

BOARD OF REGENTS

BRIEFING PAPER

1. AGENDA ITEM TITLE: 2014A University Revenue Bond Refunding - Resolution

MEETING DATE: February 29 – March 1, 2024

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

NSHE's municipal advisor, JNA Consulting Group, reviews NSHE debt on a regular basis for debt service savings opportunities that may be achieved through refinancing of debt. Based on current interest rates, NSHE's 2014A University Revenue Bonds are expected to produce net savings through refinancing. In order to take advantage of this opportunity, Board authorization is required.

Board of Regents' approval is requested to issue up to \$35,245,000 in fixed-rate revenue refunding bonds. The exact amount of refunding bonds to be issued will be a function of interest rates at the time the bonds are sold and is subject to change. NSHE debt management guidelines generally require a minimum savings of 3% of refunded par value for refinancing to be considered. Based on market rates as of January 19th, the proposed refinancing is estimated to generate present value savings (net of issuance costs) of approximately \$3.6 million (10.3% of refunded par value).

The 2014A Universities Revenue Bonds were issued to fund construction of the Peavine Student Residence Hall and William N. Pennington Student Achievement Center at UNR as well as to finance construction of the James E. Rogers Center for Administration and Justice at UNLV. However, only the bonds issued for projects at UNR are eligible for refinancing.

Market factors that impact the outcome of refinancing opportunities can change rapidly. Staff currently anticipates selling the proposed bonds between mid-March and early-April. An update of the anticipated savings based on then-current market conditions will be provided during the February 29 – March 1 Board meeting.

The proposed refunding bonds will be structured so that debt service paid by NSHE is reduced or unchanged in every fiscal year. The final payment on the refunded bonds will not be extended.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

The Chancellor requests approval of a resolution to allow the Nevada System of Higher Education, on behalf of the University of Nevada, Reno and the University of Nevada, Las Vegas, to issue fixed-rate tax-exempt universities revenue bonds to refinance the existing 2014A Universities Revenue Bonds for debt service savings subject to established Board-approved debt management guidelines.

4. IMPETUS (WHY NOW?):

Refinancing opportunities are time sensitive due to fluctuating market factors

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- ☐ Access (Increase access to higher education)
- ☐ Success (Improve student success)
- ☐ Close Institutional Performance Gaps
- ☐ Workforce (Meet workforce needs in Nevada)
- ☐ Research (Increase solutions-focused research)
- ☐ Coordination, Accountability, and Transparency (Ensure system coordination, accountability, and transparency)
- ☒ Not Applicable to NSHE Strategic Plan Goals

6. INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

N/A

7. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Refinancing outstanding debt will result in debt service savings due to lower interest rates. The reduced debt service cost releases monies currently covering debt service to be used for other programmatic purposes.

- Potential savings from refinancing the 2014A Universities Revenue Bonds are unlikely to increase unless interest rates decline. As of January 19th, estimated refinancing interest rates are likely to result in debt service savings which meet or exceed NSHE debt guidelines.

8. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

Market rates may further decline in the future which may result in greater savings than the current projection.

9. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Choose not to move forward at this time and continue to pay debt service according to the existing schedules. Defer refinancing the 2014A Universities Revenue Bonds when interest rates further decline.

10. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

Chancellor's office recommends approval.

11. COMPLIANCE WITH BOARD POLICY:

- ☐ Consistent With Current Board Policy: Title # _____ Chapter # _____ Section # _____
- ☐ Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____
- ☐ Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
- ☐ Other: _____

☒ Fiscal Impact: Yes X No _____

Explain: Refinancing is estimated to generate present value savings (net of costs) of approximately \$3.6 million, with no extension of the repayment term.

RESOLUTION NO. _____

A RESOLUTION CONCERNING THE UNIVERSITIES OF THE NEVADA SYSTEM OF HIGHER EDUCATION; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING OBLIGATIONS; AUTHORIZING THE ISSUANCE OF THE NEVADA SYSTEM OF HIGHER EDUCATION, UNIVERSITIES REVENUE REFUNDING BONDS, SERIES 2024 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$35,245,000, FOR THE PURPOSE OF DEFRAYING IN PART THE COST OF SUCH REFUNDING PROJECT; AUTHORIZING THE SALE OF THE BONDS; PROVIDING OTHER DETAILS, AND MAKING OTHER PROVISIONS CONCERNING THE UNIVERSITIES, THE BONDS AND THE PLEDGED REVENUES; RATIFYING ACTION PREVIOUSLY TAKEN AND PERTAINING TO THE FOREGOING MATTERS; PROVIDING OTHER MATTERS RELATING THERETO.

WHEREAS, the University of Nevada (the "University" or the "Issuer") is the legal and corporate name of the state university, the seat of which, as described in Section 4, Article 11, constitution of the State of Nevada, is located at the City of Reno and in the County of Washoe and State of Nevada (the "State") and is a body corporate and politic under the constitution and laws of the State; and

WHEREAS, the system of universities, colleges and research and public service units administered under the direction of the Board of Regents (the "Board") is known collectively as the "Nevada System of Higher Education" (the "System") (formerly known as the "University of Nevada System" and the "University and Community College System of Nevada"); and

WHEREAS, the Board controls and manages the affairs of the System and the funds of the same and is the governing body of the Issuer; and

WHEREAS, the System includes the University of Nevada, Reno, the campus of which is situated in the City of Reno, Nevada, and the University of Nevada, Las Vegas, the campus of which is situated in the environs of the City of Las Vegas, Nevada (collectively, the "Universities"); and

WHEREAS, pursuant to Sections 396.809 through 396.885, Nevada Revised Statutes ("NRS"), as amended, cited in Section 396.809 thereof as the "University Securities Law" (the "Bond Act"), and all laws supplemental thereto and a special act of the State, Chapter 501, Statutes of Nevada 1991, as amended by Chapter 93, Statutes of Nevada 1995, as amended by SB 584, Statutes of Nevada 2001, as amended by SB 413, Statutes of Nevada 2003, as amended by AB 534, Statutes of Nevada 2005, as amended by SB 455, Statutes of Nevada 2007, as amended by Chapter 179, Statutes of Nevada 2011 (as amended, the "Project Act"), and all laws supplemental thereto, the System issued its "Nevada System of Higher Education, Universities Revenue Bonds, Series 2014A" in the aggregate principal amount of \$49,995,000 (the "2014 Bonds"); and

WHEREAS, pursuant to the Project Act, as supplemented by the Bond Act, and all laws supplemental thereto, the System issued its "Nevada System of Higher Education, Universities Revenue Bonds, Series 2015A" in the aggregate principal amount of \$61,455,000 (the "2015A Bonds"); and

WHEREAS, pursuant to the Project Act, as supplemented by the Bond Act, and all laws supplemental thereto, the System issued its "Nevada System of Higher Education, Taxable Universities Revenue Bonds, Series 2015B" in the aggregate principal amount of \$7,480,000 (the "2015B Bonds"); and

WHEREAS, pursuant to the Project Act, as supplemented by the Bond Act, and all laws supplemental thereto, the System issued its "Nevada System of Higher Education, Universities Revenue Bonds, Series 2016A" in the aggregate principal amount of \$57,750,000 (the "2016A Bonds"); and

WHEREAS, pursuant to the Project Act, as supplemented by the Bond Act, and all laws supplemental thereto, the System issued its "Nevada System of Higher Education, Universities Revenue Bonds, Series 2016B" in the aggregate principal amount of \$13,580,000 (the "2016B Bonds"); and

WHEREAS, pursuant to the Project Act, as supplemented by the Bond Act, and all laws supplemental thereto, the System issued its "Nevada System of Higher Education, Universities Revenue Crossover Refunding Bonds, Series 2017A" in the aggregate principal amount of \$25,905,000 (the "2017A Bonds"); and

WHEREAS, pursuant to the Project Act, as supplemented by the Bond Act, and all laws supplemental thereto, the System issued its "Nevada System of Higher Education, Universities Revenue Bonds, Series 2019A" in the aggregate principal amount of \$18,640,000 (the "2019A Bonds"); and

WHEREAS, pursuant to the Project Act, as supplemented by the Bond Act, and all laws supplemental thereto, the System issued its "Nevada System of Higher Education, Universities Revenue Bonds, Series 2021" in the aggregate principal amount of \$35,705,000 (the "2021 Bonds"); and

WHEREAS, pursuant to the Project Act, as supplemented by the Bond Act, and all laws supplemental thereto, the System issued its "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2022" in the aggregate principal amount of \$21,905,000 (the "2022 Bonds"); and

WHEREAS, pursuant to the Project Act, as supplemented by the Bond Act, and all laws supplemental thereto, the System issued its "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2023" in the aggregate principal amount of \$77,285,000 (the "2023 Bonds"); and

WHEREAS, the System is authorized pursuant to Section 396.872, Bond Act, to refund its outstanding bonds and notes and to issue bonds of the System to refund, pay and discharge its outstanding bonds and notes; and

WHEREAS, if interest rate savings are available, the Board has determined and hereby determines to refund, pay and discharge any portion of the Parity Lien Bonds designated by the Chief Financial Officer of the System, including the 2014 Bonds as defined herein (the "Refunded Bonds" and the "Refunding Project" or the "Project") as designated in the certificate executed by either the Chancellor or the Chief Financial Officer on or before the date of delivery of the bonds authorized herein (the "Certificate of the Chief Financial Officer") (provided that if the Bonds are issued at a discount, the total principal amount is authorized to be increased by the amount of such discount) on or before the date of delivery of the bonds designated herein as the Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2024 (the "Bonds") and to issue the Bonds in an amount designated in the Certificate of the Chief Financial Officer necessary to finance the Refunding Project in the maximum principal amount of \$35,245,000; and

WHEREAS, after distribution of notice inviting bids for the purchase of the Bonds, the Chief Financial Officer, as the chief financial officer of the System or the Chancellor (including any interim), as the chief administrative officer of the System, is hereby authorized to receive and publicly open bids and sell the Bonds to the best bidder therefor (the "Purchaser"), and either of such officers is hereby authorized to accept a binding bid for the Bonds (the "Bond Purchase Proposal"), the Bonds to bear interest at the rates per annum provided in the Certificate of the Chief Financial Officer, such rates not to exceed 3 percent over the Index of Revenue Bonds most recently published in The Bond Buyer prior to the time bids were received or a contract for purchase is signed for the Bonds, at a price consisting of the principal amount and accrued interest thereon from their date to the date of their delivery, less a discount or plus a premium as set forth in the Certificate of the Chief Financial Officer and otherwise upon the terms and conditions herein provided; and

WHEREAS, the Board is authorized by the Project Act to issue such bonds and other securities in connection with the Project in one series or more at any time or from time to time, as the Board determines, and consisting of special obligations of the System payable from the net pledged revenues authorized by the Project Act and which may subsequently be payable from other net pledged revenues, secured by a pledge thereof and a lien thereon, subject to existing contractual limitations, and subject to existing contractual limitations and other limitations in the Project Act; and

WHEREAS, the Board has determined and hereby determines to defray the cost of the Project in the principal amount designated in the Certificate of the Chief Financial Officer and to issue the Bonds in an amount designated in the Certificate of the Chief Financial Officer necessary to finance the Refunding Project in accordance with the Project Act and the Bond Act; and

WHEREAS, the Bond Act authorizes the Board to defray the cost of the Project by the issuance of the Bonds at a price equal to the principal amount thereof less a discount or plus a premium as designated in the Certificate of the Chief Financial Officer (provided that if the Bonds are issued at a discount, the total principal amount is authorized to be increased by the amount of such discount); and

WHEREAS, the Board is authorized by the Project Act to issue such bonds and other securities in connection with the Project in one series or more at any time or from time to time, as the Board determines, and consisting of special obligations of the System payable from the net pledged revenues authorized by the Project Act and which may subsequently be payable from other net pledged revenues, secured by a pledge thereof and a lien thereon, subject to existing contractual limitations, and subject to existing contractual limitations and other limitations in the Project Act; and

WHEREAS, the Board has determined and does hereby declare its intent to undertake the Project and to defray in part the cost of the Project by the issuance of the Bonds with a lien on the Net Pledged Revenues on a parity with the lien of the Parity Lien Bonds; and

WHEREAS, the Board has considered, found, and determined, and does hereby declare:

(i) The Refunded Bonds mature or are callable for prior redemption at the Issuer's option under their terms, within 25 years from the dates of issuance of the Refunded Bonds, and provision is made for paying the Refunded Bonds within that period of time, in compliance with subsection 1, Section 396.874, Bond Act; and

(ii) The maturity of any Refunded Bond is not hereby extended beyond 25 years, or beyond 1 year next following the last outstanding maturity of the Refunded Bonds, whichever limitation is later, and no interest on any Refunded Bond is increased to any rate which exceeds by more than 3% the Index of Revenue Bonds which is most recently published in The Bond Buyer before an offer for the purchase of the Bonds is accepted in compliance with subsection 2, NRS 396.874; and

WHEREAS, the resolutions of the Board authorizing the issuance of the Parity Lien Bonds provide that refunding bonds may be issued having a lien on the revenues pledged therefor on a parity with the lien of the unrefunded Parity Lien Bonds provided:

A. The refunding bonds or other refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by such refunding securities and by the Outstanding securities not refunded on and prior to the last maturity date or last Redemption Date, if any, whichever time is earlier, of such unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on Pledged Revenues is not raised to a higher priority than the lien thereon of the bonds or other securities thereby refunded; or

B. The lien on any Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

C. The refunding bonds are issued in compliance with Section 703 thereof (including subsections A through E thereof) and Section 704 thereof, but excluding from any computation thereunder the bonds to be refunded and redeemed and which shall forthwith upon the issuance of the refunding bonds be no longer Outstanding; and

WHEREAS, the Bond Act provides in relevant part:

A. Before any securities are actually issued payable from any net pledged revenues, except for any securities issued solely for the purpose of funding or refunding or both funding and refunding outstanding securities, any such revenues for the next preceding 12 months, for the next preceding calendar year, or for the next preceding fiscal year, as defined and otherwise determined by the Board, shall be sufficient to pay an amount representing 110 percent of the combined maximum annual principal and interest requirements to be paid during such 12 months, calendar year, fiscal year, or bond year, as defined and otherwise determined by the Board, of any outstanding securities payable from and constituting a lien upon such net pledged revenues and the securities proposed to be issued (excluding any reserves therefor), except as otherwise expressly provided in this section.

B. In any determination of whether or not any proposed securities meet the earnings test limiting their issuance as provided in subsection A of this section:

(a) There shall be deducted from or added to any gross pledged revenues any estimated decrease or increase in such revenues resulting from any decreased or increased or additional fees, rates or charges fixed by the Board, whether or not appertaining to any additional facilities for which the proposed securities are authorized to be issued; and

(b) There shall be deducted from or added to any operation and maintenance expenses any estimated decrease or increase in such expenses, whether or not resulting from any additional facilities for which the proposed securities are authorized to be issued.

C. The respective annual principal and interest requirements (including as an interest requirement the amount of any prior redemption premiums due on any prior redemption date as of which any outstanding securities have been called or have been ordered by the Board to be called for prior redemption) shall be reduced to the extent such requirements are scheduled to be paid with any moneys held in trust or escrow for that purpose in any trust bank or trust banks within or without or both within and without the state, including without limitation the known minimum yield from any investment or reinvestment of any such moneys in federal securities.

D. The estimates and adjustments provided in subsections B and C of this section and the calculations required by subsection A of this section shall be made by the treasurer of the university; and his estimates, adjustments and determination of whether the earnings test provided in subsection A of this section has been met shall be conclusively presumed to be accurate. Nothing contained in this section shall be construed to prohibit the issuance of securities merely because there were no pledged revenues nor operation and maintenance expenses, in the absence of such adjustments, in the next preceding 12 months, calendar year, or fiscal year, as the case may be.

E. There must be excluded from the calculations required by subsections 1 to 4, inclusive, the proceeds of any general fund fee or fees to be pledged to the payment of the securities (other than any securities issued solely for the purpose of funding or refunding or both funding and refunding outstanding securities). The proceeds of a general fund fee or fees must not be pledged to the payment of any such securities (other than any such funding or refunding

or both funding and refunding securities) unless the remaining pledged revenues do not contravene the limitations imposed by those subsections.

F. Nothing herein contained prevents the Board from providing an earnings test in any resolution authorizing the issuance of securities or in any other proceedings appertaining thereto which test limits the issuance of any additional securities."

and

WHEREAS, the Board has further determined and does hereby declare:

A. The only Outstanding securities payable from all or a part of the Net Pledged Revenues are the Parity Lien Bonds; and

B. Each of the limitations and other conditions pertaining to the issuance of the Bonds in the Project Act, the Bond Act and in any other acts of the State and the federal government has been met; and

WHEREAS, the Board has considered, found, and determined, and does hereby declare that the Net Pledged Revenues are estimated by the Board to be sufficient to pay all moneys, both principal and interest, borrowed by the Board and needed to discharge the revenue bonds issued to evidence such borrowing and payable from the Net Pledged Revenues; and

WHEREAS, the Bonds, 2023 Bonds, 2022 Bonds, 2021 Bonds, 2019A Bonds, 2017A Bonds, 2016B Bonds, 2016A Bonds, 2015A Bonds, 2015B Bonds and 2014 Bonds (collectively, together with any securities hereafter issued with a lien on the Net Pledged Revenues described herein on a parity therewith will be referred to as the "Parity Lien Bonds") are payable and collectible solely out of and secured by an irrevocable pledge of certain income derived from (a) the gross fees from students attending the University of Nevada, Reno and the University of Nevada, Las Vegas, commonly designated as the Capital Improvement Fee, the Student Union Capital Improvement Fee, the General Improvement Fee and the General Fund Fee, and if hereafter authorized by law, all additional student fees, if any, to which the pledges and liens provided in the bond resolution authorizing the issuance of an issue of bonds are extended, (b) gross revenues derived from or otherwise pertaining to the operation of a certain special event facilities located on the University of Nevada, Las Vegas campus and known as the Thomas and Mack Center and the Cox Pavilion and the operation of all University of Nevada, Las Vegas student housing, dining and parking facilities, whether or not presently existing, owned by University of Nevada, Las Vegas or by the System on behalf of University of Nevada, Las Vegas, situated on the University of Nevada, Las Vegas campus, after the deduction of the operation and maintenance expenses of such special event facilities, housing, dining and parking facilities (other than salaries and the costs of utility services), (c) the gross revenues derived from or otherwise pertaining to the operation of all student housing, dining and parking facilities, whether or not presently existing, owned by University of Nevada, Reno or by the System on behalf of University of Nevada, Reno, situated on the University of Nevada, Reno campus, after the deduction of the operation and maintenance expenses of such housing, dining and parking facilities (other than salaries and the cost of utility services), (d) all grants, conditional or unconditional, from the federal government, the State or other donors for the payment of any

Bond Requirements of the Parity Lien Bonds or Subordinate Securities, and (e) all other net revenues, if any, to be derived from the operation of income-producing facilities of the System or from other available sources to which the pledge and lien provided in that bond resolution are extended, the payment of Parity Lien Bonds being secured by an irrevocable lien (but not necessarily an exclusive lien), such revenues collectively referred to herein as the "Net Pledged Revenues"; and

WHEREAS, except for the Parity Lien Bonds, the Issuer has neither pledged nor in any way hypothecated or encumbered the Net Pledged Revenues or any part thereof to secure the payment of any obligations which are presently Outstanding (as defined herein) or for any other purpose; and

WHEREAS, the Chief Financial Officer is hereby authorized to arrange for the issuance and sale of the Bonds in the amount necessary to effect the Project in an amount not to exceed \$35,245,000, including inviting bids for the purchase of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION:

ARTICLE I
SHORT TITLE, DEFINITION, INTERPRETATION,
RATIFICATION AND EFFECTIVE DATE

Section 101. Short Title. This resolution may be designated by the short title "2024 Universities Bond Refunding Resolution" (this "Instrument").

Section 102. Meanings and Construction.

A. Definitions. The terms in this section are defined as follows for all purposes of this Instrument and of any instrument relating hereto, except where the context by clear implication otherwise requires:

The term "acquire" or "acquisition" includes the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the federal government, the State, any body corporate and politic therein, or any other Person, the endowment, bequest, devise, transfer, assignment, option to purchase, other contracts or other acquirement, or any combination thereof, of any properties pertaining to a project or an interest therein.

"Attorney" means the attorney of the Issuer designated as such by the Issuer, or his designee.

"Attorney's Opinion" means an opinion signed by an attorney or by a firm of attorneys of recognized standing (who may be the Attorney of or counsel to the Issuer) selected, retained, and compensated by the Issuer.

"Board" means the Board of Regents of the Nevada System of Higher Education, and any successor governing body.

"Bond Act" or "Universities Securities Law" means the supplemental act pertaining to the issuance of the Bonds herein authorized, cited as Sections 396.809 through 396.885 NRS, inclusive, and all laws amendatory thereof.

"Bond Fund" means the special and separate account designated as the "Nevada System of Higher Education, Universities Revenue Bonds, Interest and Bond Retirement Fund".

"Bond Requirements" means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds and any additional bonds and securities payable from Pledged Revenues and heretofore or hereafter issued or any designated portion thereof, as such become due.

"Bond Year" means the 12 months commencing on July 2 of any calendar year and ending on July 1 of the next succeeding calendar year.

"Bonds" or the "2024 Bonds" means the "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2024".

"2014 Bonds" means the "Nevada System of Higher Education, Universities Revenue Bonds, Series 2014A".

"2015A Bonds" means the "Nevada System of Higher Education, Universities Revenue Bonds, Series 2015A".

"2015B Bonds" means the "Nevada System of Higher Education, Taxable Universities Revenue Bonds, Series 2015B".

"2016A Bonds" means the "Nevada System of Higher Education, Universities Revenue Bonds, Series 2016A".

"2016B Bonds" means the "Nevada System of Higher Education, Universities Revenue Bonds, Series 2016B".

"2017A Bonds" means the "Nevada System of Higher Education, Universities Revenue Crossover Refunding Bonds, Series 2017A".

"2019A Bonds" means the "Nevada System of Higher Education, Universities Revenue Bonds, Series 2019A".

"2021 Bonds" means the "Nevada System of Higher Education, Universities Revenue Bonds, Series 2021".

"2022 Bonds" means the "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2022".

"2023 Bonds" means the "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2023".

"Chair" means the de jure or de facto Chair of the Board.

"Chancellor" means the de jure or de facto presiding officer (including any interim chancellor) of the System and its chief administrative officer, including any appointed interim or acting chancellor.

"Chief Financial Officer" means the de jure or de facto financial officer of the System bearing that title, or his or her successor in functions, including the Chief Financial Officer or any appointed interim or acting Chief Financial Officer.

"Commercial Bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System, which has a shareholders' equity (e.g., capital, surplus and undivided profits) however denominated, of \$10,000,000 or more, and which is located within the United States; and such term includes without limitation, any "trust bank", as herein defined.

"Community Colleges" means the State educational institutions within the System, presently having two-year degree-granting programs, currently consisting of:

- (a) College of Southern Nevada, in the City of North Las Vegas;
- (b) Great Basin College, in the City of Elko;
- (c) Truckee Meadows Community College, in the City of Reno; and
- (d) Western Nevada College, in Carson City (with an extension campus in the City of Fallon).

"Community Colleges" includes all community colleges constructed and otherwise acquired heretofore or hereafter by the System, if any.

"Comparable Bond Year" means the Bond Year which commences one day after the commencement of the Fiscal Year with which the Bond Year is associated. For example, for the Fiscal Year commencing on July 1, 2023 and ending on June 30, 2024 the Comparable Bond Year commences on July 2, 2023 and ends on July 1, 2024.

"Costs of Issuance Account" means the special and separate account designated herein as the Costs of Issuance Account created in Section 401 hereof.

"Cost of the Project" means all or any part of the Project designated by the Board, or an interest in the Improvements, which at the option of the Board (except as limited by law), may include all or any part of the incidental costs pertaining to the Project, including, without limitation:

- (i) preliminary expenses advanced by the Issuer from any source, including any interfund loan of the Issuer, or advanced with the approval of the Issuer by the State, the federal government, or by any other Person, or any combination thereof;

(1) the costs of the making of surveys, audits, preliminary plans, other plans, specifications, estimates or costs and other preliminaries;

(2) the costs of premiums on builder's risk insurance and performance bonds, or a reasonably allocable share thereof;

(3) the costs of appraising, printing, bond insurance premiums, estimates, advice, services of engineers, architects, financial consultants, attorneys at law, clerical help or other agents or employees;

(4) the costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project, the filing or recordation of instruments, the taking of options, the issuance of the Bonds and other securities, and bank fees and other expenses;

(5) the costs of contingencies;

(6) the costs of the capitalization with proceeds of the Bonds of any operation and maintenance expenses and of any interest on the Bonds for any period not exceeding the period estimated by the Board to effect the Project plus one year, of any discount on the Bonds, of any replacement expenses (except as prescribed by law), and of any other costs of issuance of the Bonds; and

(7) the costs of funding any short-term financing, construction loans and other temporary loans of not exceeding five years appertaining to the Project and of the incidental expenses incurred in connection with such loans; and

all other expenses necessary or desirable and pertaining to the Project as estimated or otherwise ascertained by the Board including payments of rebate on investment earnings on the Costs of Issuance Account.

"Disposal" or "dispose" means the sale, destruction, razing, loan, lease, grant, transfer, assignment, option to sell, other contract, other disposition, or any combination thereof, of the System, other property, or any interest therein.

"Equip" or "equipment" means the furnishing of all related or appurtenant machinery, furnishings, apparatus, paraphernalia or other gear, or any combination thereof, pertaining to property, or any interest therein.

"Escrow Account" means the special and separate account designated as Escrow Account and created in Section 401 hereof, and required to be accumulated and maintained by the Escrow Agent under the Escrow Agreement.

"Escrow Agent" means U.S. Bank Trust Company, National Association, or any successor escrow agent.

"Escrow Agreement" means the contract designated as the "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2024, Escrow Agreement"

between the System and the Escrow Agent, the proposed form of which contract is on file with the Secretary, and which contracts are authorized herein to be executed by the appropriate officers of the Issuer designated in the contract.

"Event of Default" means any of the events stated in Section 1003 hereof.

"Facilities" means all student housing, dining and parking facilities, whether or not presently existing, owned by University of Nevada, Las Vegas or by the System on behalf of University of Nevada, Las Vegas situated on the campus of UNLV, and all student housing, dining and parking facilities, whether or not presently existing, owned by University of Nevada, Reno or by the System on behalf of the University of Nevada, Reno, situated on the campus of UNR, and other income-producing buildings, structures, improvements and other appurtenances relating thereto, if any, located at or pertaining to any of the Universities, and to which the Net Pledged Revenues pertain by an extension hereafter thereto of the lien and pledge herein provided.

"Facilities Revenues" means, collectively, the UNLV Facilities Revenues and UNR Facilities Revenues.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

"Fiscal Year" means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year.

"Gross Revenues" or "Gross Pledged Revenues" means all the Pledged Revenues.

"Holder" or any similar term, when used in conjunction with any bonds or any other securities, means the registered owner of any security which is registered for payment otherwise than to bearer.

"Improve", "Improvement", or "Improvements" includes the extension, widening, lengthening, betterment, alteration, reconstruction, or other major improvement, or any combination thereof, of Universities facilities, or the acquisition of any properties pertaining to Universities facilities, or an interest therein, or any designated part thereof, but does not mean renovation, reconditioning, patching, general maintenance, or other minor repair occurring periodically at annual or shorter intervals.

"Insurance Policy" shall mean the insurance policy, if any, issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"Insurer" shall mean the insurer, if any, designated in the Certificate of the Chief Financial Officer, or any successor thereto or assignee thereof.

"Issuer" means the Nevada System of Higher Education, the state university constituting a body corporate and politic, and a political subdivision of the State.

"Net Pledged Revenues" or "Net Revenues" means now all the Pledged Revenues and is synonymous with Gross Revenues and Gross Pledged Revenues; but in the case of any future extension of the pledge and lien herein provided to secure the payment of the Bonds and any other securities payable from Pledged Revenues, to any revenue (other than the Student Fees, UNLV Facilities Revenues, UNR Facilities Revenues and other than any grants from the federal government, the State, or other donor for the payment of Bond Requirements) from any other income-producing Facilities of the Issuer or the Board or other available source, the term "Net Pledged Revenues" or "Net Revenues" may then include the gross revenues of such facilities remaining after provision is made for the payment of the operation and maintenance expenses of such Facilities from the income of such other income-producing Facilities.

"NRS" means Nevada Revised Statutes.

"Operation and maintenance expenses" means all reasonable and necessary current expenses of the System or the Board, or both, as the case may be, paid or accrued, of operating, maintaining and repairing any Facilities pertaining to Pledged Revenues, and may at the Board's option include, without limitation:

(a) legal and overhead expenses of the various departments directly related and reasonably allocated to the administration of the Facilities;

(b) fidelity bond and insurance premiums (including amounts payable in connection with any self-insurance plan) pertaining to the Facilities, or a reasonably allocable share of a premium of any blanket bond or policy pertaining to such Facilities;

(c) the reasonable charges of any paying agent, or commercial bank, trust bank, or other depository bank pertaining to any securities issued by the System or by the Board and pertaining to any such Facilities;

(d) contractual services, professional services, salaries, administrative expenses, and costs of labor pertaining to the Facilities;

(e) the costs incurred by the Board in the collection of all or any part of the Pledged Revenues, including, without limitation, revenues pertaining to any such Facilities;

(f) any costs of utility services furnished to the Facilities by the System or otherwise; and

(g) reasonable allowances for the depreciation of furniture and equipment for the Facilities; but

(i) excluding any allowance for depreciation, except as otherwise provided in subparagraph (g) of this paragraph;

(ii) excluding any costs of reconstruction, improvements, extensions, or betterments;

- (iii) excluding any accumulation of reserves for capital replacements;
- (iv) excluding any reserves for operation, maintenance, or repair of any Facilities;
- (v) excluding any allowance for the redemption of any bond or other security evidencing a loan or other obligation or the payment of any interest thereon;
- (vi) excluding any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing Facilities, or any combination thereof; and
- (vii) excluding any other ground of legal liability not based on contract.

With respect to the UNLV Facilities Revenues, operation and maintenance expenses of the special event facilities, housing, dining and parking facilities will exclude salaries pertaining to and the costs of utility services furnished to such facilities. With respect to the UNR Facilities Revenues, operation and maintenance expenses of the housing, dining and parking facilities will exclude salaries pertaining to and the costs of utility services furnished to such facilities.

"Outstanding" means all the Bonds or other securities payable from Pledged Revenues or otherwise pertaining to the Universities, as the case may be, theretofore and thereupon being executed and delivered:

- (a) except any Bond or other security canceled by the Issuer, or on the Issuer's behalf, at or before such date;
- (b) except any Bond or other security for the payment or the redemption of which monies and Federal Securities (including the known minimum yield from such Federal Securities as provided in Section 901 hereof) at least sufficient to pay when due its Bond Requirements to the date of its maturity or any Redemption Date, whichever date is earlier, if any, shall have theretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in Section 901 hereof; and
- (c) except any Bond or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered.

Any Bonds held by the Issuer shall not be deemed to be Outstanding for any purpose.

"Parity Lien Bonds" or "Parity Securities" means the Outstanding 2014 Bonds, 2015A Bonds, 2015B Bonds, 2016A Bonds, 2016B Bonds, 2017A Bonds, 2019A Bonds, 2021 Bonds, 2022 Bonds, 2023 Bonds and the Bonds and any additional bonds or securities hereafter issued payable from Pledged Revenues on a parity with the 2014 Bonds, 2015A Bonds, 2015B

Bonds, 2016A Bonds, 2016B Bonds, 2017A Bonds, 2019A Bonds, 2021 Bonds, 2022 Bonds, 2023 Bonds and the Bonds.

"Paying Agent" means U.S. Bank Trust Company, National Association hereby designated by the Issuer as the paying agent and registrar for the Bonds, and any successor named pursuant to Section 908 hereof.

"Permitted Investments" means any investment permitted for bond proceeds by the laws of the State or as otherwise approved by the Insurer, if any.

"Person" means a corporation, firm, other body corporate (including, without limitation, the federal government, the State, or any other body corporate and politic other than the Issuer), partnership, association, or individual, and also includes an executor, administrator, trustee, receiver, or other representative appointed according to law.

"Pledged Revenues" means the Student Fees, UNR Facilities Revenues and UNLV Facilities Revenues, and all grants, if any, conditional or unconditional, from the federal government, the State, or other donor for the payment of any Bond Requirements, or Net Revenues, if any, to be derived from the operation of any income-producing Facilities of the Issuer or the Board or from other available sources and to which the pledge and lien herein provided hereafter are extended; and "Pledged Revenues" indicates a source or sources of revenues and does not necessarily indicate all or any portion of such revenues in the absence of further qualification.

"Project" means the cost of refunding of certain outstanding obligations designated in the Certificate of the Chief Financial Officer, including paying the costs of issuance of the Bonds.

"Project Act" means Chapter 501, Statutes of Nevada 1991, as amended by Chapter 93, Statutes of Nevada 1995, as amended by Chapter 519, Statutes of Nevada 1999, as further amended by SB 584, Statutes of Nevada 2001, as further amended by SB 413, Statutes of Nevada 2003, as further amended by chapter 297, Statutes of Nevada 2005, as further amended by SB 455, Statutes of Nevada 2007, as further amended by chapter 307, Statutes of Nevada 2009, as further amended by chapter 179, Statutes of Nevada 2011.

"Purchaser" means the initial purchaser of the Bonds.

"Rebate Fund" means the special and separate account designated as the "Nevada System of Higher Education, Universities Revenue Bonds, Rebate Fund".

"Redemption Date" means the date fixed by the Issuer for the redemption of any Bonds or other designated securities payable from Pledged Revenues prior to their respective maturities.

"Redemption Price" means, when used with respect to a Bond or other designated security payable from Pledged Revenues or other monies pertaining to the Universities, the principal amount thereof plus the applicable premium, if any, payable upon the redemption

thereof prior to the stated maturity date of such Bond or other security on a Redemption Date in the manner contemplated in accordance with the security's terms.

"Refunded Bonds" means any portion of the Parity Lien Bonds designated by the Chief Financial Officer of the System, including the 2014 Bonds.

"Registrar" means the Paying Agent or any successor as bond registrar for the Bonds named pursuant to Section 908 hereof.

"Regular Record Date" means the 15th day of the calendar month next preceding each interest payment date (other than a special interest payment date hereafter fixed as provided in Article III hereof).

"Revenue Fund" means the special and separate account designated as the "Nevada System of Higher Education, Universities Student Fees and Other Pledged Revenues Gross Revenue Fund", formerly the "University and Community College System of Nevada, Universities Student Fees and Other Pledged Revenues Gross Revenue Fund".

"Secretary" means the de jure or de facto secretary of the Board, or his or her successor in functions, including the chief administrative officer to the Board which includes the duties and the role of the secretary of the Board.

"Special Record Date" means a special date fixed by the Paying Agent to determine the names and addresses of holders of the Bonds for the payment of any defaulted interest thereon, as further provided in Section 302 hereof.

"State" means the State of Nevada.

"Student Fees" means the gross fees from students attending either of the existing Universities for the regular academic year of two semesters (but excluding any summer school student), which fees are commonly designated as the Capital Improvement Fee, the Student Union Capital Improvement Fee, General Improvement Fee and the General Fund Fee, and if hereafter authorized by law, all additional student fees, if any, to which the pledge and lien herein provided for the payment of securities authorized by the Bond Act are hereafter extended.

"Subordinate Securities" means any bonds or securities hereafter issued and payable from Pledged Revenues and having a lien thereon subordinate and junior to the lien thereon of the Parity Lien Bonds.

"System" means the Nevada System of Higher Education, a statewide educational system of the universities, colleges, and research and public service units administered under the direction of the Board, and consisting of the:

- (a) Community Colleges,
- (b) Desert Research Institute,
- (c) Nevada State University,

- (d) University of Nevada, Reno, and
- (e) University of Nevada, Las Vegas.

"Tax Code" means the federal Internal Revenue Code of 1986, as amended, as in effect on the date of delivery of the Bonds, and all applicable regulations thereunder.

"Treasurer" means the de jure or de facto Treasurer of the Board and ex officio Treasurer of the System, or his or her successor in functions, which functions are now performed by the Chancellor of the Nevada System of Higher Education.

"Trust bank" means a "commercial bank", as herein defined, which is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

"Universities" means collectively the University of Nevada, Las Vegas, the campus of which is situated in the environs of the City of Las Vegas, and the University of Nevada, Reno, the campus of which is situated in the city of Reno, Nevada. "Universities" includes all additional Universities constructed and otherwise acquired hereafter by the System, if any.

"UNLV Facilities Revenues" means gross revenues derived from or otherwise pertaining to the operation of certain special event facilities located on the University of Nevada, Las Vegas campus and known as the Thomas and Mack Center and the Cox Pavilion and the operation of all University of Nevada, Las Vegas student housing, University of Nevada, Las Vegas dining facilities and University of Nevada, Las Vegas parking facilities, whether or not presently existing, after the deduction of the operation and maintenance expenses of such special event facilities and such housing, dining and parking facilities (other than salaries and the costs of utility services).

"UNR Facilities Revenues" means gross revenues derived from or otherwise pertaining to the operation of all University of Nevada, Reno student housing, University of Nevada, Reno dining and University of Nevada, Reno parking facilities, whether or not presently existing, after the deduction of the operation and maintenance expenses of such housing, dining and parking facilities (other than salaries and costs of utility services).

B. Construction. This Instrument, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(1) Words in the singular number include the plural, and words in the plural include the singular.

(2) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender refer to any gender.

(3) The titles and leadlines applied to articles, sections, and subsections of this Instrument are inserted only for ease in reference and in no way define, limit, or describe the scope or intent of any provisions of this Instrument.

Section 103. Successors. All of the covenants, stipulations, obligations, and agreements by or on behalf of and for the benefit of the Issuer or the Board contained herein shall bind and inure to the benefit of any successors thereof and to the benefit of any officer, board, district, commission, authority, agent or instrumentality to whom or to which there shall be transferred any right, power or duty of the Issuer or the Board or of their respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements, or other provisions hereof.

Section 104. Parties Interested Herein. Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give to any Person, other than the Issuer, the Board, the Paying Agent, and the holders from time to time of the Bonds any right, remedy or claim under or by reason of this Instrument or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Board, the Paying Agent, and any holder of any Bonds.

Section 105. Ratification. All action heretofore taken (not inconsistent with the provisions of this Instrument) by the Board, the officers of the Issuer and otherwise by the Issuer directed toward the Project and toward the sale and delivery of the Bonds for that purpose, hereby is ratified, approved and confirmed.

Section 106. Instrument Irrepealable. In consideration of the purchase and acceptance of the Bonds by the holders thereof from time to time, after any of the Bonds are issued this Instrument shall constitute an irrevocable contract between the Issuer and the holders of the Bonds; and this Instrument (subject to the provisions of Section 901 and of Article XI hereof) shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled and discharged, except as herein otherwise expressly provided.

Section 107. Repealer. All bylaws, orders and other instruments, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order or other instrument, or part thereof, heretofore repealed.

Section 108. Severability. If any section, subsection, paragraph, clause or other provision of this Instrument shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Instrument.

Section 109. Authentication. This Instrument, immediately on its final passage and adoption, shall be numbered and recorded in the official records of the Issuer kept for that purpose, shall be authenticated by the signature of the Chair, shall be attested by the Secretary, and the seal of the Issuer shall be affixed thereto.

Section 110. Effective Date. This Instrument is hereby declared to be an emergency measure on the ground of urgent public need and, therefore, immediately upon its final passage and adoption, shall be in full force and effect.

ARTICLE II
GOVERNING BODY'S DETERMINATIONS, AUTHORITY FOR
AND AUTHORIZATION OF PROJECT, NECESSITY OF PROJECT AND BONDS,
PROJECT COSTS, OBLIGATION OF ISSUER

Section 201. Authority of this Instrument. This Instrument is adopted by virtue of the Bond Act and by virtue of the Issuer's powers as the state university operating pursuant to the State Constitution.

Section 202. Determination of Compliance and Approval. The Issuer has ascertained and hereby determines:

A. Compliance with Project Act and Bond Act. Each and every provision herein is necessary in order to carry out and effectuate the purposes of the Issuer in accordance with the Project Act and the Bond Act; and

B. Approval. The total cost, capacity, type and plans and specifications of and for the Improvements constituting the Project, to the extent heretofore prepared, have been and hereby are approved.

Section 203. Life of Improvements. The Board, on behalf of the Issuer, has determined and does hereby declare that the estimated life or period of usefulness Improvements refinanced by the Refunding Project is not less than 30 years from the date of issuance of the Refunded Bonds; and the Bonds shall mature at times not exceeding such estimated life or estimated period of usefulness.

Section 204. Necessity of Project and Bonds. It is necessary and for the best interest of the Board, the System, the officers, faculty, and students thereof, and the inhabitants of the State, that the System effect the Project and defray in part the cost thereof by issuing the Bonds therefor; and it is hereby so determined and declared.

Section 205. Authorization of Project. The Board, on behalf of the System, does hereby determine to accomplish the Project hereinabove described; and the Project is hereby so authorized. It is hereby further determined that the provisions (if any) made for the payment of the Bond Requirements of the Bonds constitute and shall be a part of the Cost of the Project except to the extent any moneys other than the proceeds of any loan are used therefor.

Section 206. Estimated Cost of Project. The Cost of the Project is estimated not to be less than the principal amount of the Bonds, excluding any such cost defrayed or to be defrayed by any source other than the proceeds of the principal amount of the Bonds.

Section 207. Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the holders of any and all of the Outstanding Bond and any Outstanding securities hereafter authorized to refund the Bonds, all of which shall be of equal rank without preference, priority or distinction of any of the bonds or other such securities over any others, except as otherwise expressly provided in or pursuant to this Instrument.

Section 208. Special Obligations. The Bonds, as to all Bond Requirements, shall be special obligations of the System payable and collectible solely out of the Student Fees, the Facilities Revenues and any other Net Pledged Revenues, which revenues are so pledged, and shall be secured by a lien on the Pledged Revenues; the holders thereof may not look to any general or other fund for the payment of such Bond Requirements except the special funds pledged therefor; the Bonds shall not constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation; and the Bonds shall not be considered or held to be general obligations of the Issuer.

Section 209. Not Obligations of State. The Bonds and any other securities payable from Pledged Revenues shall not be considered to be obligations general, special or otherwise of the State and shall not be enforceable against the State except to enforce its covenant in Section 396.844 NRS, that the Bond Act, the Project Act, and any other law supplemental thereto or otherwise pertaining thereto and any other act concerning the Bonds and any other securities of the Board or the System or the Pledged Revenues, shall not be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any Outstanding securities of the System or the Board until all such securities payable from the Pledged Revenues have been discharged in full or provision has been fully made therefor.

Section 210. Character of Agreement. None of the covenants, agreements, representations and warranties contained herein or in the Bonds, in the absence of any breach thereof, shall ever impose or shall be construed as imposing any liability, obligation or charge against the Issuer (except the special funds pledged therefor) or its general credit.

Section 211. No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the System or the Board, except for the Net Pledged Revenues of the System and any other monies hereafter pledged for the payment of the Bonds.

Section 212. No Recourse against Officers and Agents. Pursuant to NRS 396.842, no recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon this Instrument authorizing their issuance or other instrument pertaining thereto, against any individual regent of the Board, past, present or future, either directly or indirectly through the Board or the System, or otherwise, all such liability, if any, being by the acceptance of the Bonds and as a part of the consideration of their issuance specially waived and released.

Section 213. Execution and Use of Official Statement. The preparation, distribution, use and execution of the official statement for the Bonds (the "Official Statement"), in the form approved by the Chancellor or Chief Financial Officer as is consistent with the facts and this resolution, are hereby approved, ratified and confirmed.

Section 214. Execution of Bond Purchase Proposal and Escrow Agreement. The Chancellor or the Chief Financial Officer of the System is authorized to complete and execute the Bond Purchase Proposal and the Escrow Agreement on behalf and in the name of the System electronically or otherwise.

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, FORM AND
ISSUANCE OF BONDS

Section 301. Authorization of Bonds. The "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2024" in the aggregate principal amount set forth in the Certificate of the Chief Financial Officer (but not to exceed \$35,245,000, provided that if the Bonds are issued at a discount, the total principal amount is authorized to be increased by the amount of such discount) payable as to all Bond Requirements solely as provided in Section 208 hereof, are hereby authorized to be issued pursuant to the Bond Act and the Issuer's powers derived under the State Constitution; and the Issuer pledges irrevocably, but not necessarily exclusively, the Net Pledged Revenues to the payment of the Bond Requirements of the Bonds, the proceeds thereof (except as herein otherwise expressly provided) to be used solely to defray in part the cost to effect the Project.

Section 302. Bond Details. The Bonds shall be issued in fully registered form, i.e., registered as to both principal and interest. The Bonds shall be dated as of the date of delivery of the Bonds. Except as provided in Section 306 hereof, the Bonds shall be issued in the denomination of \$5,000 and any integral multiples thereof (provided that no Bond may be in a denomination which exceeds the aggregate principal coming due on any maturity date and more than one Bond may be issued for each maturity and if more than one Bond is issued for a maturity, such Bonds may bear interest at different rates). The Bonds shall bear interest at the rates shown below from their date until their respective fixed maturity dates, payable on January 1 and July 1 of each year commencing on January 1, 2025, except that Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates shown below from the most recent interest payment date for which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds. The Bonds shall mature on July 1 in the designated amounts and years as set forth in the Certificate of the Chief Financial Officer.

The principal of any Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar upon maturity or prior redemption thereof and upon presentation and surrender at the Paying Agent, or such other offices as designated by the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity or prior redemption, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Except as provided in Section 306 hereof, payment of interest on any Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the registered owner thereof at the address as shown on the registration records kept by the Registrar at the close of business on the Regular Record Date for such interest payment date; but any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the Person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any defaulted interest.

Such Special Record Date shall be fixed by the Paying Agent whenever monies become available for payment of the defaulted interest, and notice of the Special Record date

shall be given to the registered owners of the Bonds not less than ten days prior thereto electronically or otherwise to each such registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the owner of such Bond and the Paying Agent (provided, however, that the System shall not be required to make funds available to the Paying Agent prior to the date on which such funds are due for payment to the holders of the Bonds). All such payments shall be made in lawful money of the United States of America.

Section 303. Prior Redemption.

A. Optional Redemption. The Bonds maturing on and after the date set forth in the Certificate of the Chief Financial Officer shall be subject to redemption prior to their respective maturities, at the option of the System as directed by the Chief Financial Officer, in whole or in part, from such maturities selected by the Chief Financial Officer and by any amount within a maturity on any date on and after the date set forth in the Certificate of the Chief Financial Officer, at a price equal to the principal amount of each Bond so redeemed, and accrued interest thereon to the redemption date, and a premium, if any, computed in accordance with the schedule set forth in the Certificate of the Chief Financial Officer.

B. Mandatory Redemption. The Bonds maturing on the dates specified in the Certificate, if any (the "Term Bonds"), are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. As a sinking fund and for a sinking fund for the redemption of the Term Bonds, there shall be deposited into the Bond Fund on or before the dates designated in the Certificate, a sum which, together with other moneys available in the Bond Fund, is sufficient to redeem on the dates set forth in the Certificate of the Chief Financial Officer the principal amounts of the Term Bonds plus accrued interest to the redemption date. The remaining principal amount of Term Bonds shall be paid upon presentation and surrender at maturity unless redeemed pursuant to optional redemption prior to maturity.

Not more than sixty days nor less than twenty days prior to the sinking fund payment dates for the Term Bonds, the Registrar shall proceed to select for redemption (in the manner described above) from all Outstanding Term Bonds, a principal amount of the Term Bonds equal to the aggregate principal amount of the Term Bonds redeemable with the required sinking fund payments, and shall call such Term Bonds or portions thereof for redemption from the sinking fund on the next principal payment date, and give notice of such call as provided in Section 303(D) of this Resolution.

At the option of the System to be exercised by delivery of a written notice from the Chief Financial Officer to the Registrar not less than sixty days next preceding any sinking fund redemption date, the System may (i) deliver to the Registrar for cancellation Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the System or, (ii) specify a principal amount of Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore

applied as a credit against any sinking fund redemption obligation. Each Term Bond or portions thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the System on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the System determines. In the event the System shall avail itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accompanied by the Term Bonds or portions thereof to be cancelled or in the event the Term Bonds are registered in the name of Cede & Co. as provided in Section 306 of this Resolution, the notice required by the first sentence of this paragraph shall be accompanied by such direction and evidence of ownership as is satisfactory to The Depository Trust Company.

C. Partial Redemption. In the event of any partial redemption as described above, the Registrar shall, without charge to the Holder of such Bond, authenticate and issue a replacement Bond for the unredeemed portion thereof.

D. Redemption Notice. Unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Registrar, electronically or otherwise, at least 20 days but not more than 60 days prior to the Redemption Date, to the Municipal Securities Rulemaking Board (the "MSRB"), the registered owner of any Bond (initially Cede & Co.) all or a part of which is called for prior redemption at his address as it last appears on the registration records kept by the Registrar. The notice shall identify the Bonds and state that on such date the principal amount thereof and premium, if any, thereon will become due and payable at the Paying Agent (accrued interest to the Redemption Date being payable by mail or as otherwise provided in this Instrument), and that after such Redemption Date interest will cease to accrue. After such notice and presentation of said Bonds, the Bonds called for redemption will be paid. Actual receipt of notice by the MSRB and any registered owner of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice electronically or otherwise to the MSRB and the registered owner of any Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bond. A certificate by the Registrar that notice of call and redemption has been given as provided in this section shall be conclusive as against all parties; and no holder whose Bond is called for redemption or any other holder of any Bond may object thereto or may object to the cessation of interest on the Redemption Date on the ground that he failed actually to receive such notice of redemption.

Notwithstanding the provisions of this section, any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was sent.

Section 304. Negotiability. Subject to Section 306 hereof and to the registration and payment provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code - Investment Securities, and each

holder shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code - Investment Securities.

Section 305. Registration, Transfer and Exchange of Bonds. Except as otherwise provided in Section 306 hereof:

A. Records for the registration and transfer of the Bonds shall be kept by the Registrar, or such other offices as designated by the Registrar. Upon the surrender for transfer of any Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Registrar duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations, as provided in Section 302 hereof. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. For every exchange or transfer of Bonds requested by the registered owner thereof, the System or the Registrar may make a sufficient charge to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and may charge a sum sufficient to pay the cost of preparing and authenticating each new Bond.

B. The person in whose name any Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payments thereof (except to the extent otherwise provided in Section 302 hereof with respect to interest payments) and for all other purposes; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the System may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity bearing a number or numbers not previously assigned.

D. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar.

Section 306. Custodial Deposit.

A. Notwithstanding the foregoing provisions of Sections 302 to 305 hereof, the Bonds shall initially be evidenced by one Bond for each year in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year. Such

initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(1) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in subsection 3 of NRS 104.8102, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(2) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this subsection A, or a determination by the System that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the designation by the System of another depository institution acceptable to the System and to the depository then holding the Bonds, which new depository institution must be both a "clearing corporation" as defined in subsection 3 of NRS 104.8102 and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or clause (2) of this subsection A, or a determination of the System that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the failure by the System, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out such depository functions.

B. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of subsection A hereof or designation of a new depository pursuant to clause (2) of subsection A hereof, upon receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity of the Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of subsection A hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of subsection A hereof, and upon receipt of the outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 302 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. The System, the Registrar and the Paying Agent shall be entitled to treat the registered owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the System, the Registrar and the Paying Agent shall have no responsibility for transmitting

payments to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to subsection A hereof.

D. The System, the Registrar and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of subsection A hereof in effectuating payment of the Bond Requirements of the Bonds by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

Section 307. Execution of Bonds. The Bonds shall be executed electronically or otherwise as follows:

A. Filings with Secretary of State. Pursuant to Section 396.853 NRS, to the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351 of NRS, and prior to the execution of any Bonds in which facsimile signatures are used, the Chair and the Secretary of the Board, the Chancellor and the Treasurer of the System shall each file with the Secretary of State of the State of Nevada such officer's manual signature certified by such officer under oath.

B. Manner of Execution. Each Bond shall be signed and executed in the name of and on behalf of the Issuer with the electronic, manual or facsimile of the signature of the Chair, and shall be countersigned, subscribed and executed with the electronic, manual or facsimile signatures of the Chancellor and Treasurer; shall be authenticated with the electronic, manual or facsimile impression of the official seal of the Issuer; and each Bond shall be signed, executed and attested with such electronic, manual or facsimile of the signature of the Secretary.

C. Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form hereinbelow provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds delivered pursuant to this Instrument, the Registrar shall be deemed to have assented to all of the provisions of this Instrument.

Section 308. Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the Issuer, notwithstanding that any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. The Chair, the Chancellor, the Treasurer and the Secretary, at the time of the execution of the Bonds and of a signature certificate pertaining thereto, may adopt as and for such officer's own facsimile signature the facsimile signature of such officer's predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 309. Incontestable Recital in Bonds. Pursuant to NRS 396.851, each Bond shall recite that it is issued pursuant to the Bond Act, which recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 310. State Tax Exemption. Pursuant to NRS 396.881, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except the tax imposed on estates pursuant to Chapter 375A of NRS and the tax imposed on generation skipping transfers pursuant to Chapter 375B of NRS.

Section 311. Bond Execution. The Chair, the Chancellor, the Treasurer and the Secretary are hereby authorized and directed to prepare and to execute the Bonds electronically or otherwise as herein provided.

Section 312. Registration. The Registrar shall maintain the registration records of the Issuer for the Bonds showing the name and address of the registered owner of each Bond authenticated and delivered, the date of authentication, the maturity of the Bond and its interest rate, principal amount and Bond number.

Section 313. Bond Delivery. After registration of the Bonds pursuant to Section 312 hereof and after their execution pursuant to Section 307 hereof, the Treasurer shall cause the Bonds to be delivered to the Purchaser thereof, upon payment being made therefor.

Section 314. Bond Form. Subject to the provisions of this Instrument, each Bond shall be in substantially the following form, with such omissions, insertions, endorsements, including, without limitation, printing a statement of bond insurance, if any thereon, and such other variations as may be required by the circumstances, be required or permitted by this Instrument, or be consistent with this Instrument and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

**TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT
EFFECTIVE**

**NEVADA SYSTEM OF HIGHER EDUCATION
UNIVERSITIES REVENUE REFUNDING BONDS
SERIES 2024**

No. _____ \$ _____

Interest Rate
% per annum

Maturity Date
July 1,

Dated as of

CUSIP

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT:

DOLLARS

The Nevada System of Higher Education, a body corporate under the laws of the State of Nevada (the "Issuer," and the "State", respectively), the seat of which, as described in Article 11, State Constitution, is located in the City of Reno, Washoe County, Nevada, for value received hereby promises to pay to the Registered Owner hereof above specified solely from the special funds provided therefor, as hereinbelow set forth, the Principal Amount specified above, on the Maturity Date specified above, and to pay from such special funds interest hereon on January 1 and July 1 of each year commencing on January 1, 2025 at the Interest Rate per annum specified above, until the principal sum is paid or payment has been provided therefor. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this Bond. The principal of this Bond are payable to the Registered Owner hereof upon presentation and surrender hereof at the principal office of the System's paying agent for the Bonds (the "Paying Agent") presently U.S. Bank Trust Company, National Association (or at such other office as the Paying Agent shall designate), which is also acting as the System's registrar for the Bonds (the "Registrar"). Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), electronically or by check or draft mailed to the person in whose name this Bond is registered (the "Registered Owner") on the registration records of the System maintained by the Registrar and at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Paying Agent for the Bonds whenever monies become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds of the series of which this is one (the "Bonds") not less than ten days prior thereto. All such payments shall be made in

lawful money of the United States of America without deduction for the services of the Paying Agent all as provided in the resolution of the Board of Regents of the System (the "Board") adopted and approved on _____ authorizing the issuance of the Bonds (the "Bond Resolution").

The Bonds are issuable solely as fully registered Bonds in denominations of \$5,000 each or (subject to certain conditions) any integral multiple thereof and are transferable, or are exchangeable for fully registered Bonds of the same maturity in equal aggregate principal amounts and in authorized denominations, at the aforesaid office of the Paying Agent and Registrar but only in the manner, subject to the limitations, and on payment of the charges provided in the Bond Resolution.

This Bond is fully transferable by the registered owner hereof in person or by his duly authorized attorney on the registration records kept by the Registrar upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Registrar. Upon such transfer a new fully registered Bond of authorized denomination or denominations of the same aggregate principal amount and maturity will be issued to the transferee in exchange for this Bond, subject to such terms and conditions as set forth in the Bond Resolution.

The Bonds are subject to mandatory and optional redemption prior to maturity as further described in the Bond Resolution.

The Bonds shall not be transferable or exchangeable, except as set forth in the Resolution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the System or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond must be registered in the name of the owner as to both principal and interest on the registration records kept by the Registrar in conformity with the provisions stated herein and endorsed hereon and subject to the terms and conditions set forth in the Bond Resolution. No transfer of this Bond shall be valid unless made on the registration records maintained at the principal office of the Registrar by the registered owner or his attorney duly authorized in writing.

The Bonds are of like tenor and date, except as to number, maturity, interest rate, denomination, duly authorized for the purpose of providing funds to defray wholly or in part the cost to effect the refunding of certain outstanding obligations of the System (the "Refunding Project" or the "Project"), under the authority of and in full conformity with the constitution and laws of the State, and pursuant to the Bond Resolution.

The Bonds do not constitute a debt or an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation, shall neither be considered or held to be general obligations of the Issuer, nor be obligations general, special or otherwise, of the State, nor be bonds or debt of the State, and shall not be enforceable against the State. The Bonds are special obligations of the Issuer payable and collectible solely out of and secured by an irrevocable pledge of certain income derived from (i) the gross amounts collected from certain fees paid by students attending the Universities within the System, commonly designated as the Capital Improvement Fee, the Student Union Capital Improvement Fee, the General Improvement Fee and the General Fund Fee, and, if hereafter authorized by law, additional student fees, if any (herein the "Student Fees"), (ii) the gross revenues derived from or otherwise pertaining to the operation of a certain special event facilities known as the Thomas and Mack Center and the Cox Pavilion located on the University of Nevada, Las Vegas campus and the operation of all University of Nevada, Las Vegas student housing, dining and parking facilities, whether or not presently existing, situated on the University of Nevada, Las Vegas campus after the deduction of the expenses of operation and maintenance of such special event facilities, dining, housing and parking facilities (other than salaries and costs of utility services), and (iii) the gross revenues derived from or otherwise pertaining to the operation of all University of Nevada, Reno student housing, dining and parking facilities, whether or not presently existing, situated on the University of Nevada, Reno campus, after the deduction of the operation and maintenance expenses of such housing, dining and parking facilities (other than salaries and cost of utility services), and (iv) all grants, if any, conditional or unconditional, from the federal government, the State or other donor for the payment of any Bond Requirements of the Bonds and any securities heretofore or hereafter issued on a parity with or subordinate to the Bonds, and (v) all net income and revenues, if any, to be derived from the operation of any other income-producing facilities of the Issuer pertaining to the Universities or from any other available sources and to which the pledge and lien provided in the Bond Resolution are extended after its adoption (herein, collectively, the "Net Pledged Revenues"), which income is so pledged; and the registered owner hereof may not look to any general or other fund for the payment of the Bond Requirements of this obligation except the special funds pledged therefor.

Nothing authorizes the System or the Board to contract a debt on behalf of, or in any way to obligate, the State, or to pledge, assign or encumber in any way, or to permit the pledging, assigning or encumbering in any way, of any tuition charges and registration fees paid to the System or the Board, the principal of any endowments, restricted or unrestricted, or the proceeds of any general (ad valorem) property taxes derived directly or indirectly by the System or the Board for the benefit of the System, grants, appropriations or other donations made by the federal government, the State legislature or any other donor (except for the interest or other gain derived from the investment and reinvestment of the principal of unrestricted endowments, as permitted by subsection 8, Section 396.828, Nevada Revised Statutes ("NRS"), except for any grants from the federal government, the State or any other person for the payment of Bond Requirements, and except the pledge of particular revenues authorized by any other statute), and of any revenue derived from the operation of or otherwise pertaining to any buildings, structures or other facilities of the Board or the System (except for those classifications thereof designated in subsections 1 through 7 of Section 396.828, NRS). The faith of the State, however, is pledged that the acts pursuant to which the Bonds are issued, i.e., Chapter 501, Statutes of Nevada 1991, as amended by Chapter 93, Statutes of Nevada 1995, as amended by Chapter 519, Statutes of Nevada 1999, as amended by SB 584, Statutes of Nevada 2001, as amended by SB 413, Statutes

of Nevada 2003, as amended by chapter 297, Statutes of Nevada 2005, as amended by SB 455, Statutes of Nevada 2007, as amended by chapter 317, Statutes of Nevada 2009, as amended by Chapter 179, Statutes of Nevada 2011 (the "Project Act") and Sections 396.809 through 396.885, NRS (the "Bond Act"), any other law supplemental or otherwise pertaining thereto, and any other act concerning the Bonds or the Pledged Revenues, or both such securities and such revenues, shall not be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding securities of the System or the Board, until all such securities payable from the Pledged Revenues have been discharged in full or provision has been fully made therefor, including, without limitation, the known minimum yield from the investment or reinvestment of monies pledged therefor in Federal Securities (as defined in the Bond Resolution).

Payment of the Bond Requirements of the Bonds, including, without limitation, this Bond, shall be made solely from and as security for such payment there are irrevocably (but not exclusively) pledged, pursuant to the Bond Resolution, a special and separate account held by the Registrar and identified as the "Nevada System of Higher Education, Universities Revenue Bonds, Interest and Bond Retirement Fund" into which account the Issuer covenants to pay, respectively, from the Net Pledged Revenues, sums sufficient to pay when due the Bond Requirements of the outstanding Bonds, and any bonds and any other securities payable from the Net Pledged Revenues on a parity therewith and authorized to be issued after the adoption of the Bond Resolution.

The Bonds are equitably and ratably secured by a lien on the Net Pledged Revenues, and the Bonds constitute an irrevocable and prior lien (but not necessarily an exclusively prior lien) upon the Net Pledged Revenues. Bonds and other securities, in addition to the Bonds, subject to expressed conditions, may be issued and made payable from the Net Pledged Revenues having a lien thereon subordinate and junior to the lien or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of the Bonds, in accordance with the provisions of the Bond Resolution.

The Issuer covenants and agrees with the holder of this Bond and with each and every person who may become the holder hereof that it will keep and will perform all of the covenants of the Bond Resolution, including, without limitation its covenant that it must fix, maintain and collect Net Pledged Revenues each fiscal year at least sufficient to produce revenues in the fiscal year to pay an amount including the proceeds of the General Fund Fee and the General Improvement Fee equal to 150%, and as long as the Parity Lien Bonds (excluding the 2022 Bonds, the 2023 Bonds and the Bonds) are outstanding, excluding the proceeds of the General Fund Fee and the General Improvement Fee equal to 110%, of the Bond Requirements of the Bonds and any other outstanding securities payable in the comparable bond year from such Net Pledged Revenues.

Reference is made to the Bond Resolution, and to any and all modifications and amendments thereof, to the Bond Act, the Project Act, and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the Bonds, the accounts, funds or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the holders of the Bonds with respect thereto, the terms and conditions

upon which the Bonds are issued, and a statement of rights, duties, immunities, and obligations of the Issuer, and other rights and remedies of the registered owners of the Bonds.

The Bonds are issued pursuant to the Bond Act and the Project Act; pursuant to NRS 396.851, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to NRS 396.881, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

To the extent and in the respects permitted by the Bond Resolution, the provisions of the Bond Resolution or any instrument amendatory thereof or supplemental thereto may be modified or amended by action of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Bond Resolution. The pledge of revenues and other obligations of the Issuer under the Bond Resolution may be discharged at or prior to the respective maturities of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

It is further certified, recited, and warranted that all the requirements of law have been fully complied with by the proper officers of the Issuer in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the constitution and laws of the State, particularly under the terms and provisions of the Project Act, the Bond Act and all laws supplemental thereto, and with the Bond Resolution; and that this Bond does not contravene any constitutional or statutory limitation.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon, or otherwise upon the Bond Resolution or other instrument pertaining thereto, against any individual regent of the Board, past, present or future, either directly or indirectly through the Board or the Issuer, or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

This Bond shall not be valid or obligatory for any purpose until a manual signature of a duly authorized officer of the Registrar has been affixed on the certificate of authentication hereon.

IN WITNESS WHEREOF, the Board of Regents of the Nevada System of Higher Education has caused this Bond to be signed and executed in the name and on behalf of the System with an electronic, manual or facsimile signature of the Chair of the Board, to be countersigned and executed with a manual or facsimile signature of each the Chancellor and the Treasurer of the System, and to be attested, signed, subscribed and executed with the electronic, manual or facsimile signature of the Secretary of the Board; and has caused an electronic, manual or facsimile impression of the seal of the System to be affixed hereon, all as of the dated date hereof.

NEVADA SYSTEM OF HIGHER EDUCATION

By: (Electronic, Manual or Facsimile Signature)

Chair, Board of Regents

(MANUAL OR FACSIMILE SEAL)

Attest:

(Electronic, Manual or Facsimile Signature)

Secretary, Board of Regents

Countersigned:

(Electronic, Manual or Facsimile Signature)

Chancellor

Countersigned:

(Electronic, Manual or Facsimile Signature)

Treasurer

* Insert only if Bonds are not delivered pursuant to Section 306(A)(3) of this Bond Resolution.

** Insert only if Bonds are initially delivered to the Depository Trust Company pursuant to Section 306(A) of this Bond Resolution.

(End of Form of Bond)

(Form of Certificate of Authentication for Bonds)

Date of authentication
and registration: _____

This is one of the Bonds described in the within-mentioned Resolution, and this Bond has been duly registered on the registration records kept by the undersigned as Registrar for such Bonds.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION
as Registrar

By: (Manual or Facsimile Signature)
Authorized Officer

(End of Form of Certificate of Authentication for Bonds)

[Statement of Insurance, if any]

*(Form of Prepayment Panel)

The following installments of principal (or portions thereof) of this Bond have been prepaid by the System, in accordance with the terms of the Bond Resolution authorizing the issuance of this Bond.

<u>Date of Prepayment</u>	<u>Principal Prepaid</u>	<u>Signature of Authorized Representative of DTC</u>

(End of Form of Prepayment Panel)*

*(Form of Assignment for Bonds)

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the records kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Name and address of transferee:

Social Security or other tax identification
number of transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

(End of Form of Assignment for Bonds)*

ARTICLE IV
USE OF BOND PROCEEDS

Section 401. Disposition of Bond Proceeds. The proceeds of the Bonds, upon the receipt thereof, shall be accounted for in the following manner and priority:

A. Escrow Account. First, there shall be credited to the following special and separate account, hereby created and established, which account shall be under the control of the Chief Financial Officer, to be known as the "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2024, Escrow Account" (the "Escrow Account"), an amount sufficient, together with any other monies available therefor, to establish any initial cash balance remaining uninvested and to buy the Federal Securities, if any, designated in the Escrow Agreement for purchase by the Issuer and credit to the Escrow Account with the Escrow Agent, for the payment of the Refunded Bonds pursuant to the Escrow Agreement. The Escrow Agent shall segregate the proceeds of the 2024 Bonds credited to the Escrow Account.

B. Costs of Issuance Account. Secondly, the balance of the proceeds derived from the sale of the Bonds, except as herein otherwise expressly provided, shall be credited to a separate account hereby created and to be known as the "Nevada System of Higher Education, Universities Revenue Refunding Bonds, Series 2024, Costs of Issuance Account" (the "Costs of Issuance Account"), all moneys remaining from the proceeds of the Bonds after the credits to the Escrow Account provided for in Section 401(A) above, to be used to pay the Cost of the Project and the incidental Cost of the Project, including, without limitation, costs of issuance of the 2024 Bonds. Any moneys remaining after the payment of all such Costs shall be transferred to the Bond Fund to be applied to the payment of interest on the 2024 Bonds as the same becomes due.

Section 402. Monies for the Project. All monies received and held by the Issuer for the Project from all sources, including, without limitation, any grants-in-aid from the federal government allocated to the Issuer for that purpose, shall be deposited in the Costs of Issuance Account (except to the extent heretofore credited thereto), including, without limitation, the Bond proceeds deposited therein pursuant to Section 401 hereof. The monies in the Costs of Issuance Account, except as herein otherwise expressly provided, shall be used and paid out solely for the purpose of defraying the Cost of the Project.

Section 403. Application of Costs of Issuance Account. Monies, except as herein otherwise expressly provided, shall be withdrawn from the Costs of Issuance Account to defray the Cost of the Project by warrant drawn and countersigned by the Chief Financial Officer, in the same manner that other claims against the Issuer are presented and paid.

Section 404. Prevention of Bond Default. The Chief Financial Officer shall use any Bond proceeds credited to the Costs of Issuance Account, without further order or warrant, to pay the Bond Requirements of the Bonds as the same become due whenever and to the extent amounts credited to the Bond Fund, or otherwise available therefor, are insufficient for that purpose, unless such Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and pertaining to the Project. The Treasurer shall promptly notify the Chair and the Chief Financial Officer of any such use. Any monies so used shall be

restored to the Costs of Issuance Account from the first Pledged Revenues thereafter received and not needed to meet the requirements provided in Sections 504 through 509 hereof.

Section 405. Completion of the Project. When the Project shall have been completed in accordance with the relevant plans and specifications, and when all amounts due therefor have been paid, or for which full provision shall have been made, the Chief Financial Officer, shall cause to be transferred all surplus monies remaining in the Costs of Issuance Account, if any (except for any monies designated in the instrument to be retained to pay any unpaid accrued costs or contingent obligations), to a fund or account for the payment of capital improvements or to the Bond Fund or other account for the payment of the Bond Requirements of Outstanding securities payable from all or a part of the Net Pledged Revenues or held as a reserve therefor (or any combination thereof), pursuant to NRS Section 396.857, as provided in such instrument of the Board. Upon the transfers of all monies out of the Costs of Issuance Account, the Costs of Issuance Account shall be terminated. Nothing herein:

A. Periodic Transfers. Prevents the Chief Financial Officer from causing to be transferred from the Costs of Issuance Account at any time prior to its termination any monies which it is determined will not be necessary for the Project, to any funds or accounts, or any combination thereof, as permitted by NRS 396.857, as provided in such instrument, or

B. Limitations upon Transfers. Requires the transfer to any such one or more funds or accounts of any surplus monies (other than Bond proceeds) received as grants, appropriations or gifts the use of which monies is limited by the grantor or donor to the construction of specifically designated capital improvements or otherwise so that such surplus monies (other than Bond proceeds) may not be properly transferred to any such funds or accounts under the terms of such grants, appropriations or gifts.

Section 406. Lien on Bond Proceeds. Other than amounts in the Escrow Account and until proceeds of the Bonds are applied as hereinabove provided and used to defray the Cost of the Project from time to time, such proceeds shall be subject to a lien thereon and pledge thereof for the benefit of the holders of the Bonds from time to time as provided in Section 501 hereof.

Section 407. Maintenance of Escrow Account. The Escrow Account shall be maintained by the System in an amount at the time of those initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities or in cash, to redeem, on the redemption dates set forth in the Certificate of the Chief Financial Officer, all of the Refunded Bonds at a price equal to the principal amount thereof, plus accrued interest to the redemption date plus premium, if any.

Section 408. Use of Escrow Account. Monies shall be withdrawn by the Escrow Agent from the Escrow Account in sufficient amounts and at such times to redeem all of the Refunded Bonds on the dates set forth in the Certificate of the Chief Financial Officer at the redemption prices set forth in the resolutions authorizing the issuance of the Refunded Bonds. Any monies remaining in the Escrow Account after provision shall have been made for the payment in full of the Refunded Bonds shall be applied to the next installment of interest due on

the Bonds or for any lawful purpose of the Issuer as the Chief Financial Officer may hereafter determine.

Section 409. Exercise of Option. The Board has elected and does hereby declare its intent to exercise on the behalf and in the name of the Issuer its option to redeem the Refunded Bonds on the redemption date as selected by the Chief Financial Officer. The Board is hereby obligated so to exercise such option, which option shall be deemed to have been exercised when notice is duly given, including conditional notice, upon direction of the Chief Financial Officer. The paying agent and registrar of the Refunded Bonds upon direction of the Chief Financial Officer is authorized to give notice of prior redemption and defeasance of the Refunded Bonds, including any conditional notice of redemption, in accordance with the terms of the resolutions authorizing the issuance of the Refunded Bonds. The notice of prior redemption and defeasance, including conditional notice, shall be given by sending to the registered owner of each of the Refunded Bonds the notice of redemption. The Escrow Agent is hereby authorized and directed to give again notice of prior redemption of the Refunded Bonds not more than 60 nor less than 30 days prior to the redemption dates set forth in the Certificate of the Chief Financial Officer, in the manner provided in the resolutions authorizing the Refunded Bonds.

Section 410. Purchaser Not Responsible. The validity of the Bonds shall neither be dependent on nor be affected by the validity or regularity of any proceedings relating to the completion of the Project. The holders of the Bonds shall in no manner be responsible for the application or disposal by the Issuer or by any of its agents of the monies derived from the sale of the Bonds or of any other monies herein designated.

ARTICLE V
ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

Section 501. Pledge Securing Bonds. Subject only to the right of the Issuer to cause amounts to be withdrawn to pay the Cost of the Project as provided herein, the Net Pledged Revenues and all monies and securities paid or to be paid to or held or to be held in the Bond Fund are hereby pledged to secure the payment of the Bond Requirements of the Bonds and any other Parity Lien Bonds. This pledge shall be valid and binding from and after the date of the first delivery of any Bonds; and the monies, as received by the Issuer and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing or further act. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Issuer; and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer (except as herein otherwise provided) irrespective of whether such parties have notice thereof.

Section 502. Revenue Fund Credits. So long as any of the Bonds shall be Outstanding, the entire Gross Revenues derived from the Student Fees, the Facilities Revenues and any other Pledged Revenues, except as otherwise provided in Section 508 hereof, upon their receipt from time to time by the Issuer, shall be set aside and credited immediately to the special and separate account, to be held by and under the control of the System, and known as the "University of Nevada System, Universities Student Fees and Other Pledged Revenues Gross Revenue Fund" (the "Revenue Fund").

Section 503. Administration of Revenue Fund. So long as any of the Bonds shall be Outstanding, the following payments shall be made from the Revenue Fund, as provided in Sections 504 through 510 hereof.

Section 504. Bond Fund Payments for Parity Lien Bonds. First, any monies in the Revenue Fund may be used by the Issuer for the payments of Bond Requirements of the outstanding Parity Lien Bonds, including reasonable reserves for such securities, as the same accrue and any additional securities issued on a parity with the Parity Lien Bonds; but the lien of such additional bonds or other additional securities on the Net Pledged Revenues and shall be credited to the Bond Fund as follows:

A. The semi-annual payments designated in the resolutions authorizing the issuance of the Parity Lien Bonds shall continue to be made. In addition, interest payments for additional Parity Lien Bonds shall be made as designated in the resolutions authorizing the issuance of such bonds. With respect to the Bonds, on the first day of the month immediately succeeding the delivery of any of the Bonds, an amount necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Outstanding Bonds, and semi-annually thereafter, on each interest payment date, the amount necessary to pay the next maturing installment of interest on the Bonds except to the extent any other moneys are available therefor.

B. The semi-annual payments designated in the resolutions authorizing the issuance of the other Parity Lien Bonds shall continue to be made. Payments for principal on

additional Parity Lien Bonds shall be made as specified in the resolutions authorizing their issuance. In addition, on the first day of the month immediately succeeding the delivery of any Bonds an amount sufficient (together with any other moneys from time to time available therefor from whatever source) to pay the next maturing installment of principal of the Bonds, and semi-annually thereafter, one-half of the amount necessary to pay the next maturing installment of principal of the Bonds, except to the extent any other moneys are available therefor.

The monies credited to the Bond Fund shall be used to pay the Bond Requirements of the Outstanding Parity Lien Bonds and any additional securities hereafter issued with a lien on the Net Pledged Revenues on a parity with the lien of the Parity Lien Bonds, as such Bond Requirements become due.

Section 505. Rebate Fund Payments. Second, and simultaneously with rebate deposits for the Parity Lien Bonds, the System shall deposit Net Pledged Revenues into the "Nevada System of Higher Education, Universities Revenue Bonds, Rebate Fund" (the "Rebate Fund"), as required under Section 148 of the Tax Code and any Regulations promulgated thereunder, and shall apply such funds to make payments to the United States Treasury as necessary to comply with the covenants contained in Section 810 of this Instrument. Any moneys in the Rebate Fund not needed for that purpose shall be transferred to the Revenue Fund. Deposits for rebate for additional bonds hereafter issued with a lien on the Net Pledged Revenues on a parity with the lien of the Parity Lien Bonds shall be made concurrently with payments into the Rebate Fund for the Parity Lien Bonds.

Section 506. O & M Expenses. If the pledge and lien herein provided are hereafter extended to revenues derived from the operation of any other income-producing Facilities of the Issuer or any other sources other than Student Fees, the Facilities Revenues and other than any grants for the payment of any Bond Requirements, nothing herein prevents the Issuer from making provision for the payment with such revenues or other sources other than Student Fees, Facilities Revenues and other than grants for the payment of any Bond Requirements, of the operation and maintenance expenses pertaining to such Facilities and only the remaining Net Revenues are required to be credited as Pledged Revenues to the Revenue Fund as provided in Section 502 hereof.

Section 507. Termination of Deposits. No payment need be made into the Bond Fund for Bonds if the amount in the Bond Fund is at least equal to the entire amount of the Outstanding Bonds and any Parity Lien Bonds then Outstanding to their respective maturities or to in which case monies in that account in any amount, except for any interest or other gain to accrue from any investment of monies in Federal Securities pursuant to article VI hereof from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used together with any such gain from such investments solely to pay such Bond Requirements as the same become due; and any monies in excess thereof in that account and any other monies derived from Pledged Revenues may be used in any lawful manner determined by the Board.

Section 508. Defraying Delinquencies. If at any time the Issuer shall for any reason fail to pay into the Bond Fund the full amount above stipulated from the Net Pledged

Revenues, but excluding any payments required for any Subordinate Securities as permitted by Section 509 hereof, shall be used first to pay Bond Requirements therefor or paid therein from the first Net Pledged Revenues thereafter received, but excluding any payments required for any Subordinate Securities as permitted by Section 509 hereof. The monies in the Bond Fund shall be used solely for the purpose of paying the Bond Requirements of the Bonds and any Parity Lien Bonds then Outstanding; and any balances in the Bond Fund in excess of the Bond Requirements, both accrued and not accrued, to the respective maturities or any designated Redemption Date or Redemption Dates of the Outstanding Bonds and any Parity Lien Bonds, whichever due date is the earlier, if any, for any security, may be used as provided in Section 509 hereof.

Section 509. Payment of Subordinate Securities. Subsequent to the payments required by Sections 504 through 508 hereof, as provided in article VII hereof, any monies remaining in the Revenue Fund may be used by the Issuer for the payments of Bond Requirements of any outstanding Subordinate Securities payable from Pledged Revenues and hereafter authorized to be issued in accordance with article VII and other provisions herein supplemental thereto, including reasonable reserves for such securities, as the same accrue; but the lien of such additional Subordinate Securities on the Net Pledged Revenues and the pledge thereof for the payment of such additional Subordinate Securities shall be subordinate to the lien and pledge of the Parity Lien Bonds as herein provided. Any additional Parity Lien Bonds hereafter authorized to be issued shall be payable from the Bond Fund.

Section 510. Use of Remaining Revenues. After the payments required to be made by Sections 504 through 509 hereof are made, on January 2 or July 2 of each year or whenever in the Bond Year all payments hereinabove required to be made therein have been made, any remaining Net Pledged Revenues in the Revenue Fund may be used for any lawful purpose, as the Board may from time to time determine.

ARTICLE VI
GENERAL ADMINISTRATION

Section 601. Administration of Accounts. The separate accounts designated in articles IV and V hereof (but not any account under Section 901 hereof) shall be administered as provided in this article.

Section 602. Places and Times of Deposits. Each of the special and separate accounts designated in articles IV and V hereof shall be maintained as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor. The monies accounted for in such special and separate book accounts shall be deposited in one bank account or more as provided in Section 603 hereof, except as herein otherwise provided. Nothing herein prevents the commingling of monies accounted for in any two or more book accounts pertaining to the Facilities, if any, Pledged Revenues, proceeds of securities, other monies, or to the fund pertaining to the Facilities and any other funds of the Issuer (each of which funds consists of a self-balancing group of accounts and constitutes an independent fiscal and accounting entity) in any bank account or any investment in Federal Securities hereunder (but not any account under Section 901 hereof). Each such bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds, and shall be irrevocable and not withdrawable by anyone for any purpose other than the purpose or purposes designated therefor. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall be a Saturday, Sunday or a legal holiday, then such payment shall be made on or before the next succeeding secular day. Notwithstanding any other provision herein to the contrary, monies shall be deposited with the Paying Agent and any commercial bank designated as a paying agent for any securities heretofore or hereafter authorized to be issued and payable from Pledged Revenues (or any combination thereof), at least by the day of each interest payment date designated sufficient to pay the Bond Requirements then becoming due on the Outstanding Bonds and any other Outstanding securities payable from Pledged Revenues.

Section 603. Investment of Monies. Any monies in any account designated in articles IV and V hereof (but not any account under Section 901 hereof) and not needed for immediate use, may be invested or reinvested by the Treasurer or his designee, except as otherwise expressly stated herein, in Permitted Investments including deposits in one or more commercial banks (or any combination thereof) as provided in Section 607 hereof, and in Federal Securities which either shall be subject to redemption at any time at a fixed value by the holder thereof at the option of such holder, or shall mature not later than the date or respective dates on which the proceeds are to be expended as estimated by the Treasurer or his designee upon each date of such investment or reinvestment, but Federal Securities shall mature from the date of such investment or reinvestment not later than the respective times they will be needed for the purpose for which the monies are held. For the purpose of any such investment or reinvestment, Federal Securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations. Capitalized interest and accrued interest deposited into the Bond Fund pursuant to Section 401(A) hereof may be invested in Permitted Investments.

Before the Treasurer invests or reinvests any monies accounted for in the Costs of Issuance Account the Treasurer shall develop a schedule of the amounts and times when monies are estimated to be needed to pay the costs of issuance of the Bonds.

Section 604. Required and Permissive Investments. Except as otherwise provided herein, the Treasurer shall have no obligation to make any investment or reinvestment hereunder, unless any monies on hand and accounted for in any one account exceed \$50,000 and at least \$50,000 therein will not be needed for a period of not less than 60 days. In such event, the Treasurer shall invest or reinvest, in Federal Securities not less than substantially all the amount which will not be needed during such 60-day period, except for any monies on deposit in an interest-bearing account in a commercial bank, regardless of whether such monies on deposit are evidenced by a certificate of deposit, or otherwise, pursuant to Sections 603 and 607 hereof; but the Treasurer is not required to invest, or so to invest in such a manner, any monies accounted for hereunder if any such investment would contravene the arbitrage bond investment limitations of Section 148 of the Tax Code, or any other investment limitation imposed by law upon the Issuer. The Treasurer may invest or reinvest in any lawful manner any monies on hand at any time as provided in Section 603 hereof even though he is not obligated to do so.

Section 605. Accounting for Investments. The Federal Securities so purchased as an investment or reinvestment of monies in any such account shall be deemed at all times to be a part of the account and held in trust therefor. Except as herein otherwise provided, any interest or other gain in any account from any investments or reinvestments in Federal Securities and from any deposits of monies in any commercial bank pursuant to this article shall be credited to the account, and any loss in any account resulting from any such investments and reinvestments in Federal Securities and from any such deposits in a commercial bank shall be charged or debited to the account; but upon the completion of the Project and any gain from such investments and reinvestments of monies in the Costs of Issuance Account may be transferred from the Costs of Issuance Account in accordance with the provisions of Section 401 hereof. Except for revaluations of investments at the end of each Fiscal Year as provided below, no loss or profit in any account on any investments or reinvestments in Federal Securities or any certificates of deposit shall be deemed to take place as a result of fluctuations in the market quotations of the investments, reinvestments or certificates prior to the sale or maturity thereof. In the computation of the amount in any account for any purpose hereunder, except as herein otherwise expressly provided, Federal Securities and certificates of deposit shall be valued at the cost thereof (including an amount paid as accrued interest at the time of purchase of the obligation) and other bank deposits shall be valued at the amounts deposited, exclusive of any accrued interest or any other gain to the Issuer until such gain shall be realized by the presentation of matured coupons for payment, by the receipt by the Treasurer from a depository bank of a statement of interest credited to the account, or otherwise; but at least as long as any of the Bonds remain Outstanding, investments and reinvestments in Federal Securities and in certificates of deposit shall be revalued in terms of current market value on the last day of each Fiscal Year. The expenses of purchase, safekeeping, sale and all other expenses incident to any investments or reinvestments of monies pursuant to this article shall be accounted for as general operation and maintenance expenses of the Issuer and shall not be defrayed with any Net Pledged Revenues.

Section 606. Redemption or Sale of Investment Securities. The Treasurer shall present for redemption at maturity or sale on the prevailing market at the best price obtainable any Federal Securities and certificates of deposit so purchased as an investment or reinvestment of monies in any account whenever it shall be necessary so to do in order to provide monies to meet any withdrawal, payment or transfer from such account. Neither the Treasurer nor any other officer of the Issuer shall be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Instrument. The Treasurer shall promptly notify the Board, of any gain or loss in any account.

Section 607. Character of Funds. The monies in any account herein authorized shall consist either of lawful money of the United States or Federal Securities, or both such money and such securities. Monies deposited in a demand or time deposit account in or evidenced by a certificate of deposit of any commercial bank, pursuant to Section 602 hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States if (1) such demand or time deposit account or certificate of deposit is fully insured by the Federal Deposit Insurance Corporation, (2) if the senior unsecured long-term indebtedness of such commercial bank is rated at least "AA" by Standard & Poor's Corporation or at least "Aa" by Moody's Investors Service, Inc.

Section 608. No Accelerated Payments. Nothing contained in article V hereof prevents the accumulation in any account herein designated of any monetary requirements at a faster rate than the rate or minimum rate, as the case may be, provided in article V; but no payment shall be so accelerated if such acceleration shall cause the Board to default in the payment of any obligation of the Issuer pertaining to Pledged Revenues or any Facilities. Nothing herein requires in connection with Pledged Revenues received in any Fiscal Year the accumulation in any account for the payment in the Comparable Bond Year of Bond Requirements due in connection with any series of bonds or other securities payable from Pledged Revenues and heretofore, herein, or hereafter authorized, in excess of such Bond Requirements due in the Comparable Bond Year, or of any reserves then required to be accumulated and maintained therefor, and of any existing deficiencies, and payable from such account, as the case may be, except as may be otherwise provided herein.

Section 609. Payment of Bond Requirements. The monies credited to any account designated in articles IV and V hereof for the payment of the Bond Requirements due in connection with any series of bonds or other securities payable from Pledged Revenues and heretofore, herein or hereafter authorized shall be used, without requisition, voucher, warrant, further order or authority (other than is contained herein), or any other preliminaries, to pay promptly the Bond Requirements payable from such account as such securities become due, upon the respective Redemption Dates, if any, on which the Issuer is obligated to pay such securities, or upon the respective principal and interest fixed maturity dates of such securities, as provided therefor, except to the extent any other monies are available therefor, including, without limitation, monies accounted for in the Bond Fund.

Section 610. Payment of Redemption Premiums. Notwithstanding any other provision herein, this Instrument requires the accumulation in any account designated in Article IV or V hereof for the payment of any issue of bonds or other securities payable from Pledged Revenues of amounts sufficient to pay not only the principal thereof and interest thereon

but also the prior redemption premium due in connection therewith, as the same become due, whenever the Issuer shall have exercised or shall have obligated itself to exercise a prior redemption option pertaining thereto, except to the extent provision is otherwise made therefor, if any prior redemption premiums are due in connection therewith. In such event monies shall be deposited in such account in due season for the payment of all such Bond Requirements without default as the same become due.

ARTICLE VII
SECURITIES LIENS AND ADDITIONAL AND
OUTSTANDING SECURITIES

Section 701. Parity Lien Bonds. The Parity Lien Bonds constitute an irrevocable and prior lien (but not necessarily an exclusively prior lien) upon the Net Pledged Revenues superior to the lien thereon of the Subordinate Securities.

Section 702. Equality of Bonds. The Parity Lien Bonds and any other parity securities hereafter authorized to be issued, and from time to time Outstanding are equally and ratably secured by a lien on the Net Pledged Revenues (prior and superior to the Outstanding Subordinate Securities) and shall not be entitled to any priority on or over the other in the application of the Net Pledged Revenues regardless of the time or times of the issuance of the Parity Lien Bonds and any other parity securities, it being the intention of the Issuer that there shall be no priority among the Parity Lien Bonds and any securities hereafter issued on a parity therewith regardless of the fact that they may be actually issued and delivered at different times.

Section 703. Issuance of Parity Securities. The Issuer shall not authorize or issue any additional bonds or other securities with a lien on the Net Pledged Revenues which is superior to the lien of the Parity Lien Bonds or superior to the lien of any bonds or other securities issued with a lien on a parity with the Parity Lien Bonds. Nothing herein prevents the issuance by the Issuer of securities payable from the Net Pledged Revenues and constituting a lien thereon on a parity with, but not prior or superior to, the lien thereon of the Parity Lien Bonds or prevents the issuance of bonds or other securities refunding all or a part of the Parity Lien Bonds, except as provided in Sections 707 through 713 hereof; but before any such additional parity securities are authorized or actually issued (excluding any parity refunding securities other than any securities refunding subordinate bonds or other Subordinate Securities, as permitted by Section 710 A or B hereof):

A. Absence of Default. At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities as provided in Section 712 hereof, the Issuer shall not be in default in making any payments required by article V hereof or the bond resolutions for the other Parity Lien Bonds.

B. Earnings Test. (1) The Net Pledged Revenues derived for either the Fiscal Year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of the issuance of the additional Parity Lien Bonds, shall have been sufficient to pay an amount at least equal to 150% of the combined maximum annual principal and interest requirements (excluding amounts payable by virtue of the Issuer's exercise of a prior redemption option but taking into account mandatory sinking fund redemptions) to be paid during any one Bond Year ending on or before July 1, 2051 of the Outstanding Parity Lien Bonds and the bonds or other securities proposed to be issued (excluding any reserves therefor), except as hereinbelow otherwise expressly provided; and (2) as long as the Parity Lien Bonds (excluding the 2022 Bonds, the 2023 Bonds and the Bonds) are Outstanding, the Net Pledged Revenues, excluding from those revenues the proceeds of the General Fund Fees and the General Improvement Fees pertaining to the Universities, derived for the Fiscal Year immediately preceding, or any 12 consecutive months of the 18 months immediately preceding, the date of the issuance of the

additional Parity Lien Bonds, shall have been sufficient to pay an amount at least equal to 110% of the combined maximum annual principal and interest requirements to be paid during any one Bond Year ending on or before July 1, 2051, of the Outstanding Parity Lien Bonds, and the securities proposed to be issued (excluding any reserves therefor), except as hereinbelow otherwise expressly provided.

C. Adjustment of Pledged Revenues.

(1) In any computation of the earnings test required by clause (2) of Subsection B hereof (but not in any computation of the earnings test required by clause (1) of Subsection B hereof) as to whether or not additional parity securities may be issued, the amount of the Net Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of loss or gain, respectively, estimated by the Chief Financial Officer resulting from any change in any Student Fees based on the number of full time students (or the equivalent thereof) during the next preceding Fiscal Year, as if the schedule of such modified Student Fees had been in effect during the entire next preceding Fiscal Year, if such change shall have been made by the Board prior to such computation of the designated earnings test but made in the same Fiscal Year as such computation or in the next preceding Fiscal Year.

(2) In addition, in any computation of the earnings test required by clause (2) of Subsection B hereof (but not in any computation of the earnings test required by clause (1) of Subsection B hereof), the amount of Net Pledged Revenues for the next preceding Fiscal Year may be increased by the revenues to be generated by the facilities constructed with the additional securities in the first fiscal year immediately succeeding the last fiscal year following the issuance of such additional Parity Lien Bonds in which interest on the additional Parity Lien Bonds is provided from the proceeds thereof as estimated by an independent consulting engineer or the Chief Financial Officer.

D. Adjustment of Expenses. In any computation of the earnings test required by clause (2) of Subsection B hereof (but not in any computation of the earnings test required by clause (1) of Subsection B hereof), there also shall be deducted from or added to the amount of any operation and maintenance expenses pertaining to any income-producing Facilities of the Universities and pertaining to any Pledged Revenues any estimated decrease or increase, respectively, in such expenses that will result from the expenditure of the funds to be derived from the issuance and sale of the additional bonds or other additional securities.

E. Reduction of Annual Requirements. In any computation of the earnings tests required by clauses (1) or (2) of Subsection B hereof, the respective annual Bond Requirements (including the amount of any prior redemption premiums due on any Redemption Date as of which the Issuer shall have exercised or shall have obligated itself to exercise its prior redemption option) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Bond Years with monies held in trust or in escrow for that purpose by any trust bank within or without the State, including the known minimum yield from any investment in Federal Securities.

Section 704. Certification of Revenues. A written certification or written opinion by the Chief Financial Officer that such annual revenues, when adjusted as hereinabove

provided in subsections C, D and E of Section 703 hereof, are sufficient to pay such amounts, as provided in subsection B of Section 703 hereof, shall be conclusively presumed to be accurate in determining the right of the Issuer to authorize, issue, sell and deliver additional bonds or other additional Parity Lien Bonds on a parity with the Bonds.

Section 705. Subordinate Securities Permitted. Nothing herein, subject to the limitations stated in Sections 709 through 711 hereof, prevents the Issuer from issuing additional bonds or other additional securities payable from Pledged Revenues and having a lien thereon subordinate, inferior, junior to the lien thereon of the Parity Lien Bonds.

Section 706. Superior Securities Prohibited. Nothing herein permits the Issuer to issue additional bonds or other additional securities payable from Pledged Revenues and having a lien thereon superior and prior to the lien thereon of the Parity Lien Bonds.

Section 707. Issuance of Refunding Securities. At any time after the Bonds or any part thereof, are issued and remain Outstanding, if the Board finds it desirable to refund any Outstanding bonds or other Outstanding securities payable from and constituting a lien upon Pledged Revenues, such bonds or other securities, or any part thereof, may be refunded only if the bonds or other securities at the time or times of their required surrender for their payment then mature or are then callable for prior redemption for the purpose of refunding them at the Issuer's option upon proper call, unless the holder or holders of all such Outstanding securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of any refunding securities on Pledged Revenues is changed (except as provided in Sections 706 and 708 through 713 hereof).

Section 708. Limitations Upon Refundings. Any refunding bonds or other refunding securities must be issued with such details as the Board may by instrument provide, subject to the provisions of Sections 711 through 713 hereof, and subject to the inclusion of any such rights and privileges designated in Section 709 hereof, but without any impairment of any contractual obligation imposed upon the Issuer by any proceedings authorizing the issuance of any one or more issues, including, without limitation, the Bonds.

Section 709. Partial Refundings. The refunding bonds or other refunding securities so issued shall enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there are any; and the holder or holders of such refunding securities shall be subrogated to all the rights and privileges enjoyed by the holder or holders of the unrefunded securities of the same issue partially refunded by the refunding securities.

Section 710. Protection of Securities Not Refunded. If only a part of the Outstanding bonds and other Outstanding securities of any issue or issues payable from Pledged Revenues is refunded, then such securities must not be refunded without the consent of the holder or holders of the unrefunded portion of such securities:

A. Requirements Not Increased. Unless the refunding bonds or other refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by such refunding securities and by the Outstanding securities not refunded on and prior to the last maturity date or last Redemption Date, if any, whichever time is

earlier, of such unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on Pledged Revenues is not raised to a higher priority than the lien thereon of the bonds or other securities thereby refunded; or

B. Subordinate Lien. Unless the lien on any Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

C. Default and Earnings Tests. Unless the Issuer is not in default in making any payments required by Article V hereof or the bond resolutions for the Parity Lien Bonds and the Issuer has met the earnings tests set forth in the bond resolutions for the Parity Lien Bonds, but excluding from any computation thereunder the bonds to be refunded and redeemed and which shall forthwith upon the issuance of the refunding bonds be no longer Outstanding.

Section 711. Payment Dates of Additional Securities. Any additional Parity Lien Bonds or Subordinate Securities or other additional Parity Lien Bonds or Subordinate Securities (including, without limitation, any funding or refunding securities) issued in compliance with the terms hereof shall bear interest, payable on the dates specified in the resolutions authorizing their issuance; and such additional securities shall mature on the dates in the year or years designated in the resolutions authorizing their issuance during the term of the additional bonds or other additional securities.

Section 712. Supplemental Instrument. Additional bonds or other additional securities payable from Pledged Revenues shall be issued only after authorization thereof by a supplemental instrument of the Board stating the purpose or purposes of the issuance of such additional securities, directing the application of the proceeds thereof to such purpose or purposes, directing the execution and authentication thereof, and fixing and determining the date, principal amount, maturity or maturities, designation and numbers thereof, the maximum rate or the rate or rates of interest to be borne thereby, any prior redemption privileges of the Issuer with respect thereto, and other provisions thereof in accordance with this Instrument. All additional securities shall bear such date, shall bear such numbers distinguishing them from each other security, shall be payable at such place or places, may be subject to redemption prior to maturity on such terms and conditions, and shall bear interest at such rate or at such different or varying rates per annum, as may be fixed by instrument or other documents of the Board.

Section 713. Accumulating Revenues for Payments. In connection with each issue of additional Parity Lien Bonds hereafter authorized, if any, monies fully sufficient for the payment of each installment of interest and each installment of principal (except to the extent any other monies are available therefor) shall be withdrawn from Net Pledged Revenues and credited to and accumulated in the Bond Fund in accordance with Section 507 hereof.

ARTICLE VIII
MISCELLANEOUS PROTECTIVE COVENANTS

Section 801. General. The Issuer hereby covenants and agrees with the holders of the Bonds and makes provisions which shall be a part of its contract with such holders as set forth in the following provisions and sections of this article.

Section 802. Performance of Duties. The Issuer, acting by and through the Board or otherwise, shall faithfully and punctually perform or cause to be performed all duties with respect to Pledged Revenues and any Facilities required by the constitution and laws of the State and the various instruments and other documents of the Issuer, including, without limitation, the making and collection of reasonable and sufficient Student Fees and any other Pledged Revenues, as herein provided, and the proper segregation of the proceeds of the Bonds, any securities pertaining to the Universities, and Pledged Revenues, and their application from time to time to the respective accounts provided therefor.

Section 803. Contractual Obligations. The Issuer shall perform all contractual obligations undertaken by it under the contract to purchase the Bonds with the respective Purchaser thereof and any other agreements relating to the Bonds, any such other securities referred to herein, or any Facilities (or any combination thereof) with all other Persons.

Section 804. Further Assurances. The Issuer shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, Pledged Revenues and other monies and accounts hereby pledged or assigned, or intended so to be, or which the Issuer may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Instrument and to comply with the Bond Act. The Issuer, acting by and through the Board, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Net Pledged Revenues and other monies and accounts pledged hereunder and all the rights of every holder of any Bonds against all claims and demands of all Persons.

Section 805. Conditions Precedent. Upon the date of issuance of any Bonds, all conditions, acts, and things required by the constitution or statutes of the State, including, without limitation, the Bond Act or this Instrument, to exist, to have happened and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened and have been performed; and the Bonds, together with all other obligations of the Issuer, shall not contravene any debt or other limitation prescribed by the State constitution or statutes.

Section 806. Corporate Existence. The Issuer shall maintain its corporate identity and existence so long as any of the Bonds and any other securities payable from Pledged Revenues remain Outstanding, unless another body corporate and politic by operation of law succeeds to the duties, privileges, powers, liabilities, disabilities, immunities and rights of the Issuer and is obligated by law to operate and maintain any Facilities and to fix and collect the Net Pledged Revenues as herein provided without adversely and materially affecting at any time

the privileges and rights of any holder of any Outstanding Bond or any other such Outstanding security.

Section 807. Rate Maintenance Covenant. The Issuer must adopt, from time to time revise, and continue in effect a schedule of Student Fees and possibly other charges, grants and other Pledged Revenues pertaining to the Universities so that the amount of Net Pledged Revenues budgeted for receipt in each Fiscal Year is at least sufficient to pay in the Comparable Bond Year an amount, including the proceeds of the General Fund Fee and the General Improvement Fee equal to 150%, and so long as the Parity Lien Bonds (excluding the 2022 Bonds, the 2023 Bonds and the Bonds) remain Outstanding, excluding the proceeds of the General Fund Fee and the General Improvement Fee equal to 110%, of the Bond Requirements (excluding any reserves therefor) of the Bonds and any other Outstanding securities payable from the Net Pledged Revenues in that Bond Year. The rate maintenance covenant in this section is subject to compliance by the Issuer with any legislation of the United States, the State or other governmental body, or any regulation or other action taken by the federal government, any State agency, or any political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of any fees and other charges due to the Issuer for the use of or otherwise pertaining to the Universities including, without limitation, increases in the amounts of such fees or other charges (or a combination thereof).

Section 808. Levy of Charges. The Issuer shall prior to the delivery of any of the Bonds fix, establish and levy the Student Fees and possibly other charges with are required by Section 822 of this Instrument, if such action is necessary therefor. No reduction in any initial or existing rate schedule of Student Fees and any other charges may be made unless the Issuer has fully complied with the provisions of article V of this Instrument for at least the full Fiscal Year immediately preceding such reduction of the initial or existing rate schedule.

Section 809. Collection of Charges. The Issuer shall cause all rents, rates, fees and other charges pertaining to the Net Pledged Revenues to be collected as soon as reasonable, shall prescribe and enforce rules and regulations for the payment thereof, and shall provide methods of collection and penalties, to the end that the Student Fees and any other Net Pledged Revenues shall be adequate to meet the requirements of this Instrument and any other instrument supplemental thereto.

Section 810. Tax Covenant. The Issuer covenants for the benefit of the holders of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the Issuer, or any Facilities financed or refinanced with the proceeds of the Bonds if such action or omission would (i) cause interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code or (ii) cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the defeasance of the Bonds until the date on which all obligations of the Issuer in fulfilling the above covenants have been met. The Issuer makes no covenant with respect to taxation of interest on the Bonds as a result of the inclusion of that interest in the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code).

Section 811. Continuing Disclosure Undertaking. The System covenants for the benefit of the holders and the beneficial owners of the Bonds to comply with the provisions of the final Continuing Disclosure Certificate in substantially the form contained in the Official Statement for the Bonds, to be executed electronically or otherwise by the Chief Financial Officer of the System and delivered in connection with the delivery of the Bonds. The failure to comply with any provisions of the Continuing Disclosure Certificate shall not constitute an Event of Default hereunder.

ARTICLE IX
MISCELLANEOUS

Section 901. Defeasance. When all Bond Requirements of any Bond or any other securities of any other issue payable from Net Pledged Revenues have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged as to such issue of securities and they shall no longer be deemed to be Outstanding within the meaning of this Instrument. There shall be deemed to be such due payment if the Issuer has placed in escrow or in trust with a trust bank exercising trust powers, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the securities issue, as such requirements become due to the fixed maturity dates of the securities or to any Redemption Date or Redemption Dates as of which the Issuer shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the securities thereafter maturing for payment then. The Federal Securities shall become due prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Issuer and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. If at any time the Issuer has so placed in escrow or trust any amount so sufficient to pay designated Bond Requirements of securities constituting less than all of the Bond Requirements of the securities becoming due on and before their respective due dates, be they the fixed maturity dates of the securities or any such Redemption Date pertaining to the securities, such designated Bond Requirements shall be deemed paid and discharged under this Instrument.

Section 902. Delegated Powers. The Chair, Secretary, Treasurer, Chancellor, the Chief Financial Officer and other officers of the Issuer hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Instrument, including without limitation:

A. Printing Bonds. The printing of the Bonds, including, without limitation, the printing on each Bond of a statement of insurance, if any;

B. Final Certificates. The execution of such certificates electronically or otherwise as may be reasonably required by the Purchaser, relating, among other matters, to:

- (1) The signing of the Bonds,
- (2) The tenure and identity of the officials of the Board and the Issuer,
- (3) The exclusion of interest on the Bonds from gross income for federal income tax purposes,
- (4) The adequacy and completeness of the Official Statement,
- (5) The delivery of the Bonds and the receipt of the Bond purchase price, and

(6) If it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity thereof, and

(7) The policy of insurance, if any, and the commitment therefor provided by any bond insurer;

(8) The execution electronically or otherwise of the Continuing Disclosure Certificate, the Certificate of the Chief Financial Officer, the Escrow Agreement and any agreement related to the Paying Agent and Registrar not inconsistent with the provisions of this resolution;

C. Information. The assembly and dissemination of financial and other information concerning the Issuer and the Bonds;

D. Official Statement. The preparation of a preliminary official statement and a final official statement and any supplements thereto for distribution to prospective buyers of the Bonds, including, without limitation, such use by the Purchaser and its associates; and

E. Bond Sale. The sale and issuance of the Bonds in accordance with the provisions of this Instrument.

Section 903. Statute of Limitations. No action or suit based upon any Bond or other obligation of the Issuer shall be commenced after it is barred by any statute of limitations pertaining thereto. Any trust or fiduciary relationship between the Issuer and the holder of any Bond or the obligee regarding any such obligation shall be conclusively presumed to have been repudiated on the fixed maturity date or other due date thereof unless the Bond is presented for payment or demand for payment of any such obligation is otherwise made before the expiration of the applicable limitation period. Any monies from whatever source derived remaining in any account reserved, pledged or otherwise held for the payment of any such obligation, action or suit for the collection of which has been barred, shall revert to the Revenue Fund, unless the Board shall otherwise provide by instrument of the Issuer. Nothing herein prevents the payment of any such obligation after any action or suit for its collection has been barred if the Board deems it in the best interests of the public so to do and orders such payment to be made.

Section 904. Evidence of Security Holders. Any request, consent or other instrument which this Instrument may require or may permit to be executed by the holder of any Bonds or other securities may be in one or more instruments of similar tenor and shall be executed by each such holder in person or by his attorney appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any Person of the securities, shall be sufficient for any purpose of this Instrument (except as otherwise herein expressly provided) if made in the following manner:

A. Proof of Execution. The fact and the date of the execution by any holder of any Bonds or other securities or his attorney of such instrument may be provided by the certificate, which need not be acknowledged or verified, of any officer of a bank or trust company satisfactory to the Secretary or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the individual signing such request or other instrument acknowledged to him the execution, or an

affidavit of a witness of such execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate holder of any securities may be established without further proof if such instrument is signed by an individual purporting to be the president or vice-president of such corporation with a corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity; and

B. Proof of Holdings. The amount of Bonds held by any person may be proved only by reference to the registration records kept by the Registrar for the Bonds and the numbers, date and other identification thereof, together with the date of his holding the securities, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Secretary, executed by a member of a financial firm or by an officer of a bank or trust company, insurance company, financial corporation or other depository satisfactory to the Secretary, or by any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, showing at the date therein mentioned that such Person exhibited to such member, officer, notary public or other officer so authorized to take acknowledgments of deeds or had on deposit with such depository the securities described in such certificate; and such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company, financial corporation or other depository satisfactory to the Secretary, or by a notary public or other officer so authorized to take acknowledgments of deeds with respect to securities owned by such holder, if acceptable to the Secretary; but the Secretary may nevertheless in his discretion require further or other proof in cases where he deems the same advisable.

Section 905. Warranty Upon Issuance of Bonds. Any Bonds, when duly executed and delivered for the purpose provided for in this Instrument, shall constitute a warranty by and on behalf of the Issuer for the benefit of each and every future holder of any of the Bonds that the Bonds have been issued for a valuable consideration in full conformity with law.

Section 906. Immunities of Municipal Advisor and Purchaser. Neither the municipal advisor to the System nor the Purchaser is under any obligation to any holder of the Bonds for any action that it may or may not take or in respect of anything that it may or may not do by reason of any information contained in any reports or other documents received by it under the provisions of this Instrument. The immunities and exemption from liability of the municipal advisor and the Purchaser hereunder extend to their partners, directors, successors, employees and agents.

Section 907. Prior Contracts. Nothing herein impairs the Issuer's obligation of contracts with any Person in connection with the Issuer, including, without limitation, Pledged Revenues, Outstanding securities payable from any of the Pledged Revenues, the instruments authorizing Outstanding securities pertaining to the System, the Universities, the Project, or existing contracts pertaining to the Universities between the Issuer and the students thereof or other Persons. If any provision herein is inconsistent with any provision in an existing contract

pertaining to the Issuer so as to affect prejudicially and materially the rights and privileges thereunder, so long as such contract shall remain in effect such provision therein shall control over such inconsistent provision herein.

Section 908. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Issuer shall decide, for any reason, to dismiss the Registrar or Paying Agent, the Chief Financial Officer on behalf of the Board and the Issuer may appoint a successor Registrar or Paying Agent, or both, by execution of a certificate of appointment by such officer. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. The Issuer shall mail notice of such appointment to each owner of any Bond at his address last shown on the registration records. It shall not be required that the same institution or entity serve as both Registrar and Paying Agent, but the Issuer shall have the right to have the same institution or entity serve as both Registrar and Paying Agent. Any successor by merger with the Registrar and Paying Agent is automatically appointed as Registrar and Paying Agent hereunder without any further action of the Board, as long as the successor otherwise is qualified to act as Registrar and Paying Agent pursuant to this section. Any bank, trust company or national banking association into which the Registrar and/or Paying Agent or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust business shall be the successor of the Registrar and/or Paying Agent under this Instrument with the same rights, powers, duties and obligations and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE X
PRIVILEGES, RIGHTS AND REMEDIES

Section 1001. Bondholder's Remedies. Each holder of any Bond shall be entitled to all of the privileges, rights and remedies provided herein, in the Bond Act, and as otherwise provided or permitted at law or in equity, except as provided in Article II hereof, but subject to the provisions herein concerning Pledged Revenues and the proceeds of the Bonds.

Section 1002. Right To Enforce Payment. Nothing in this article affects or impairs the right of any holder of any Bond to enforce the payment of the Bond Requirements of his bond or the obligation of the Issuer to pay the Bond Requirements of each Bond to the holder thereof at the times and the place expressed in the bond.

Section 1003. Events of Default. The occurrence of any of the following is an "event of default":

A. Nonpayment of Principal and Premium. Payment of the principal of any of the Bonds, or any prior redemption premium is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest is not made when the same becomes due and payable;

C. Incapable To Perform. The Issuer for any reason is rendered incapable of fulfilling its obligations hereunder;

D. Nonperformance of Duties. The Issuer fails to carry out and to perform (or in good faith to begin the performance of) all acts lawfully required to be carried out or to be performed by it under any contract relating to Pledged Revenues, to any Facilities, to the Universities, or to any combination thereof, or otherwise, including, without limitation, this Instrument, and such failure continues for 60 days after receipt of notice from the holders of at least 10% in aggregate principal amount of the Bonds then Outstanding;

E. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the Issuer appointing a receiver or receivers for Pledged Revenues, or any Facilities, or an order or decree having been entered without the consent or acquiescence of the Issuer is not vacated or discharged or stayed on appeal within 60 days after entry;

F. Default of Any Provision. The Issuer makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Instrument on its part to be performed (excluding the provisions of Section 811 hereof which shall not constitute a default hereunder), and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the Issuer by the holders of at least 10% in aggregate principal amount of the Bonds then Outstanding.

Section 1004. Remedies for Defaults. Upon the happening and continuance of any event of default, the holder or holders of not less than at least 10% in aggregate principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the Issuer to protect and to enforce the rights of any holder of Bonds under this Instrument by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or by an award of execution of any power herein granted for the enforcement of any proper legal or equitable remedy as such holder or holders may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any holder of any Bond or to require the Issuer to act as if it were the trustee of any express trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all holders of the Bonds and any Parity Lien Bonds then Outstanding.

Section 1005. Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of Bond holders, the consent to any such appointment being hereby expressly granted by the Issuer, may enter and take possession of any Facilities at the Universities, subject to the rights and privileges of any lessee or other user under any lease or other contract, may operate and maintain the same, may prescribe rentals, fees and other charges, and may collect, receive and apply all Net Pledged Revenues and any other revenues pertaining to any Facilities arising after the appointment of such receiver in the same manner as the Issuer itself might do.

Section 1006. Rights and Privileges Cumulative. The failure of any holder of any Outstanding bond to proceed in any manner herein provided shall not relieve the Issuer, its Board or any of the Issuer's officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such holder is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any holder shall not be deemed a waiver of any other right or privilege thereof.

Section 1007. Duties upon Defaults. Upon the happening of any event of default the Issuer shall perform all proper acts on behalf of and for the holders of the Bonds and any other securities payable from Pledged Revenues, to protect and to preserve the security created for the payment of their securities and to ensure the payment of the Bond Requirements of the securities promptly as the same become due. During any period of default, so long as any of the securities, as to any Bond Requirements, are Outstanding, all Net Pledged Revenues shall be paid into the Bond Fund, and, to the extent such Net Pledged Revenues, if any, exceed the Bond Requirements of the Outstanding securities payable from the Bond Fund, both accrued and to accrue to their respective fixed maturity dates or to any Redemption Date whichever is earlier, into any like account or accounts for any Outstanding Subordinate Securities. If the Issuer fails or refuses to proceed as in this section provided, the holder or holders of not less than 10% in principal amount of the Bonds and any Parity Lien Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the holders of the securities; and to that end any such holders of Outstanding securities shall be subrogated to all rights of the Issuer under any agreement, lease or other contract involving Pledged Revenues and any Facilities at

the Universities entered into prior to the effective date of this Instrument or thereafter while any such securities are Outstanding.

Section 1008. Duties in Bankruptcy Proceedings. If any such lessee or other user of the Universities, including, without limitation, any Facilities, proceeds under any laws of the United States relating to bankruptcy, including any action under law providing for corporate reorganization, it shall be the duty of the Issuer, and its appropriate officers are hereby authorized and directed, to take all necessary steps for the benefit of the holders of the Bonds, any Parity Lien Bonds and any Subordinate Securities in such proceedings, including, without limitation, the filing of any claims for unpaid rentals, fees, other charges and other payments due to the Issuer or otherwise arising from the breach of any of the covenants, terms or conditions of the lease or any other contract pertaining to the Universities Facilities, unless the Chancellor or his delegate determines that the costs of such action are likely to exceed the amounts thereby recovered from such obligor.

Section 1009. Prejudicial Action Unnecessary. Nothing in this article requires the Issuer to proceed as provided therein if the Chancellor or his delegate determines in good faith that if the Issuer so proceeds it is more likely than not to incur a net loss rather than a net gain or such action is otherwise likely to affect materially and prejudicially the holders of the Outstanding Bonds and any other Outstanding Parity Lien Bonds.

ARTICLE XI
AMENDMENT OF INSTRUMENT

Section 1101. Privilege of Amendments. Except for supplemental instruments adopted pursuant to Section 712 hereof which do not expressly or impliedly amend or otherwise modify this Instrument, and except as otherwise provided in Sections 1102 and 1111 hereof, this Instrument may be amended or supplemented by instruments adopted by the Board in accordance with the laws of the State, without receipt by the Issuer of any additional consideration, but with the written consent of the insurer for the Bonds, if any, or holders of at least 66% in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental instrument, excluding any Bonds which may then be held or owned for the account of the Issuer, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds if such refunding securities are not owned by the Issuer.

Section 1102. Limitations upon Amendments. No such instrument shall permit:

A. Changing Payment. A change in the maturity or in the terms of redemption of the principal of any Outstanding Bond or any installment of interest thereon; or

B. Reducing Return. A reduction in the principal amount of any Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith, without the consent of the holder of the Bond; or

C. Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Instrument; or

D. Modifying Limitations upon Modifications. A reduction of the principal amount or percentage of Bonds the consent of the holders of which is required for any such amendment or other modifications; or

E. Priorities Between Bonds. The establishment of priorities as between Bonds issued and Outstanding; or

F. Partial Modification. Materially and prejudicially modifying or affecting the rights or privileges of the holders of less than all of the Bonds then Outstanding.

Section 1103. Notice of Amendment. Whenever the Board proposes to amend or modify this Instrument under the provisions of this article, it shall cause notice of the proposed amendment to be sent by electronic mail or otherwise within 30 days to each:

- (1) The Paying Agent and Registrar, and
- (2) The registered owner of each Bond.

Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the Secretary for public inspection.

Section 1104. Time for Amendment. Whenever at any time within one year from the date of the mailing of such notice there shall be filed in the office of the Secretary an instrument or instruments executed by the holders of at least 66% in the aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory instrument described in such notice and shall specifically consent to and approve the adoption of such instrument, thereupon, but not otherwise, the Board may adopt such amendatory instrument and such instrument shall become effective.

Section 1105. Binding Consent to Amendment. If the holders of at least 66% in the aggregate principal amount of the Bonds then Outstanding, at the time of the adoption of such amendatory instrument, or the predecessors in title of such holders, shall have consented to and approved the adoption thereof as herein provided, no holder of any Bond whether or not such holder shall have consented to or shall have revoked any consent as in this article provided, shall have any right or interest to object to the adoption of such amendatory instrument or the terms or provisions thereof.

Section 1106. Time Consent Binding. Any consent given by the holder of a Bond pursuant to the provisions of this article shall be irrevocable for a period of six months from the date of the mailing of the notice above provided for in Section 1103 hereof and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six months from the date of mailing of such notice by the holder who gave such consent or by a successor in title by filing notice of such revocation with the Secretary, but such revocation shall not be effective if the holders of at least 66% in aggregate principal amount of the Bonds Outstanding, prior to the attempted revocation, consented to and approved the amendatory instrument referred to in such revocation.

Section 1107. Unanimous Consent. Notwithstanding anything in the foregoing provisions of this article, the terms and the provisions of this Instrument or of any instrument amendatory thereof or supplemental thereto may be amended or modified upon the adoption by the Issuer and upon the filing with the Secretary of an instrument to that effect and with the consent of the holders of all the then Outstanding Bonds, such consent to be given as provided in Section 904 hereof; and no notice to holders of Bonds by mailing shall be required as provided in Section 1103 hereof, and the time of consent shall not be limited except as may be provided in such consent.

Section 1108. Exclusion of Issuer's Bonds. At the time of any consent or of other action taken under this article, the Issuer shall furnish to the Secretary a certificate of the Treasurer, upon which the Issuer may rely, describing all Bonds to be excluded, for the purpose of consent or of other action or of any calculation of Outstanding Bonds provided for in this article, and the Issuer shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this article.

Section 1109. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this article provided may bear a notation by endorsement or otherwise in form approved by the Board as to such action; and if any such Bond so authenticated and delivered shall bear such notation, then upon demand of the holder of any Bond Outstanding at such effective date and upon presentation of his Bond for the purpose at the

principal office of the Secretary, suitable notation shall be made on such Bond by the Secretary as to any such action. If the Board so determines, new Bonds so modified as in the opinion of the Board to conform to such action shall be prepared, authenticated, and delivered; and upon demand of the holder of any Bond then Outstanding, shall be exchanged without cost to such holder for Bonds then Outstanding upon surrender of such Bonds.

Section 1110. Proof of Instruments and Bonds. The fact and date of execution of any instrument under the provisions of this article, the amount and number of the Bonds held by any Person executing such instrument, and the date of his holding the same may be proved as provided by Section 904 hereof.

Section 1111. Amendments Not Requiring Bondholders' Consent. The Issuer, acting by and through the Board, notwithstanding the provisions of other sections of this article, and without the consent of or written notice to any holder of any Bond, shall consent to any amendment, change, or modification of this Instrument as may be required:

- A. Bond Resolution. By the provisions of this Instrument,
- B. Curing Defects. For the purpose of curing any ambiguity or formal defect or omission herein,
- C. Additional Securities. In connection with the issuance and delivery of additional bonds or other securities payable from the Net Pledged Revenues, or
- D. Other Change. In connection with any other change herein which shall not have a material adverse effect on the interests of the holders of the Bonds.

PASSED AND ADOPTED on March 1, 2024

(SEAL)

Chair
Board of Regents of the
Nevada System of Higher Education

Attest:

Chief of Staff and Secretary
of the Board of Regents
of the Nevada System of Higher Education

STATE OF NEVADA)
)
COUNTY OF CLARK) ss.
)
NEVADA SYSTEM OF)
HIGHER EDUCATION)

I am the duly chosen, qualified and acting Chief of Staff and Secretary of the Board of Regents of the Nevada System of Higher Education (the "Board" and the "System," respectively), do hereby certify:

1. The foregoing pages are a full, true, correct, complete and compared copy of the original resolution (the "Resolution") that was proposed, introduced, passed and adopted at such meeting (subject to the numbering, execution and other completion of the resolution after its passage and relating thereto) held on March 1, 2024.

2. The adoption of the resolution was duly moved and seconded and the Resolution was adopted by the following vote:

Those voting aye:

Those voting nay:

Those absent:

3. The original of the Resolution has been authenticated by the signatures of the Chair of the Board and myself as Secretary, and sealed with the seal of the System, and has been recorded in the minutes of the Board kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

4. I was in attendance virtually or otherwise at such meeting, and the foregoing proceedings were in fact held as in such minutes specified as originally of record in my possession.

5. All members of the Board were given due and proper notice of the meeting. Written notice of the meeting was given in accordance with Section 241.020, Nevada Revised Statutes.

6. Upon request, the governing body provides, at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other supporting materials provided to the members of the governing

body for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

IN WITNESS WHEREOF, I have hereunto set my hand on March 1, 2024.

Chief of Staff and Secretary
of the Board of Regents