligations under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Hospitals and the Hospitals shall have no further responsibility hereunder.

**SECTION 9. Dissemination Agent.** The Hospitals may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have no further obligation hereunder following such discharge. The initial Dissemination Agent shall be the Trustee.

**SECTION 10. Alternative Methods for Reporting/Electronic Municipal Market Access.** The Hospitals may satisfy their obligation to make a filing with each Repository hereunder by transmitting the same to a Transmission Agent if and to the extent such Transmission Agent has received an interpretive advice from the Securities and Exchange Commission, which has not been withdrawn, to the effect that an undertaking to transmit a filing to such Transmission Agent for submission to each Repository is an undertaking described in the Rule. The Hospitals acknowledge that beginning that July 1, 2009, Rule 15c2-12 is expected to be amended to require that disclosures be submitted to the MSRB through its Electronic Municipal Market Access ("EMMA"), and that as of July 1, 2009, the Securities and Exchange Commission is expected to designate the MSRB as the sole Repository.

**SECTION 11. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Hospitals and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Hospitals that does not affect the rights and remedies of the Bondowners, the Trustee or Dissemination Agent) and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Hospitals and the Trustee to the effect that such amendment or waiver would not, in and of itself, violate the Rule. Without limiting the foregoing, the Hospitals and the Trustee may amend this Disclosure Agreement if (a) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature or status of the Hospitals or of the type of business conducted by the Hospitals, including but not limited to the addition or withdrawal of any Member of the Obligated Group under Section 13.1 of the Master Trust Indenture dated as of September 1, 1991 between Rhode Island Hospital and Wells Fargo Bank, N.A., successor to The Bank of New York Mellon Trust Company, N.A., successor in interest to J.P. Morgan Trust Company, National Association, successor in interest to Citizens Bank of Rhode Island, successor in interest to Citizens Trust Company, as master trustee, as amended, (b) this Disclosure Agreement, as so amended, would have complied with the requirements of the Rule at the time the Bonds were issued, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) except in the case of an amendment of Section 6, (i) the Trustee receives an opinion of counsel expert in federal securities laws and acceptable and addressed to the Trustee to the effect that, the amendment does not materially impair the interest of the Bondowners or (ii) the amendment is consented to by the Bondowners as though it were an amendment to the Loan Agreement as permitted by Section 9.04 of the Loan Agreement. The annual financial information

will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment is made to an undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made should present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**SECTION 12. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Group from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Hospitals choose to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Hospitals shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**SECTION 13. Default.** In the event of a failure of the Hospitals or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Bondowners holding at least 25% aggregate principal amount of Outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Hospitals or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. Without regard to the foregoing, any Bondowner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Hospitals or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Hospitals or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

**SECTION 14. Duties, Immunities and Liabilities of Dissemination Agent.** Article X of the Bond Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Bond Indenture. The Trustee in its capacity as Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Hospitals agree to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence. Notwithstanding anything to the contrary herein, the Trustee, whether acting as Trustee or Dissemination Agent, shall have the same rights, indemnities, privileges and protections in the discharge of its obligations hereunder as it would have in discharging any of its obligations under the Bond Indenture. The obligations of the Hospitals under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**SECTION 15. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Obligated Group, the Trustee, the Dissemination Agent, the Participating Underwriters, the Bondowners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**SECTION 16. Disclaimer.** No Annual Report or notice of a Listed Event filed by or on behalf of the Obligated Group under this Disclosure Agreement shall obligate the Hospitals to file any information regarding matters other than those specifically described in Section 3 and Section 4 hereof, nor shall any such filing constitute a representation by the Obligated Group or raise any inference that no other material events have occurred with respect to the Obligated Group or the Bonds. The Obligated Group shall have no obligation under this Disclosure Agreement to update information provided pursuant to this Disclosure Agreement except as specifically stated herein.

**SECTION 17. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 18. Notices.** Unless otherwise expressly provided, all notices to the Corporation, the Hospitals, the Trustee and the Dissemination Agent under the Disclosure Agreement, shall be in writing and shall be deemed sufficiently given if sent by registered or certified mail, postage prepaid, or delivered during a Business Day to such parties at the address specified in Section 9.02 of the Loan Agreement, or as to all of the foregoing, to such other address as the addressee shall have indicated by prior written notice to the party giving notice.

**SECTION 19. Governing Law.** This instrument shall be governed by the laws of the State of Rhode Island.

**\*Signatures on next page\***

Date: March \_\_\_, 2009

RHODE ISLAND HOSPITAL

By: \_\_\_\_\_  
Chief Financial Officer

THE MIRIAM HOSPITAL

By: \_\_\_\_\_  
Chief Financial Officer

EMMA PENDLETON BRADLEY  
HOSPITAL

By: \_\_\_\_\_  
Chief Financial Officer

WELLS FARGO BANK, N.A., as Trustee  
and Dissemination Agent

By: \_\_\_\_\_  
Name:  
Title:



*In the opinion of Davis, Brown, Koehn, Shors & Roberts, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds is excluded from gross income for federal income tax purposes, except as described herein, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The interest on the Bonds is exempt from income taxation by the State of Iowa. The Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS" herein.*

OFFICIAL STATEMENT

\$7,870,000

IOWA HIGHER EDUCATION LOAN AUTHORITY  
VARIABLE RATE DEMAND  
PRIVATE COLLEGE FACILITY REVENUE BONDS  
(BUENA VISTA UNIVERSITY PROJECT)  
SERIES 2007

Dated: Date of Delivery

Due: May 1, 2020

Price: 100%

The Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry-only form, in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof except as described herein with respect to Bonds bearing interest at a Fixed Rate. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are issued and secured under an Indenture of Trust dated as of May 1, 2007 (the "Indenture"), between the Iowa Higher Education Loan Authority (the "Authority") and Wells Fargo Bank, National Association, as Trustee. Except to the extent payable from draws under the Letter of Credit (described herein), the Bonds will be payable from payments made under a Loan Agreement dated as of May 1, 2007, between the Authority and Buena Vista University, an Iowa nonprofit corporation (the "Borrower"). From the date of original issuance of the Bonds through April 30, 2012, unless extended or earlier terminated or replaced, principal of and interest on the Bonds, and the purchase price of the Bonds tendered for payment as described herein, will be payable from funds drawn under an irrevocable direct-pay letter of credit (the "Letter of Credit") issued in favor of the Trustee by

WELLS FARGO BANK, NATIONAL ASSOCIATION

(the "Credit Bank"). The Letter of Credit is the direct obligation of the Credit Bank to pay to the Trustee, in conformity with the terms thereof, sums up to the principal amount of the Bonds and up to 50 days of accrued interest on the Bonds (calculated at an assumed maximum interest rate of 10% per annum) and pay the purchase price of Bonds tendered for purchase.

**The Bonds, when issued, will bear interest at the Daily Rate.** While bearing interest at the Daily Rate, interest on the Bonds will be payable on June 1, 2007, and on the first Business Day of each calendar month thereafter and on any day on which the Bonds are converted to a different rate period, and are subject to purchase at the option of the Beneficial Owners on any Business Day at a purchase price of 100% of the principal amount of the Bonds so tendered for purchase plus accrued interest to the purchase date. The purchase price of the Bonds so tendered for purchase is payable from the proceeds of the remarketing of such Bonds or, if not so remarketed, from amounts drawn under the Letter of Credit. The Bonds may bear interest at a Daily, Weekly, Commercial Paper, Long-Term or Fixed Rate. The rate period in which the Bonds are operating (which may be only one rate period at any one time) may be changed from time to time as described herein.

The Bonds are subject to redemption prior to maturity and to optional and mandatory tender for payment, as described herein.

The Bonds are subject to certain risks. See "BONDOWNERS' RISKS."

**The Bonds are special, limited obligations of the Authority, payable solely from certain payments under the Loan Agreement between the Authority and the Borrower. The Bonds shall not constitute a debt or liability of the State of Iowa (the "State") or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit of the State or of any political subdivision thereof. The issuance of the Bonds shall not, directly, indirectly, or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The Authority has no taxing power.**

*The Bonds are being offered by the Underwriter when, as and if issued by the Authority and accepted by the Underwriter, subject to the approval of legality thereof by Davis, Brown, Koehn, Shors & Roberts, P.C., Des Moines, Iowa, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority by Davis, Brown, Koehn, Shors & Roberts, P.C., for the Borrower by Mack, Hansen, Gadd, Armstrong & Brown, P.C., Storm Lake, Iowa, for the Credit Bank by Faegre & Benson LLP, Minneapolis, Minnesota, and for the Underwriter by Gilmore & Bell, P.C., Kansas City, Missouri. It is expected that the Bonds will be available for delivery at DTC in New York, New York, on or about May 1, 2007.*

PIPER JAFFRAY & CO.

The date of this Official Statement is April 23, 2007.

The proceeds of the Bonds will be used to finance, refinance and reimburse the Borrower for certain costs of the Project and to pay costs associated with the issuance of the Bonds. The Project will consist of (1) replacing windows in the Harold Siebens Forum, (2) renovation of the University Communications and Marketing Building, (3) renovation of the Social Science and Art Building, (4) renovation of the Eppley space in the Social Science and Art Building, (5) constructing, improving and equipping of a 3-D Art Building, (6) renovation of the kitchen in the Harold Siebens Forum including an exhaust tower, (7) constructing, improving and equipping of an addition to the Facilities Services Shops, (8) construction of additional campus parking including the acquisition of land and existing buildings and the demolition of the building, (9) installation of improved campus signage, (10) renovation of existing tennis courts and (11) various other campus improvements including the renovation of existing buildings and the construction of other capital projects.

The architect for the renovation of the Social Science and Art Building component of the Project is ORIS PLC, Des Moines, Iowa. The Borrower expects the renovations of the Social Science and Art Building to be completed by August 1, 2008.

**Sources and Uses of Funds**

The following is a summary of the estimated sources of funds and the uses of such funds in connection with the plan of financing:

**Sources of Funds:**

Principal amount of the Bonds	\$7,870,000
Total sources of funds	<u>\$7,870,000</u>

**Uses of Funds:**

Payment of Project Costs	\$7,454,369
Capitalized Interest and Other Fees	\$285,904
Costs of issuance <sup>(1)</sup>	<u>129,727</u>
Total uses of funds	<u>\$7,870,000</u>

<sup>(1)</sup> Includes Underwriter's discount and Letter of Credit fees.

**THE BONDS**

*The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect thereto in the Indenture and the Loan Agreement for the detailed terms and provisions thereof.*

**General**

The Bonds will be issued as fully registered Bonds without coupons in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof so long as the Bonds bear interest at a Daily Rate, a Weekly Rate, a Commercial Paper Rate or a Long-Term Rate, and in denominations of \$5,000 and integral multiples thereof so long as the Bonds bear interest at a Fixed Rate. The Bonds will mature, subject to prior redemption, on May 1, 2020 (the "Maturity Date"). The Bonds will be dated as of the date of first authentication and delivery of the Bonds under the Indenture.

The Bonds, when issued, will be registered in the name of Cede & Co., as nominee for DTC. Payment of the principal of, premium, if any, and interest on each Bond will be made, and notices and other communications to bondowners will be given, directly to DTC or its nominee, Cede & Co., by the Trustee. In the event the Bonds are not in a book-entry-only system, payment of principal of, premium,

repeal of certain existing federal income tax laws or property tax laws or other loss by the Borrower of the present advantages of such laws, or any legislation imposing additional conditions on tax-exempt organizations, could adversely impact the Borrower's financial position.

### **Certain Matters Relating to Enforceability**

The remedies available upon a default under the Indenture, the Loan Agreement or the Letter of Credit will, in many respects, be dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the United States Bankruptcy Code and state laws concerning the use of assets of charitable organizations, the remedies specified in the Indenture, the Loan Agreement and the Letter of Credit may not be readily available or may be limited. The various legal opinions to be delivered in connection with the issuance of the Bonds will be expressly subject to the qualification that the enforceability of the Indenture, the Loan Agreement, the Letter of Credit and other legal documents is limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the rights of creditors and by the exercise of judicial discretion in appropriate cases.

### **Continuing Disclosure Obligation**

The Borrower has agreed under the Loan Agreement to provide its audited financial statements to the Trustee within 120 days after the end of each fiscal year of the Borrower, and the Trustee is authorized to furnish the financial statements to any bondowner upon request. Except for the provision of its audited financial statements to the Trustee, the Borrower is not obligated under the financing documents to make any other periodic disclosure of financial information or to give notices of the occurrence of material events to the bondowners or to any national information repositories. The absence of such an undertaking could adversely affect the trading in the Bonds in the secondary market. The Borrower has agreed, however, under the Loan Agreement to take any actions necessary to comply with the continuing disclosure requirements of SEC Rule 15c2-12 if the Bonds are converted to a Long-Term Rate or a Fixed Rate.

### **Changes in Bonds Ratings**

The lowering or withdrawal of the investment rating initially assigned to the Bonds could adversely affect the market price and the market for the Bonds.

## **THE LETTER OF CREDIT**

*The following, in addition to the information provided elsewhere in this Official Statement, summarizes certain provisions of the Letter of Credit and the Credit Agreement. Reference is hereby made to the Letter of Credit and the Credit Agreement for the detailed terms and provisions thereof.*

### **The Letter of Credit**

The Credit Bank will deliver the Letter of Credit to the Trustee concurrently with the issuance and delivery of the Bonds. The Letter of Credit constitutes the irrevocable obligation of the Credit Bank to pay to the Trustee upon timely request up to \$7,977,808.22 (the "Initial Stated Amount"), consisting of \$7,870,000.00, which may be drawn for the purpose of paying the principal or the principal portion of the purchase price of Bonds and \$107,808.22 (an amount equal to 50 days of interest computed at an assumed maximum rate of 10% per annum), which may be drawn for the purpose of paying interest on the Bonds. The Letter of Credit will expire at the close of business on April 30, 2012 (the "Stated Expiration Date"), unless earlier terminated or extended and is subject to reduction, as hereinafter described.

## ARTICLE VII

### SPECIAL COVENANTS

Section 7.1. No Warranty Of Condition Or Suitability By Issuer. Issuer makes no warranty, either express or implied, as to the Project or the condition thereof, or that the Project will be suitable for the purposes or needs of Borrower or that the moneys which will be paid into the Construction Fund to provide the financing for the Project will be sufficient to pay all costs incurred in connection with the Project.

Section 7.2. Inspection Of Project. Borrower agrees that Trustee and its duly authorized agent and Issuer shall have the right at all reasonable times to examine and inspect the Project. Borrower further agrees that Issuer, Trustee, and their duly authorized agents shall also be permitted, at all reasonable times, to examine the books and records of Borrower with respect to the Project.

Section 7.3. Annual Audit, Financial Statements and Reports. The Borrower agrees that it will have its financial statements audited annually by its Independent Certified Public Accountant within one hundred fifty (150) days after the close of each Fiscal Year. Promptly upon receipt by the Borrower, it shall furnish to the Trustee and the Issuer copies of its audited financial statements which shall consist of a statement of financial position and the related statement of activities and statement of cash flows for that Fiscal Year, all certified as to fairness of presentation, in conformity with Generally Accepted Accounting Principles, by an Independent Certified Public Accountant. At the time the year end financial statements are provided to the Trustee and the Issuer, the Borrower shall furnish to the Trustee and the Issuer a written statement of the accountants who prepared the report of audit, upon performing its audit in the ordinary course and without the necessity of any special investigation, stating that said accountants have no knowledge of any "event of default" by the Borrower as defined in Section 9.1 of this Agreement and further stating that said accountants have no knowledge of any other condition of default by the Borrower in the performance of any covenant or condition imposed upon or assumed by the Borrower under this Agreement. However, if said accountants have knowledge of any said default or "event of default", a complete description of the same must be fully set out in their written statements. The Trustee may distribute such financial statements to the Bondholders and, upon request from the Trustee, the Borrower shall furnish to the Trustee sufficient copies of said financial statements.

Section 7.4. Maintenance Of Security Interests. Borrower shall execute all instruments, including financing statements, deemed necessary or advisable in the opinion of Independent Counsel or Trustee for perfection of and continuance of the perfection and the maintenance of the priority position of the security interests created by the Indenture.

Section 7.5. Further Assurances And Corrective Instruments. Issuer and Borrower agree that they will from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may

(a) the successor formed by such consolidation or merger shall be a not-for-profit corporation organized under the laws of the United States or any state, district or territory thereof, which is exempt from federal income tax under Section 501(c)(3) of the Code and shall be determined to be an institution of higher education as required by the Act;

(b) the successor or transferee corporation shall expressly assume in writing the full and faithful performance of the Borrower's duties and obligations hereunder to the same extent as if such successor or transferee corporation had been the original borrower under this Agreement;

(c) immediately after such consolidation or merger or transfer, the Borrower, or such successor or transferee corporation, shall not be in default in the performance or observance of any duties, obligations or covenants of the Borrower under this Agreement;

(d) the total net assets of the successor or transferee corporation immediately after the consolidation or merger or transfer shall be not less than the total net assets of the Borrower immediately prior to the consolidation or merger or transfer; and

(e) the Issuer and the Trustee shall have received an opinion of Counsel who is a nationally recognized bond counsel and is satisfactory to each of them that the merger, transfer or consolidation will not adversely affect the treatment of interest on the Series 2007 Bonds under the Code.

Section 7.13. Operation and Maintenance. The Borrower covenants to maintain the Facilities of the Borrower in good repair and operating condition, to operate the same continuously in an economical and efficient manner, and to make all ordinary repairs, renewals, replacement and improvements in order to maintain adequate service. The provisions of this Section shall not apply, however, to real estate or equipment to the extent that in the opinion of an Authorized Borrower Representative such real estate or equipment have become obsolete, unsuitable or unnecessary. The Borrower further covenants that it will not commit or suffer any stripping or waste of the real estate of the Borrower.

Section 7.14. Continuing Disclosure. The Borrower hereby covenants and agrees that, if the Series 2007 Bonds are converted to a Long-Term Rate or a Fixed Rate as provided in the Indenture, it will take all such actions as are necessary and appropriate to comply with and carry out the continuing disclosure requirements of S.E.C. Rule 15c2-12.

(End of Article VII)

NEW ISSUE—BOOK-ENTRY ONLY

RATING: Standard & Poor's: "A"  
See "Rating" herein

*In the opinion of Bond Counsel, under existing laws, regulations, rulings and decisions in effect on the date of issuance of the Series 2011 Bonds and assuming continuing compliance by the Issuer and the Borrower, with certain covenants and agreements, interest on the Series 2011 Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2011 Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax applicable to individuals and corporation, although such interest is included in "adjusted current earnings" for purposes of determining the alternative minimum taxable income of certain corporations. Interest on the Series 2011 Bonds is also exempt from income taxation from the State of Iowa. The Series 2011 Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS."*

**\$15,300,000**

**IOWA HIGHER EDUCATION LOAN AUTHORITY  
PRIVATE COLLEGE FACILITY REVENUE BONDS  
(BUENA VISTA UNIVERSITY PROJECT),  
SERIES 2011**

Dated: Date of Delivery

Due: April 1, as shown on inside cover

The Iowa Higher Education Loan Authority Private College Facility Revenue Bonds (Buena Vista University Project), Series 2011 (the "Series 2011 Bonds") will be issued pursuant to an Indenture of Trust, dated as of May 1, 2011 (the "Indenture"), by and between the Iowa Higher Education Loan Authority (the "Issuer") and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The Issuer will lend the proceeds of the Series 2011 Bonds to Buena Vista University (the "Borrower"), pursuant to a Loan Agreement, dated as of May 1, 2011 (the "Loan Agreement"), by and between the Issuer and the Borrower. The Borrower is an Iowa nonprofit corporation created to conduct a private, accredited university offering liberal arts undergraduate and graduate degrees.

**BUENA VISTA  
UNIVERSITY**

The Series 2011 Bonds will bear interest from the date of their initial delivery at the interest rates set forth on the inside cover, payable on each April 1 and October 1, commencing October 1, 2011. The Series 2011 Bonds will be issued in Authorized Denominations of \$5,000 or any integral multiple thereof.

The proceeds of the Series 2011 Bonds will be used to: (i) finance the costs of constructing, improving, and equipping of renovations to (a) six student residence halls and (b) the J. Leslie Rollins Stadium (all of the foregoing together, the "Project"), located on the campus of the Borrower in Storm Lake, Iowa; and (ii) pay the costs of issuance of the Series 2011 Bonds, all as further described herein. See "ESTIMATED SOURCES AND USES OF FUNDS AND PLAN OF FINANCE."

The Series 2011 Bonds will be issued in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2011 Bonds. Individual purchases will be made in book-entry form only. Purchasers of the Series 2011 Bonds will not receive physical certificates representing their beneficial ownership interests in the Series 2011 Bonds purchased. So long as the Series 2011 Bonds are registered in the name of Cede & Co., all payments with respect to principal of and interest on the Series 2011 Bonds will be made by the Trustee to DTC, which is obligated in turn to remit such payments to its Direct Participants for subsequent disbursement to the beneficial owners of the Series 2011 Bonds as described herein. See APPENDIX F – "BOOK-ENTRY ONLY SYSTEM."

The Series 2011 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as described herein. See "THE BONDS – Redemption."

THE SERIES 2011 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM AMOUNTS PAYABLE UNDER THE LOAN AGREEMENT AND FROM FUNDS HELD BY THE TRUSTEE FOR THE BENEFIT OF THE BONDHOLDERS. THE SERIES 2011 BONDS DO NOT REPRESENT OR CONSTITUTE A DEBT OR INDEBTEDNESS OF THE ISSUER, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWERS.

The Series 2011 Bonds will be on parity, to the extent described herein, with the City of Storm Lake, Iowa Higher Education Facilities Revenue Bonds (Buena Vista University Project), Series 2000 (the "Series 2000 Bonds"), the Issuer's Higher Education Facilities Revenue Bonds (Buena Vista University Project), Series 2002 (the "Series 2002 Bonds"), the Issuer's Variable Rate Demand Private College Facility Revenue Bonds (Buena Vista University Project), Series 2007 (the "Series 2007 Bonds") and the Issuer's Capital Project Revenue Notes (Capital Projects Loan Program), Series 2011G (the "Capital Project Notes" and together with the Series 2000 Bonds, the Series 2002 Bonds and the Series 2007 Bonds, the "Parity Bonds").

**This cover page contains information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision, giving particular attention to the matters discussed in "RISK FACTORS."**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND PRICES OR YIELDS SHOWN ON INSIDE COVER.

*The Series 2011 Bonds are offered by the Underwriter when, as and if issued by the Issuer and accepted by the Underwriter, subject to the approval of legality and certain other legal matters by Davis, Brown, Koehn, Shors, & Roberts, P.C., Des Moines, Iowa and subject to certain other conditions. Certain legal matters will be passed upon for the Underwriter by Peck, Shaffer & Williams LLP, Denver, Colorado. Certain legal matters will be passed upon for the Issuer by its special counsel, Davis, Brown, Koehn, Shors, & Roberts, P.C., Des Moines, Iowa. Certain legal matters will be passed upon for the Borrower by Mack, Hansen, Gadd, Armstrong & Brown, P.C., Storm Lake, Iowa. It is expected that the Series 2011 Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about May 25, 2011.*

**George K. Baum & Company**

Dated: May 23, 2011

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "*Disclosure Agreement*") is executed and delivered by Buena Vista University (the "*University*"), and Wells Fargo Bank, National Association, a national banking association (the "*Dissemination Agent*") in connection with the execution and delivery of \$15,300,000 Iowa Higher Education Loan Authority Private College Facility Revenue Bonds (Buena Vista University) Series 2011 (the "*Bonds*"). The Bonds are being executed and delivered pursuant to an Indenture of Trust (the "*Indenture*"), dated as of May 1, 2011, by and between the Iowa Higher Education Loan Authority ("*Issuer*") and Wells Fargo Bank, National Association, a national banking association, as trustee. The University and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the University and the Dissemination Agent for the benefit of the Owners of the Bonds and to assist the Participating Underwriter (defined below) in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the University pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"*Beneficial Owner*" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"*Disclosure Representative*" shall mean the President of the University or his or her designee, or such other officer or employee as the University shall designate in writing to the Dissemination Agent from time to time.

"*Dissemination Agent*" shall mean the Dissemination Agent acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the University and which has filed with the University a written acceptance of such designation.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board.

"*National Repository*" shall mean MSRB's Electronic Municipal Market Access ("*EMMA*") System, located at the following website: <http://www.emma.msrb.org>.

"*Participating Underwriter*" shall mean George K. Baum & Company, as the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Quarterly Report*" shall mean the Quarterly Report provided by the University pursuant to and as described in Section 3.

"*Report*" shall mean collectively the Annual Report and the Quarterly Report.

“**Repository**” shall mean each National Repository and the State Repository, if any.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**State**” shall mean the State of Iowa.

“**State Repository**” shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

Section 3. Provision of Reports.

(a) The University shall, or shall cause the Dissemination Agent to provide to each Repository, not later than four months after the end of the University’s fiscal year (presently June 30), commencing October 31, 2011 with the report for the fiscal year ending June 30, 2011, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the University may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the University’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

(b) The University shall or shall cause the Dissemination Agent to provide each Repository, within forty-five days after the last day of each fiscal quarter, the Quarterly Report, consisting of the unaudited financial statements of the University, prepared in accordance with generally reported accounting principles applicable to the University from time to time, subject to normal year-end audit adjustments and the absence of footnotes.

(c) The University shall be responsible for the preparation of the Report. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) above for providing the Report to Repositories, the University shall provide the Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Report, the Dissemination Agent shall contact the University to determine if the University is in compliance with the second sentence of this subsection (c).

(d) If after the Dissemination Agent contacts the University pursuant to subsection (b), the University fails to verify to the Dissemination Agent that a Report has been provided to Repositories by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB and the State Repository, if any, in substantially the form attached as Exhibit A.

(e) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the University requests the Dissemination Agent to provide the Report to the Repositories, file a report with the University certifying that the Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.



Section 4. Content of Annual Reports. The University's Annual Report shall be in a format suitable for filing with each Repository and shall contain or include by reference the following:

(a) The audited financial statements of the University for the prior fiscal year, prepared in accordance with generally accepted accounting principles applicable to the University from time to time. If the University's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements contained in the final Limited Offering Memorandum, and the audited financial statements shall be filed in the same manner as the Annual Report, if and when they become available.

(b) An update of the information described below that is material in the judgment of the University, which is contained in the tables in Appendix A to the Official Statement with respect to the Bonds:

- Buena Vista University Enrollment
  - Graduation and Retention Rates
  - Applications, Acceptances and Matriculations
  - Total Tuition and Fees
  - Faculty, Administration and Staff Changes
  - Financial Matters
  - Updates on campus buildings and future capital expenditures
  - On-campus housing related information, pertaining to occupancy rates and rental rate levels
  - Litigation Involving the University
- Quarterly*

The items listed above may be included by specific reference to other documents, including official statements of debt issues for the benefit of the University or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSR. The University shall clearly identify each such other document so included by reference. The University is solely responsible for the content and format of the Annual Report.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the University shall give, or cause to be given, notice to the Dissemination Agent in writing, with instructions to the Dissemination Agent to file a notice of the occurrence of any of the following events with respect to the Bonds, pursuant to subsection 5(c) hereof (the following are "Listed Events"):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;

(vii) Modifications to rights of Bondowners, if material;

(viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the obligated person (Note: For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);

(xiii) The consummation of a merger, consolidation, or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor or additional trustee or the change of name of the Trustee, if material.

The Securities and Exchange Commission requires the listing of (i) through (xiv) although some of such events may not be applicable to the Bonds.

(b) If the Dissemination Agent has been instructed by the University to report the occurrence of a Listed Event or other event pursuant to subsection (c) of this Section 5 and has received a notice of the occurrence in a format suitable for filing with the MSRB and the State Repository, if any, the Dissemination Agent shall file such notice with the MSRB and the State Repository, if any in a timely manner, not in excess of ten (10) business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) of this Section 5 shall not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of affected Bonds pursuant to the Indenture.

(c) The University shall give or cause to be given notice to the Dissemination Agent in writing, with instructions to the Dissemination Agent to file a notice pursuant to subsection (b) of this

Section 5 of the occurrence of any such event other than the Listed Events that is material in the judgment of the University.

Section 6. Termination of Reporting Obligation. The obligations of the University and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Bonds, or upon the delivery by the University to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer subject to the requirements of the Rule. If such termination occurs prior to the payment in full of all Bonds, the University shall give notice of such termination in the same manner as for a Listed Event under Section 5(d).

Section 7. Dissemination Agent. The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the University pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the University shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee. Any person succeeding to all or substantially all of the Trustee's corporate trust business shall be the successor to the Trustee hereunder without the execution or filing of any paper or any further act. The Dissemination Agent may resign its duties under this Disclosure Agreement upon 60 days prior written notice to the University.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the University and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 3(b), 4, or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original execution and delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel or another party unaffiliated with the University, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the University shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the University. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(d), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the

financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the University chooses to include any information in any Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the University shall have no obligation under this Disclosure Agreement to update such information or include it in any future Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the University or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent (at the written direction of the Owners of not less than 25 % in aggregate principal amount of the Bonds then outstanding and upon being indemnified to its satisfaction therefor) shall, or the Participating Underwriter or any Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the University or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Indenture or the Loan Agreement and the sole remedy under this Disclosure Agreement in the event of any failure of the University or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance. The Dissemination Agent shall not be required to take any action whatsoever to cause the University to comply with its obligations under this Dissemination Agreement other than those specifically set forth in Section 3 hereof.

Section 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the University agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, fees, expenses and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Agreement or arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, as the case may be. The obligations of the University under this Section shall survive resignation or removal of the Dissemination Agent, termination of this Agreement and payment of the Bonds. The Dissemination Agent shall have no liability for the University's failure to report any event or any financial information or operating data as to which the University has not provided an information report in format suitable for filing with the Repositories. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in a fiduciary capacity. The obligations of the University under this Section 11 shall survive resignation of the Dissemination Agent or the termination of this Dissemination Agreement.

Section 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the University: Buena Vista University  
610 West Fourth Street  
Storm Lake, Iowa 50588  
Attention: Vice President for Business Services

To the Trustee/ Wells Fargo Bank, National Association

Dissemination Agent: 666 Walnut Street, N8200-034  
Des Moines, Iowa 50309  
Attn: Corporate Trust Services

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the University, the Dissemination Agent, the Participating Underwriter, the Trustee and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Fees and Expenses. The Dissemination Agent shall be entitled to payment and reimbursement from the University for its services rendered hereunder and all advances, counsel fees and other expenses reasonably made or incurred by the Dissemination Agent as described on Exhibit B set forth hereto.

Section 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Dissemination Agreement shall be construed in accordance with the laws of the State of Iowa.

Dated: May 25, 2011

BUENA VISTA UNIVERSITY

By: \_\_\_\_\_  
Title: President

By: \_\_\_\_\_  
Title: Vice President of Business Services

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
a national banking association  
as Dissemination Agent

By: \_\_\_\_\_  
Title: \_\_\_\_\_