

BOARD OF REGENTS
BRIEFING PAPER

1. Agenda Item Title: Resolution to Authorize Revised Promissory
Note for UNLV Hotel College Academic Building

Meeting Date: December 3-4, 2015

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

The initial Resolution for the financing of this project, Hotel College Academic Building, was approved as part of the financing plan by the Board at its June 2015 meeting. Through a competitive solicitation process, Wells Fargo was selected to provide the financing. However due to the structure of the loan which requires the option of drawing down construction funds as needed, the bank requires the addition of a Continuing Covenant Agreement which provides, among other things, conditions and limitations on advances of principal under the Note and provisions related to interest borne on the Note as well as fees charged by the bank in connection with principal advances over time.

System Bond Counsel has reviewed the additional agreement and drafted a revised Resolution and associated documentation to include this Agreement. Inclusion of that Agreement, however, is outside of the original June 2015 approval and requires this revised Resolution be approved. The original financing plan indicated a draw of ‘up to \$20.9 million.’ Current projections indicate that no more than \$19.9 million will be required as additional donor funds have been received since June, and this Resolution also reflects that lower number. The structure of the overall financing plan has not changed.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Vice Chancellor for Finance and Administration Vic Redding requests approval of a revision to the form of the previous financing resolution for the Hotel College Academic Building that was approved by the Board of Regents at its June 2015 meeting.

4. IMPETUS (WHY NOW?):

Completion of the financing now is needed for the project to remain on schedule, and this change is needed to utilize the lowest cost bidder.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Approval of this revised package will allow NSHE to accommodate the low bidder’s requirements and obtain the lowest cost financing.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

None noted

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

If this revised Resolution is not approved NSHE will need to utilize the 2nd lowest cost financing option which has an incremental cost of \$120,000.

8. 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__ No__X__
Explain: No change to the previously approved financing plan

RESOLUTION NO. _____

WHEREAS, pursuant to chapter 396 of Nevada Revised Statutes (the "Project Act") and all laws supplemental thereto, the Board of Regents (the "Board") of the Nevada System of Higher Education ("NSHE") is authorized to issue an obligation to repay money in the form of a promissory note (the "Note") in the principal amount up to \$19,900,000 as specified in a certificate of the Chancellor or the Vice Chancellor for Finance and Administration or any interim (the "Vice Chancellor for Finance") dated on or before the date of delivery of the Note (the "Certificate") to finance the costs of capital improvements at the University of Nevada, Las Vegas (the "Project"); and

WHEREAS, the Board hereby authorizes the Vice Chancellor for Finance to arrange for the issuance and sale of the Note for the Project, including inviting bids for the purchase of the Note and ratifies action previously taken in connection with the issuance and sale of the Note; and

WHEREAS, after distribution of notice inviting bids for the purchase of the Note, Board authorizes the Vice Chancellor for Finance, as the chief financial officer of NSHE or the Chancellor, as the chief administrative officer of NSHE, to receive and publicly open bids and sell the Note to the best bidder therefor (the "Purchaser") and ratifies action previously taken in connection with the receipt and opening of bids and either of such officer is hereby authorized to accept a binding contract for the Note, the Note to bear interest at the rate or rates per annum, including a variable interest rate, provided in the purchase proposal submitted by the Purchaser (the "Proposal"), 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 and otherwise upon the terms and conditions herein provided.

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

Section 1. The officers of the System are hereby authorized to take all action necessary to effectuate the provisions of this resolution, including, without limitation, the Chancellor or the Vice Chancellor for Finance is authorized to sell the Note and sign the Proposal as a binding contract with the Purchaser for the purchase of the Note and a Continuing Covenant Agreement between the System and the Purchaser (the "Agreement") in substantially the form attached hereto as Exhibit B and negotiate the terms of the Note (in one series or more), the Proposal and the Agreement by the Chancellor or the Vice Chancellor for Finance with the Purchaser which terms shall not be materially inconsistent with the terms of the Certificate, the form of the Note attached hereto as Exhibit A and the form of the Agreement, with any changes to the form of the Note and the Agreement as are approved by the Chancellor or the Vice Chancellor for Finance in the judgment of the Chancellor or the Vice Chancellor for Finance, including any covenants or provisions to protect the owner of the Note and/or NSHE, that the Chancellor or Vice Chancellor for Finance determines are necessary or desirable to obtain favorable terms for NSHE which covenants or provisions, if any, shall be evidenced by such officer's execution of the Certificate and any such determination made is conclusive absent fraud or abuse of discretion.

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Section 2. The Note shall be issued and payable in fully registered form, i.e., registered as to both principal and interest and shall be dated as of the date of delivery of the Note. The principal advanced under the Note shall bear interest from its date or the date of each advance until the maturity dates thereof (or, if redeemed prior to maturity as provided below, the redemption dates) at the respective variable or fixed rates set forth in the Certificate, and payable semi-annually in the designated years as set forth in the Certificate commencing as set forth in the Certificate; provided that any Note which is reissued upon transfer, exchange or other replacement shall bear interest at the rate or rates set forth in the Certificate from the most recent interest payment date to which interest has been paid, or if no interest has been paid, from the date of the Note. The Note shall mature in the designated amounts of principal and designated years as set forth in the Certificate. The final principal payment under the Note shall be paid to the registered owner of the Note at the office of U.S. Bank National Association, as the registrar and paying agent for the Note (the "Paying Agent") on presentation and surrender of the Note at maturity or on call for redemption as provided below. Installments of maturing principal and interest on the Note shall be paid by check or draft mailed or electronic funds transfer initiated on or before each interest payment date (or if such date is not a business day, on the next succeeding business day) to the registered owner hereof at the address appearing on the registration records of NSHE maintained by the Paying Agent or such other means acceptable to the Purchaser and the Paying Agent. All such payments shall be made in lawful money of the United States of America.

Section 3. The Note, or portions thereof, maturing on and after the date specified in the Certificate, shall be subject to redemption prior to their respective maturities, at the option of NSHE, at any time on and after the date specified in the Certificate, in whole or in part from any maturities selected by NSHE, at a price equal to the principal amount of the Note, or portion thereof, so redeemed, accrued interest thereon to the redemption date, and a premium, if any, as provided in the Certificate. The Note may be transferred as otherwise set forth in the Certificate.

Section 4. The Board hereby authorizes the execution and delivery of the Note with manual or facsimile signatures of the Chairman, Chancellor, ex officio Treasurer, and the Secretary of the Board, the execution and delivery of the Agreement by the Chancellor or the Vice Chancellor for Finance and such certificates as may be necessary to evidence the validity and enforceability of the Note and the exclusion of interest on the Note from gross income and alternative taxable income for federal income tax purposes, including the execution of closing certificates by any of the officers of the Board and any of the Chancellor, Vice Chancellor for Finance and Vice Chancellor for Legal Affairs.

Section 5. This resolution shall be effective on its passage and approval.

PASSED, ADOPTED AND APPROVED this December _____, 2015.

NEVADA SYSTEM OF HIGHER EDUCATION

Chairman, Board of Regents

Attest:

Secretary

Exhibit A
(Attach Form of Note)

TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH HEREIN

NEVADA SYSTEM OF HIGHER EDUCATION
PROMISSORY NOTE
(UNIVERSITY OF NEVADA, LAS VEGAS)
SERIES 2015A

No. R-1

FINAL MATURITY DATE: January 3, 2023 (the "*Maturity Date*")

MAXIMUM PRINCIPAL AMOUNT: \$ _____

INTEREST RATE: LIBOR Index Rate

DATE OF DELIVERY: [_____], 2015

NON-DTC ELIGIBLE CUSIP: _____

For value received, the Nevada System of Higher Education (the "*System*"), hereby promises to pay in installments as outlined below, from any sources legally available therefor to the order of Wells Fargo Bank, National Association (the "*Lender*"), or its registered assigns as shown on the registration panel appended hereto, the maximum aggregate principal amount of \$ _____, or such lesser amount as shall represent the aggregate principal amount advanced under this Note to the System pursuant to the terms and provisions of that certain Continuing Covenant Agreement dated December 1, 2015, between the System and the Lender (the "*Agreement*"), together with interest on the unpaid principal of this Note from the date of delivery of this Note or the date of each Advance until the principal advanced under this Note is paid in full at the LIBOR Index Rate set forth in Exhibit C hereto. Subject to the terms of the Agreement, principal may be advanced under this Note by execution and delivery by the System to the Lender and U.S. Bank National Association, as registrar and paying agent for this Note (the "*Paying Agent*" or "*Registrar*"), of a Principal Advance Request in the form of Exhibit B attached hereto. If an executed Principal Advance Request in the form of Exhibit B attached hereto is delivered to the Lender and Registrar in accordance with the terms of the Agreement, the Registrar may assume that such principal amount will be advanced on the requested date unless the Registrar has been notified by the Lender in writing that the conditions to such Advance have not been satisfied and the Lender will not be making such Advance; provided that the obligation of the Lender to provide such notice shall be on a commercially reasonable basis and the Lender shall incur no liability for the failure to provide such notice. The amount of principal advanced under this Note pursuant to the terms and provisions of the Agreement may be noted on the schedule of principal advances appended to this Note by the Registrar or evidenced by an executed Principal Advance Request and the amount and date of each principal advance under this Note shall be maintained in the registration records by the Registrar whose records shall be conclusive evidence of the date and amount of each principal advance. Subject to the terms of the Agreement, principal may be advanced under this Note pursuant to the terms and provisions in the Agreement until March 31, 2017, or such earlier date specified in a written notice delivered to the Lender and the Paying Agent by the Chancellor, the Vice Chancellor for Finance and Administration or the Senior Vice President of Finance and Administration at the University of Nevada, Las Vegas (each, an "*Officer*") that no further Advances will be made under the Agreement. The System shall pay principal in installments which shall be sufficient to fully pay the total principal amount advanced hereunder plus interest thereon until the Maturity Date in the

amounts and on the dates set forth on Exhibit A attached hereto and made a part hereof, subject to adjustment as provided in this Note. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Agreement.

Interest shall be calculated on the basis of a 360-day year and actual days elapsed. Interest shall be payable in arrears on the first Business Day of each month commencing on January 4, 2016, and the first Business Day of each month thereafter until the Maturity Date. The outstanding principal of this Note shall mature in installments of principal payable on the first Business Day of each January and July of each year commencing on the first Business Day of July, 2017 and ending on the first Business Day of January, 2023 at which time all unpaid principal plus accrued unpaid interest shall be due and payable. The installments of principal shall be due as set forth in the schedule attached hereto as Exhibit A and made a part hereof; provided that on March 31, 2017 or such earlier date specified in a written notice delivered to the Lender by any Officer that no further Advances will be made under this Note, if the maximum principal amount of this Note has not been advanced as of such date, the principal payments due on each date set forth in Exhibit A shall be reduced by a fraction the numerator of which is the amount of principal advanced under this Note and the denominator of which is the maximum principal amount of this Note.

The final principal payment under this Note shall be paid to the registered owner of this Note at the office of the Paying Agent on presentation and surrender of this Note at maturity or on call for prepayment as provided below. Installments of maturing principal and interest on this Note shall be paid by check or draft mailed or electronic funds transfer initiated on or before each interest payment date (or if such date is not a Business Day, on the next succeeding Business Day), to the registered owner hereof at the address appearing on the registration records of the System maintained by the Paying Agent or such other means acceptable to the Lender and the Paying Agent. Notwithstanding the foregoing, all payments of principal and interest on this Note to Wells Fargo Bank, National Association, may be made via wire transfer pursuant to instructions on file with the Paying Agent and without presentment or surrender of this Note. All such payments shall be made in lawful money of the United States of America.

The outstanding principal of this Note may be prepaid in whole or in part on any date at the option of the System as directed by the Chancellor or the Vice Chancellor for Finance and Administration without premium or penalty on 10 days' written notice by first class mail postage prepaid or electronic notice to the registered owner hereof and the Paying Agent, subject to limitations, if any, set forth in the Agreement. On any date on which the System is prepaying all or any portion of the principal balance of this Note, interest accrued on such principal so prepaid to the date of prepayment shall also be paid. After the date of the prepayment of all or part of the principal hereof, interest on the portion of the principal so prepaid will cease to accrue. The amount of principal so prepaid may be noted on the prepayment panel appended to this Note and shall be maintained in the registration records by the Registrar.

Partial principal prepayments shall be applied to the principal due under this Note as directed by an Officer, including application to the most remote installment of principal due under this Note which may result in a shortened term for this Note. The written notice of the System to the registered owner and the Paying Agent set forth in the previous paragraph shall specify how such

partial principal prepayment is to be applied and in the event that such notice does not include such specification, such partial prepayment shall be applied to the next succeeding principal installment payment set forth on Exhibit C hereto. Payments under this Note, other than prepayments, shall be applied in the order set forth herein.

The principal of and interest on this Note are payable only to the registered owner hereof at the address appearing on the registration records of the System maintained by the Paying Agent. This Note may be transferred on presentation by the registered owner to the Paying Agent, together with evidence of transfer satisfactory to the Paying Agent and Registrar, and such transfer shall be noted in the registration records of the System maintained by the Registrar and may be similarly noted on the registration panel hereof and no such transfer shall be effective until the registered owner shall have provided such satisfactory evidence of transfer to the Paying Agent and Registrar. This Note may be transferred in minimum authorized denominations of \$250,000 if (i) written notice of such transfer, together with addresses and related information with respect to such purchaser, is delivered to the Registrar by such transferor and (ii) such purchaser shall have delivered to the Registrar and the transferor an investor letter in the form attached as Exhibit D to this Note executed by a duly authorized officer of such purchaser; *provided* that each such purchaser shall constitute (1) a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, and (2) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer, of not less than \$5,000,000,000. Notwithstanding the foregoing, this Note be transferred without limitation to an affiliate of the Lender or to a trust or custodial arrangement established by the Lender or an affiliate of the Lender, each of the beneficial owners of which are "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. The Paying Agent shall not be required to transfer ownership of this Note within 30 days of any date on which any portion of the principal hereof is to be prepaid. The System, the Registrar and the Paying Agent shall be entitled to treat the registered owner of this Note as noted in the registration records maintained by the Registrar as the absolute owner hereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Paying Agent shall transmit payments to the registered owner hereof as shown on the registration records of the System maintained by the Registrar.

This Note is issued by the System pursuant to authorization by the Board of Regents of the System (the "*Board*") for the purpose of financing in part the cost of capital improvements for the University of Nevada, Las Vegas. The Note is payable from any monies of the System legally available for the purpose of making such payment, and the System hereby covenants to make sufficient provision annually in its budget to pay the principal of and interest on this Note when due. The Note does not constitute a debt or indebtedness of the State of Nevada or a charge against the State's credit or taxing power. Repayment of this Note is not subject to annual appropriation by the System.

Each of the following are defined to be an "Event of Default" hereunder.

(i) the System is 5 or more calendar days late in making any regularly scheduled payment of the principal of or interest on this Note when due;

(ii) the System files a petition or similar pleading or any petition or similar pleading is filed against the System seeking a discharge composition or other form of relief of the System's debt under the Federal Bankruptcy laws or under any other applicable bankruptcy, insolvency or similar laws of the United States or the State of Nevada;

(iii) an order or decree is entered in a court of competent jurisdiction in an insolvency case under the Federal Bankruptcy laws or under any other applicable federal or state bankruptcy, insolvency, or similar law appointing a receiver, custodian, liquidator, or trustee for the assets of the System or any substantial part of the System's property and such decree or order continues unstayed and in effect for a period of 90 days;

(iv) the System voluntarily suspends its business; or

(v) any Event of Default (as defined in the Agreement) shall have occurred.

If an Event of Default shall have occurred hereunder, then

(i) the registered owner may proceed against the System to protect and enforce all of its rights hereunder by mandamus or by other suit, action or special proceeding in law or in equity in any court of competent jurisdiction for the specific performance of the covenants and agreements of the System hereunder; and

(ii) the registered owner may exercise such other remedies available to it at law or in equity.

Any failure on the part of the registered owner to exercise, and any delay in exercising, any right hereunder shall not operate as a waiver thereof or of any other remedy; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any other remedies provided by law.

Payments made on this Note shall be applied in the following order of priority: (i) to pay any reasonable expenses incurred in collecting amounts due under or in enforcing the provisions of this Note, (ii) to pay interest in arrears or then due, and (iii) to pay the installments of principal in arrears or then due. If any principal payment is not made when due, interest shall continue on the unpaid installment of principal until it is paid.

This Note shall be governed by the laws of the State of Nevada.

It is hereby certified, recited, declared and warranted that all actions required to be taken prior to the issuance hereof have been had and taken by the System.

The System covenants for the benefit of the registered owners of this Note that it will not take any action or omit to take any action with respect to this Note, the proceeds thereof, any other funds of the System or any facilities financed with the proceeds of this Note if such action or omission (i) would cause the interest on this Note to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of this Note (the "*Tax Code*"), or (ii) would cause interest on this Note to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code.

Except as otherwise may be provided in this Note, all notices, requests, requisitions or other communications pursuant to this Note shall be in writing and shall be sufficiently given and shall be deemed given by personal delivery, facsimile transmission or when mailed by first class mail, and either delivered or addressed as follows:

If to the Officers at: University of Nevada, Las Vegas
Box 451004
4505 S. Maryland Parkway
Las Vegas, Nevada 89154
Attention: Senior Vice President for Finance
And Administration
Email: Gerry.bomotti@unlv.edu

And

Nevada System of Higher Education
2601 Enterprise Road
Reno, Nevada 89512
Attention: Vice Chancellor for Finance and
Administration
Email: vic_redding@nshe.nevada.edu

If to the Paying Agent at: U.S. Bank National Association
Global Corporate Trust Services
U.S. Bank Center, LM-AZ-X16P
101 North First Ave., Suite 1600
Phoenix, AZ 85003
Email: keith.henselen@usbank.com

If to the Lender, at: Wells Fargo Bank, National Association
1700 Lincoln Street, 21st Floor
Denver, Colorado 80203
Attention: Nathan Bogg
Fax: (866) 972-8653
E-mail: Nathan.D.Bogg@wellsfargo.com

With respect to a request for an Advance:

Wells Fargo Bank, National Association
333 South Grand Avenue, 5th Floor
Los Angeles, California 90071
Attention: F. Norman Liversidge, IV
Fax: (866) 972-9794
E-mail: Norm.Liversidge@wellsfargo.com

With a copy to:

Wells Fargo Bank, National Association
1700 Lincoln Street, 21st Floor
Denver, Colorado 80203
Attention: Nathan Bogg
Fax: (866) 972-8653
E-mail: Nathan.D.Bogg@wellsfargo.com

Any of the foregoing persons may, by notice given hereunder to each of the other persons, designate any further or different addresses, including email addresses, or facsimile telephone numbers to which subsequent notices, requests or other communications shall be sent.

IN WITNESS WHEREOF, the Nevada System of Higher Education has caused this Note to be signed and executed by the manual or facsimile signature of the Chairman of its Board of Regents, to be countersigned by the manual or facsimile signature of the Chancellor, ex-officio Treasurer of the System and to be signed and attested by the manual or facsimile signature of the Chief Executive Officer of the Board, ex officio Secretary, all as of the date of this Note appearing above.

NEVADA SYSTEM HIGHER EDUCATION

Chairman, Board of Regents

(SEAL)

Countersigned:

Chancellor, ex-officio Treasurer

Attest:

Secretary, Board of Regents

PROVISION FOR REGISTRATION AS TO PRINCIPAL AND INTEREST

This Note must be registered as to both principal and interest on the registration records of the System, kept by U.S. Bank National Association, as registrar and paying agent (the "Registrar"). After registration as to both principal and interest, the Registrar shall note such registration on such registration records and may note such amounts in the registration blank below, and the principal and interest on this Note shall be paid to such registered owner. All payments of principal and interest, including prepayments of principal and accrued interest to the date of prepayment, on this Note may be made via wire transfer pursuant to instructions on file with the Paying Agent and without presentment or surrender of this Note. This Note may be transferred by the registered owner or such registered owner's legal representative only upon a duly executed assignment in form satisfactory to the Registrar and a duly executed investor letter in the form attached as Exhibit D to this Note, such transfer to be made on said registration records and endorsed hereon. The System, the Registrar and the Paying Agent shall be entitled to treat the registered owner of this Note as noted in the registration records maintained by the Registrar as the absolute owner hereof for all purposes of this Note and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Paying Agent shall transmit payments to the registered owner hereof as shown on the registration records of the System maintained by the Registrar.

Every privilege, registration, and transfer, shall be exercised only in accordance with the authorizing resolution and such reasonable rules and regulations as the Registrar may prescribe.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

PRINCIPAL ADVANCES
(minimum amount of \$500,000 per advance and integral multiples of \$250,000)

Date	Amount of Advance	Signature of the Paying Agent
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

ASSIGNMENT

The within and foregoing Note No. R-1 is hereby sold, assigned, transferred and set over, without recourse, unto _____, or order, subject to the terms and conditions of said Note.

Dated this _____, _____.

Owner

Signature Guaranteed:

PREPAYMENT PANEL

Principal of this Note has been prepaid on the dates indicated below:

<u>Date of Prepayment</u>	<u>Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT A

Preliminary, subject to change

**Nevada System of Higher Education
Promissory Note (University of Nevada, Las Vegas), Series 2015A**

Preliminary Principal Payment Schedule

Date	Principal¹
07/03/2017	\$1,526,000.00
01/02/2018	1,549,000.00
07/02/2018	1,572,000.00
01/02/2019	1,596,000.00
07/01/2019	1,620,000.00
01/02/2020	1,644,000.00
07/01/2020	1,668,000.00
01/04/2021	1,693,000.00
07/01/2021	1,719,000.00
01/03/2022	1,745,000.00
07/01/2022	1,771,000.00
01/03/2023	1,797,000.00

	\$19,900,000.00

¹ Preliminary, subject to change as provided in the attached Note.

EXHIBIT B

FORM OF PRINCIPAL ADVANCE REQUEST

Date: _____, 20__

Wells Fargo Bank, National Association
1700 Lincoln Street, 21st Floor
Denver, Colorado 80203
Attention: Nathan Bogg
Facsimile: (866) 972-8653
Email: Nathan.D.Bogg@wellsfargo.com

Wells Fargo Bank, National Association
333 South Grand Avenue, 5th Floor
Los Angeles, California 90071
Attention: F. Norman Liversidge, IV
Facsimile: (866) 972-9794
Norm.Liversidge@wellsfargo.com

U.S. Bank National Association
As Paying Agent and Registrar
Global Corporate Trust Services
U.S. Bank Center, LM-AZ-X16P
101 North First Ave., Suite 1600
Phoenix, AZ 85003
Email: keith.henselen@usbank.com

Re: Nevada System of Higher Education, Promissory Note (University of Nevada, Las Vegas), Series 2015A dated December ____, 2015 (the "Note")

Ladies and Gentlemen:

The undersigned hereby requests that you make an Advance on the Note of _____ Dollars (\$ _____)¹ to the order of the Nevada System of Higher Education ("NSHE") on or before _____, 20__, which is a Business Day at least five Business Days after the date of this request.

Please wire funds to the account of the Nevada System of Higher Education
Depositor Account Title:
Bank Name:
ABA RTN Number:
Account Number:
Attention:

The undersigned hereby certifies and warrants that:

1. The aggregate of principal advances requested from Wells Fargo Bank, National Association pursuant to the Agreement and evidenced by the Note, including the Advance requested in this Principal Advance Request, do not exceed the maximum principal amount of the Note of \$ _____.

¹ Advances to be in minimum amounts of \$500,000 and integral multiples of \$250,000 in excess thereof.

2. All representations and warranties of NSHE contained in the Note, the Agreement and the documents accompanying the Note, including, without limitation, the Federal Tax Exemption Certificate dated _____, remain true and correct on this date as if made on this date. No law has been adopted which in any way adversely affects NSHE's authority to obtain and repay this advance. NSHE covenants to advise you immediately if any such law is adopted.

3. No Default or Event of Default shall have occurred and be continuing on such requested date of Advance.

Respectfully submitted,

NEVADA SYSTEM OF HIGHER
EDUCATION

By: _____
(Must be Chancellor, Vice Chancellor for Finance and Administration, Senior Vice President for Finance and Administration at the University of Nevada, Las Vegas or _____ of the State of Nevada Public Works Board (or any interim of any position))

By: _____
(If signed above by _____ of the State of Nevada Public Works Board, must also be signed by Chancellor, Vice Chancellor for Finance and Administration, Senior Vice President for Finance and Administration at the University of Nevada, Las Vegas (or any interim of any position))

EXHIBIT C

LIBOR INDEX RATE

Definitions

Capitalized terms used in this Exhibit C and not otherwise defined in the Note or the Agreement shall have the following meanings:

"Applicable Factor" means 70%.

"Applicable Spread" means, initially seventy-five basis points (0.75%) subject to the maintenance of the long-term unenhanced ratings assigned by Fitch and S&P on the Nevada System of Higher Education, Certificates of Participation, Series 2014A or a debt of the System secured on a parity therewith (each a *"Rating"*) as in effect on the Date of Delivery. In the event of a change in a Rating assigned by S&P or Fitch, the Applicable Spread shall be the number of basis points associated with such new Rating as set forth in the following schedule:

LEVEL	S&P RATING	FITCH RATING	APPLICABLE SPREAD
Level 1	AA- or above	AA- or above	0.75%
Level 2	A+	A+	0.90%
Level 3	A	A	1.05%
Level 4	A-	A-	1.20%
Level 5	BBB+	BBB+	1.45%
Level 6	BBB	BBB	1.80%
Level 7	BBB-	BBB-	2.00%

In the event the ratings maintained by Fitch and S&P are not at the same level, the lower rating shall control for purposes of determining the Applicable Spread. References in this definition of Applicable Spread are to rating categories as presently determined by S&P and Fitch, and in the event of the adoption of any new or changed rating system or a "global" rating scale by any such rating agency, the rating categories shall be adjusted accordingly to a new rating which most closely approximates the requirements as set forth herein. In the event that a rating falls below "BBB-" (or its equivalent by S&P or "BBB-" (or its equivalent) by Fitch, the Applicable Spread shall increase to a rate equal to 1.50% above the rate set forth in Level 7. The System acknowledges that as of the Date of Delivery the Applicable Spread is that set forth in Level 1 above. Any change in the Applicable Spread shall apply to the LIBOR Index Reset Date next succeeding the date on which the change occurs.

"Base Rate" means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.0%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.0%), and (iii) seven percent (7.0%).

"Business Day" means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in Denver, Colorado or New York, New York or the states where the principal corporate office of the System or the principal corporate trust office of the Paying Agent is located are authorized by law to close, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or (c) a day on which the principal offices of the Calculation Agent or the principal office of the Purchaser is closed.

"Calculation Agent" means Wells Fargo Bank, National Association, and thereafter means other Person appointed by the System, with the consent of the Purchaser in its sole discretion, to serve as calculation agent for the Notes.

"Computation Date" means the second London Business Day immediately preceding each LIBOR Index Reset Date.

"Default Rate" means, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus three percent (3.0%).

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Purchaser on such day on such transactions as determined by the Purchaser.

"Fitch" means Fitch, Inc., and any successor rating agency.

"LIBOR Index" means the rate of interest per annum determined by the Calculation Agent based on the rate for United States dollar deposits for delivery on the LIBOR Index Reset Date for a period equal to one month as reported on Reuters Screen LIBOR01 page (or any successor page) at approximately 11:00 a.m., London time, on each Computation Date (or if not so reported, then as determined by the Calculation Agent from another recognized source of interbank quotation).

"LIBOR Index Rate" means a per annum rate of interest established on each Computation Date equal to the sum of (a) the Applicable Spread plus (b) the product of (i) the LIBOR Index multiplied by (ii) the Applicable Factor.

"LIBOR Index Interest Period" means the period from and including the Date of Delivery to but not including the first Business Day of the month and, thereafter, shall mean the period from and including the first Business Day of each month to but not including the first Business Day of the next succeeding month.

"LIBOR Index Reset Date" means the first Business Day of each calendar month.

"*London Business Day*" means any day that is a day for trading by and between banks in Dollar deposits in the London interbank market.

"*Maximum Rate*" means the maximum nonusurious lawful rate of interest permitted by applicable law

"*Prime Rate*" means on any day, the rate of interest per annum then most recently established by the Purchaser as its "prime rate." Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Purchaser to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Purchaser may make various business or other loans at rates of interest having no relationship to such rate. If the Purchaser ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

"*Purchaser*" means the registered owner of the Notes, *provided* that there is a single registered owner of all of the Notes. If there is more than one registered owner of the Notes, "Purchaser" means registered owners owning a majority of the aggregate principal amount of the Notes then outstanding.

"*S&P*" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and any successor rating agency.

"*Taxable Date*" has the meaning set forth in the Agreement.

"*Taxable Rate*" means the product of the LIBOR Index Rate then in effect multiplied by 1.54.

LIBOR Index Rate

LIBOR Index Rate. The Note shall bear interest at the LIBOR Index Rate, subject to adjustment as set forth in this Exhibit C. The Calculation Agent shall determine the LIBOR Index Rate on each Computation Date, and such rate shall become effective on the LIBOR Index Reset Date next succeeding the Computation Date and interest at such rate shall accrue each day during such LIBOR Index Interest Period, commencing on and including the first day of such period to but excluding the last day of such period. The LIBOR Index Rate shall be rounded upward to the fifth decimal place. Promptly following the determination of the LIBOR Index Rate, the Calculation Agent shall give notice thereof to the Paying Agent and the System. If the LIBOR Index Rate is not determined by the Calculation Agent on the Computation Date, the rate of interest born on such Index Rate Notes shall be the rate in effect for the immediately preceding LIBOR Index Interest Period until the Calculation Agent next determines the LIBOR Index Rate as required hereunder. The LIBOR Index

Rate for the period commencing on the Date of Delivery to but excluding January 4, 2016, shall be [_____] %] per annum and shall be payable on January 4, 2016.

Each Advance, subsequent to the Initial Advance, shall bear interest at the LIBOR Index Rate determined by the Calculation Agent on the Computation Date immediately preceding the date of such Advance to but not including the following LIBOR Index Reset Date. Thereafter, the LIBOR Index Rate for such Advance shall be computed and reset as set forth in the preceding paragraph consistent with each other Advance outstanding under the Agreement.

The determination of the interest rate on the Notes by the Calculation Agent shall be conclusive and binding upon registered owners, the System, the Registrar and the Paying Agent in absence of manifest error.

Adjustments to LIBOR Index Rate

Taxable Rate. From and after any Taxable Date, the interest rate on Notes shall be established at a rate at all times equal to the Taxable Rate.

Default Rate. Notwithstanding anything herein or in the Note to the contrary, upon the occurrence and during the continuation of an Event of Default, the interest rate for the Note shall be equal to the Default Rate.

Excess Interest. Notwithstanding anything herein or in the Note to the contrary, if the rate of interest on the Note exceeds the Maximum Rate for such Notes, then (a) such Notes shall bear interest at the Maximum Rate and (b) interest on such calculated at the rate equal to the difference between (i) the rate of interest for such Notes as calculated pursuant to this Exhibit C and (ii) the Maximum Rate (the "*Excess Interest*") shall be deferred until such date as the rate of interest borne by such Notes as calculated pursuant to this Exhibit C is below the Maximum Rate, at which time Excess Interest shall be payable with respect to such Notes in amounts that, when combined with the then-current interest due on the Notes, does not exceed payment at the Maximum Rate, until all deferred Excess Interest is paid in full. Upon the repayment in full of the Note, the System shall pay to the owners of the Note a fee equal to the amount of all unpaid deferred Excess Interest on the Note.

EXHIBIT D

FORM OF INVESTOR LETTER

Nevada System of Higher Education
2601 Enterprise Road
Reno, Nevada 89512

Re: **[\$19,900,000]**
NEVADA SYSTEM OF HIGHER EDUCATION
PROMISSORY NOTE
(UNIVERSITY OF NEVADA, LAS VEGAS)
SERIES 2015A

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of all of the above-referenced note (the "*Note*"), dated December __, 2015. _____ (the "*Purchaser*," the "*undersigned*," "*us*" or "*we*," as applicable) is purchasing the Note pursuant to a Continuing Covenant Agreement dated as of December 1, 2015, between the Nevada System of Higher Education (the "*System*") and the Purchaser. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Note has not been registered pursuant to the Securities Act of 1933, as amended (the "*1933 Act*") or the securities laws of any state. We acknowledge that the Note (i) is not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (ii) will not be listed on any securities exchange, and (iii) will not carry a rating from any rating service.
2. We have not offered, offered to sell, offered for sale or sold any of the Note by means of any form of general solicitation or general advertising, and we are not an underwriter of the Note within the meaning of Section 2(11) of the 1933 Act.
3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Note.

4. We have authority to purchase the Note and to execute this letter and any other instruments and documents required to be executed by the purchaser in connection with the purchase of the Note.

5. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

6. The Purchaser is a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and is a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus of not less than \$5,000,000,000 as of the date hereof, and is able to bear the economic risks of such investment.

7. The undersigned understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Notes. The undersigned has made its own inquiry and analysis with respect to the System, the Note and the security therefor, and other material factors affecting the security for and payment of the Note.

8. The undersigned acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the System, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the System, the Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Note.

9. The Note is being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; *provided, however*, that the Purchaser reserves the right to sell, transfer or redistribute the Note, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

(a) that is an affiliate of the Purchaser;

(b) that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers; or

(c) that the Purchaser reasonably believes to be a qualified institutional buyer and a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any case, having a combined capital and surplus of not less than

\$5,000,000,000 as of the date of such sale, transfer or distribution who executes an investor letter substantially in the form of this letter.

Very truly yours,

_____, AS PURCHASER

By: _____

Name: _____

Title: _____

Exhibit B

(Attach form of Agreement)

CONTINUING COVENANT AGREEMENT

dated as of December 1, 2015,

between

NEVADA SYSTEM OF HIGHER EDUCATION

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

relating to

[\$19,900,000]

NEVADA SYSTEM OF HIGHER EDUCATION
PROMISSORY NOTE
(UNIVERSITY OF NEVADA, LAS VEGAS)
SERIES 2015A

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EXHIBITS

EXHIBIT A – FORM OF COMPLIANCE CERTIFICATE

CONTINUING COVENANT AGREEMENT

This CONTINUING COVENANT AGREEMENT, dated as of December 1, 2015 (as amended, modified or restated from time to time, this “*Agreement*”), between the NEVADA SYSTEM OF HIGHER EDUCATION, a body corporate and politic organized under the laws of Nevada, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association.

RECITALS

WHEREAS, the System has issued its Promissory Note (University of Nevada, Las Vegas) Series 2015A (the “*Note*”), as authorized by that certain Resolution No. _____ dated as of [December __, 2015], (as the same may be amended, modified or restated in accordance with the terms thereof and hereof, the “*Resolution*”) of the Board of Regents of the System; and

WHEREAS, the Purchaser (as defined herein) has agreed to purchase the Note and make Advances (as defined herein) in installments in accordance with the terms hereof, and as a condition to the purchase the Note and the making of such Advances, the Purchaser has required the System to enter into this Agreement.

NOW, THEREFORE, to induce the Purchaser to purchase the Note and make Advances in installments in accordance with the terms hereof, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the System and the Purchaser hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Certain Defined Terms. In addition to the terms defined in the recitals and elsewhere in this Agreement and the Note, the following terms shall have the following meanings:

“*1933 Act*” means the Securities Act of 1933, as amended.

“*Advances*” means, collectively, the Initial Advance and each subsequent Advance made by the Purchaser pursuant to Section 2.02(b) hereof.

“*Affiliate*” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.

“Anti-Terrorism Laws” has the meaning set forth in Section 5.16 hereof.

“Applicable Spread” has the meaning set forth in the Note.

“Base Rate” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.0%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.0%), and (iii) seven percent (7.0%).

“Bond Counsel” means Sherman & Howard L.L.C., or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the System.

“Business Day” means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in Reno, Nevada or New York, New York or the states where the principal corporate office of the System or the principal corporate trust office of the Paying Agent is located are authorized by law to close, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or (c) a day on which the principal offices of the Calculation Agent or the principal office of the Purchaser is closed.

“Calculation Agent” has the meaning assigned to such term in the Note.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commitment Amount” means **[Nineteen Million Nine Hundred Thousand Dollars and No/100 (\$19,900,000)]**.

“Commitment Termination Date” means the earliest to occur of (a) **[March 31, 2017]**, (b) the date that Advances in the aggregate principal amount of the Commitment Amount have been advanced by the Purchaser, and (c) the occurrence of an Event of Default.

“Compliance Certificate” means a certificate substantially in form of Exhibit A hereto.

“Date of Advance” has the meaning set forth in Section 2.02(c) hereof.

“Debt” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of such Person as lessee under capital leases, (e) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, (f) all guarantees by such Person of Debt of other Persons and (g) all obligations of such Person under any swap contract.

“Default” means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

“*Default Rate*” means, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus three percent (3.0%).

“*DTC*” means The Depository Trust Company, and any successor thereto.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the System files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Noteholder or any former Noteholder notifies the System that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the System of such notification from the Noteholder or any former Noteholder, the System shall deliver to the Noteholder and any former Noteholder a ruling or determination letter issued to or on behalf of the System by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the System shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the System, or upon any review or audit of the System or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the System shall receive notice from the Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Noteholder or such former Noteholder the interest on the Note due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the System has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Noteholder or former Noteholder, the System shall promptly reimburse, but solely from

payments made by the System, such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties or other charges, such Noteholder (or former Noteholder) shall be obligated to make as a result of the Determination of Taxability.

“*Effective Date*” means [December 10, 2015], subject to the satisfaction or waiver by the Purchaser of the conditions precedent set forth in Article IV hereof.

“*Event of Default*” with respect to this Agreement has the meaning set forth in Section 7.01 of this Agreement and, with respect to any Related Document, has the meaning assigned therein.

“*Event of Taxability*” means the occurrence or existence of any fact, event or circumstance due to the taking of any action by the System, or the failure to take any action by the System, (including, without limitation, the making by the System of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Note) which has the effect of causing interest paid or payable on the Note to become includable, in whole or in part, in the gross income of the Noteholder or any former Noteholder for federal income tax purposes.

“*Excess Interest Amount*” has the meaning set forth in Section 3.04 hereof.

“*Executive Order*” has the meaning set forth in Section 5.16 hereof.

“*Existing COPs*” means the System’s Certificates of Participation, Series 2014A originally issued in the aggregate principal amount of \$34,220,000, pursuant to that certain Indenture of Trust dated as of August 1, 2014, between the System and U.S. Bank National Association, as trustee.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided that*: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Purchaser on such day on such transactions as determined by the Purchaser.

“*Fiscal Year*” means the twelve month period from July 1 through the following June 30.

“*Fitch*” means Fitch, Inc., and any successor rating agency.

“*Generally Accepted Accounting Principles*” or “*GAAP*” means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the System.

“Governmental Approval” means an authorization, consent, approval, permit, license, certificate of occupancy or an exemption of, a registration or filing with, or a report to any Governmental Authority.

“Governmental Authority” means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

“Indemnitee” has the meaning set forth in Article VIII hereof.

“Initial Advance” means the initial Advance made by the Purchaser on the Effective Date pursuant to Section 2.02(a) hereof.

“Investor Letter” has the meaning set forth in Section 9.13(c) hereof.

“Law” means any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

“Liabilities” has the meaning set forth in Section 8.01 hereof.

“LIBOR Index Reset Date” has the meaning set forth in the Note.

“Majority Noteholder” means the Noteholders with a majority of the aggregate principal amount of the Note from time to time. As of the Effective Date, Wells Fargo Bank, National Association shall be the Majority Noteholder.

“Margin Stock” has the meaning ascribed to such term in Regulation U promulgated by the Board of Governors of the Federal Reserve System of the United States, as now and hereafter from time to time in effect.

“Material Adverse Effect” means: (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), or condition (financial or otherwise) of the System; (b) a material impairment of the ability of the System to repay the Note or amounts payable under this Agreement perform its obligations under any Related Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the System of any Related Document to which it is a party.

“Maturity Date” means **[January 3, 2023]**.

“Maximum Interest Rate” means the maximum rate of interest on the Note permitted by applicable law.

“Moody’s” means Moody’s Investors Service, Inc. and any successor rating agency.

“Non-Purchaser Transferee” has the meaning set forth in Section 9.13(c) hereof.

“Note” has the meaning set forth in the recitals hereof.

“Noteholder” means the Purchaser and each Purchaser Transferee or Non-Purchaser Transferee pursuant to Section 9.13 hereof so long as such Purchaser Transferee or Non-Purchaser Transferee is an owner of the Note or a portion thereof.

“OFAC” has the meaning set forth in Section 5.16 hereof.

“Other Taxes” has the meaning set forth in Section 3.06(a) hereof.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

“Paying Agent” means U.S. Bank National Association, as paying agent under the Note.

“Person” means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“Prime Rate” means on any day, the rate of interest per annum then most recently established and published by the Purchaser as its “prime rate.” Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Purchaser to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Purchaser may make various business or other loans at rates of interest having no relationship to such rate. If the Purchaser ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

“Principal Advance Request” means a certificate substantially in the form of the Principal Advance Request attached to the Note as Exhibit B thereto, properly completed and signed by (i) a System Representative or (ii) an authorized representative of the Nevada State Public Works Board and acknowledged by a System Representative, as such form may be amended, modified or updated from time to time by the Purchaser and the System.

“Project” has the meaning set forth in the Resolution.

“Purchaser” means, initially, Wells Fargo Bank, National Association, a national banking association, and its successors and assigns, and upon the receipt from time to time by the Paying Agent and the System of a notice described in Section 9.13(a) from time to time means the Person designated in such notice as the Purchaser, as more fully provided in Section 9.13(a) hereof.

“Purchaser Affiliate” means the Purchaser and any Affiliate of the Purchaser, and includes, without limitation, Wells Fargo Municipal Capital Strategies, LLC and Wells Fargo Securities (a trade name).

“Purchaser Transferee” has the meaning set forth in Section 9.13(b) hereof.

“Rating Agency” means any of S&P, Moody’s and Fitch, as applicable.

“Related Documents” means this Agreement, the Resolution, the Note, the Certificate of Vice Chancellor, the Omnibus Certificate and any exhibits relating thereto, as the same may be amended, modified or supplemented in accordance with the terms thereof and hereof.

“Resolution” has the meaning set forth in the recitals hereof.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, and any successor rating agency.

“State” means the State of Nevada.

“System” means Nevada System of Higher Education, a body corporate and politic, and any permitted successor or assign thereof hereunder.

“System Representative” means any person authorized from time to time in writing by the System, or its successors and assigns, to perform a designated act or execute a designated document.

“Taxable Date” means the date on which interest on the Note is first includable in gross income of the Noteholder (including, without limitation, any previous Noteholder) thereof as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“Taxable Period” has the meaning set forth in Section 3.03 hereof.

“Taxable Rate” means, with respect to a Taxable Period, the product of (i) the interest rate on the Note during such period and (ii) 1.54.

“*Unutilized Amount*” means, as of any date, an amount equal to the difference between (i) the Commitment Amount and (ii) the aggregate amount of Advances made by the Purchaser pursuant to the terms hereof.

ARTICLE II

PURCHASE OF NOTE AND ADVANCES

Section 2.01. Purchase of Note. On the Effective Date, the System shall deliver to the Purchaser the documents described in Article IV hereof. Upon delivery of such documents and the satisfaction or waiver by the Purchaser of the conditions precedent set forth in Article IV hereof, the Purchaser will make the Initial Advance in immediately available federal funds payable to the Paying Agent on behalf of the System. One fully registered Note, in the aggregate principal amount equal to the purchase price, shall be issued to and registered in the name of the Purchaser, or as otherwise directed by the Purchaser. The Note shall be so issued and registered to and held by the Purchaser, or as otherwise directed by the Purchaser.

Section 2.02. Advances.

(a) *Initial Advance.* Upon satisfaction of the conditions precedent set forth in Section 4.01 hereof, the Purchaser shall make the Initial Advance to the System to be used by the System to pay or reimburse the System for the payment of costs of the Project; *provided* that the principal amount of the Initial Advance shall be in excess of \$50,000, and shall not exceed the Commitment Amount.

(b) *Additional Advances.* Prior to the Commitment Termination Date and upon the satisfaction of the conditions precedent set forth in Section 4.02 of this Agreement, the Purchaser shall make one or more Advances to the System to be used by the System to pay or reimburse the System for the payment of costs of the Project; *provided* that the aggregate principal amount of Advances shall not exceed the Commitment Amount; *provided, further*, that the Purchaser shall not make more than two Advances to the System in any thirty (30) calendar day period. The System acknowledges that the Purchaser shall not be obligated to make Advances except in accordance with the provisions of this Agreement. The Purchaser agrees, by its acceptance of the Note, that Advances shall be made in the manner and upon the terms and conditions set forth in this Agreement. The System shall not use any Advance for any payment which is not permitted by the Code, the Resolution, or this Agreement.

(c) *Requests for Advance.* The System shall give written notice to the Purchaser in the form of a Principal Advance Request no later 11:00 a.m. Pacific time on a Business Day which is not less than five (5) Business Days prior to the Business Day the related Advance is to be made (a “*Date of Advance*”). If the Purchaser receives a Principal Advance Request at or after 11:00 a.m. Pacific time on any Business Day, such Principal Advance Request shall be deemed to have been received on the following Business Day. Requests for Advances shall be delivered to the Purchaser via e-mail or facsimile at the e-mail address or facsimile number set forth in Section 9.04 for receipt of Requests for Advances.

(d) *Minimum Amounts.* Each Advance, other than the Initial Advance and the final Advance, shall be in the principal amount requested by the System pursuant to each Principal Advance Request but in any event in a minimum principal amount of \$500,000 or such greater amount which is an integral multiple of \$250,000; *provided* that the final Advance shall be in a minimum principal amount of \$500,000 or such greater amount equal to the remaining authorized principal amount of the Note.

ARTICLE III

THE SYSTEM'S OBLIGATIONS

Section 3.01. Payment Obligations. (a) The System hereby unconditionally, irrevocably and absolutely agrees to make prompt and full payment of all payment obligations owed to the Purchaser hereunder and under the Note and to pay any obligations owing hereunder to the Purchaser whether now existing or hereafter arising, irrespective of their nature, whether direct or indirect, absolute or contingent, with interest thereon at the rate or rates provided in herein and in the Note.

(b) The System shall pay or cause to be paid to the Purchaser the outstanding principal amount of the Note on the redemption dates set forth in the Note with the final such redemption date on the Maturity Date. Such fee is to be calculated on the basis of a 360-day year and actual days elapsed.

(c) The System shall pay or cause to be paid to the Purchaser on January 4, 2016, for the period commencing on the Effective Date to and including January 3, 2016, and in arrears on the first Business Day of each January, April, July and October occurring thereafter to the Commitment Termination Date, and on the Commitment Termination Date, a non-refundable commitment fee in an amount equal to the product of the daily average Unutilized Amount and one fifth of one percent (0.20%) per annum during each related quarterly period.

(d) The System shall pay within thirty (30) days after demand, if an Event of Default shall have occurred, all reasonable costs and expenses of the Purchaser in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Agreement, the other Related Documents.

Section 3.02. Default Rate. Upon the occurrence and during the continuance of an Event of Default, the Note and any amounts due and unpaid hereunder shall bear interest at the Default Rate, which shall be payable by the System to each Noteholder upon demand therefor and be calculated on the basis of a 360-day year and actual days elapsed.

Section 3.03. Determination of Taxability. (i) In the event a Determination of Taxability occurs, to the extent not payable to each Noteholder under the terms of the Note, the System hereby agrees to pay to each Noteholder on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to such Noteholder on the Note during the period for which interest on the Note is included in the gross income of such Noteholder if the Note had borne interest at the Taxable Rate, beginning on the Taxable Date

(the “*Taxable Period*”), and (B) the amount of interest actually paid to the Noteholder during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by such Noteholder as a result of interest on the Note becoming included in the gross income of such Noteholder, together with any and all reasonable attorneys’ fees, court costs, or other out-of-pocket costs incurred by such Noteholder in connection therewith;

(ii) Subject to the provisions of clause (iii) below, such Noteholder shall afford the System the opportunity, at the System’s sole cost and expense, to contest any challenge to the validity of the tax exemption with respect to the interest on the Note, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); *provided* that, in no event shall a Noteholder be required to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the System or any other Person; and

(iii) As a condition precedent to the exercise by the System of its right to contest set forth in clause (ii) above, the System shall, on demand, immediately reimburse such Noteholder for any and all expenses (including reasonable attorneys’ fees for services that may be required or desirable, as determined by such Noteholder in its sole discretion) that may be incurred by the Noteholder in connection with any such contest, and shall, on demand, immediately reimburse the Noteholder for any and all penalties or other charges payable by such Noteholder for failure to include such interest in its gross income.

Section 3.04. Maximum Interest Rate. (i) If the amount of interest payable for any period in accordance with the terms hereof or the Note exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Interest Rate, then interest for such period shall be payable in an amount calculated at the Maximum Interest Rate.

(ii) Any interest that would have been due and payable for any period but for the operation of the immediately preceding subclause (i) shall accrue and be payable as provided in this subclause (ii) and shall, less interest actually paid to each Noteholder for such period, constitute the “Excess Interest Amount.” If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall bear interest at the Maximum Interest Rate until payment to each Noteholder of the entire Excess Interest Amount. Notwithstanding the foregoing, on the date on which no principal amount with respect to the Note remains unpaid, the System shall pay to each Noteholder a fee equal to any accrued and unpaid Excess Interest Amount.

Section 3.05. Funding Indemnity. In the event the Purchaser shall incur any loss, cost, or expense (including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by the Purchaser to purchase or hold the Note or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Purchaser) as a result of any redemption of the Note or any portion thereof on a date other than an LIBOR Index Reset Date for any reason, whether before or after default, and whether or not such payment is required by any provision of this Agreement or the Note, then upon the demand of the Purchaser, the System shall pay to the

Purchaser a redemption premium in such amount as will reimburse the Purchaser for such loss, cost, or expense. If the Purchaser requests such redemption premium, it shall provide to the System a certificate setting forth the computation of the loss, cost, or expense giving rise to the request for such redemption premium in reasonable detail and such certificate shall be conclusive if reasonably determined. Without prejudice to the survival of any other agreement of the System hereunder, the agreements and obligations of the System contained in this Section shall survive the termination of this Agreement and the payment in full of the Note and the obligations of the System thereunder and hereunder. Notwithstanding the foregoing, and for the avoidance of doubt, no redemption premium shall be due and payable with respect to any redemption made on a LIBOR Index Reset Date.

ARTICLE IV

CONDITIONS PRECEDENT TO PURCHASE OF NOTE AND ADVANCES

Section 4.01. Conditions to Purchase of Note and Initial Advance. The obligation of the Purchaser to purchase the Note and make the Initial Advance is subject to the satisfaction of the following conditions precedent:

(a) The Purchaser shall have received, on or before the Effective Date, the items listed below in this Section, each dated and in form and substance as is satisfactory to the Purchaser:

(i) The following certificates dated the Effective Date and executed by a System Representative:

(A) certifying the names and signatures of the persons authorized to sign, on behalf of the System, the Related Documents and to submit Principal Advance Requests hereunder; and

(B) certifying (1) that there has been no event or circumstance since June 30, 2015, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (2) that the representations and warranties contained in Article V hereof and the other Related Documents are true and correct in all material respects on the Effective Date and (3) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default.

(ii) an executed original or certified copy, as applicable, of this Agreement, the Resolution and each Related Document along with the physical certificated Note registered in the name of the Purchaser.

(iii) The following opinions, dated the Effective Date and addressed to the Purchaser or on which the Purchaser is otherwise expressly authorized to rely:

(A) from Bond Counsel, opinions as to the due authorization, execution, delivery and enforceability of the Related Documents, and such other customary matters as the Purchaser may reasonably request; and

(B) from Bond Counsel, opinions to the effect that the interest on the Note is excludable from gross income for federal income tax purposes.

(b) The Purchaser shall have received reimbursement of the Purchaser's fees and expenses and any other fees incurred in connection with the transaction contemplated by the Related Documents and Chapman and Cutler LLP, as counsel to the Purchaser, shall have received payment of its legal fees and expenses incurred in connection with the preparation, review, negotiation, execution and delivery of the Related Documents.

(c) The Note shall not be (i) assigned a specific rating by any Rating Agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document or (iv) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent.

Section 4.02. Conditions Precedent to Additional Advances. The obligation of the Purchaser to make an Advance (other than the Initial Advance) is subject to the satisfaction of the following conditions precedent on the Date of Advance:

(a) the representations and warranties of the System set forth in Article V of this Agreement shall be true and correct in all material respects on such Date of Advance (except to the extent any such representation or warranty expressly relates expressly relates to an earlier date);

(b) no Default or Event of Default shall have occurred and be continuing on such Date of Advance;

(c) the Purchaser shall have received a Principal Advance Request as required under, and in strict conformity with, Section 2.02(c) hereof; and

[(d) the Purchaser shall not have received notice from the System or Bond Counsel that the opinion delivered pursuant to Section 4.01(a)(iii)(B) hereof may no longer be relied upon.]¹

¹ Drafting Note: Alternatively, the bank will be comfortable with receiving a new opinion on the date of each subsequent advance to the effect that the interest on such advance is tax-exempt OR a reliance letter permitting the bank to rely on the original tax opinion with respect to the tax-exempt status of the subsequent advance made on such date.

The Purchaser will use commercially reasonable efforts to promptly provide written notice to the Paying Agent and the System in the event that the Purchaser does not honor a Principal Advance Request for any reason; *provided* that the Purchaser shall incur no liability for the failure to provide such notice.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The System makes the following representations and warranties to each Noteholder:

Section 5.01. Existence and Power. The System is a body corporate and politic duly organized, validly existing and in good standing under the laws of the State and has the power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties owned or leased by it or in which the transactions of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary.

Section 5.02. Due Authorization. (a) The System has the corporate power, and has taken all necessary corporate action to authorize the Related Documents to which it is a party, and to execute, deliver and perform its obligations under this Agreement and each of the other Related Documents to which it is a party in accordance with their respective terms.

(b) All Governmental Approvals necessary for the System to enter into this Agreement and the other Related Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its property have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. No other Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the System of this Agreement or the due execution, delivery or performance by the System of the Related Documents.

Section 5.03. Valid and Binding Obligations. This Agreement has been duly executed and delivered by one or more duly authorized officers of the System, and each of the Related Documents, when executed and delivered by the System will be, a legal, valid and binding obligation of the System enforceable in accordance with its terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.04. No Conflict. The execution, acceptance, delivery and performance of, or agreement to, this Agreement and the other Related Documents by the System (a) does not conflict with, violate or contravene any provision of law or regulation or of any order or decree of any court, tribunal or governmental authority, bureau or agency, and (b) does not and will not

conflict with, violate or cause a default under any provision of the Board of Regents Handbook; of any bond, note or other evidence of indebtedness; or of any mortgage, indenture, contract or other undertaking by which the System or any of its assets is bound.

Section 5.05. Pending Litigation and Other Proceedings. There is no action, suit or proceeding pending in any court, any other governmental authority with jurisdiction over the System or any arbitration in which service of process has been completed against the System or, to the knowledge of the System, any other action, suit or proceeding pending or threatened in any court, any other governmental authority with jurisdiction over the System or any arbitrator, in either case against the System or any of its properties or revenues, or any of the Related Documents to which it is a party, which if determined adversely to the System would materially adversely affect the rights, security, interests or remedies of the Purchaser hereunder or under any of the other Related Documents or which is reasonably likely to result in a Material Adverse Effect, except any action, suit or proceeding which has been brought prior to the Effective Date as to which the Purchaser has received an opinion of counsel satisfactory to the Purchaser, in form and substance satisfactory to the Purchaser and the Purchaser's legal counsel, to the effect that such action, suit or proceeding is without substantial merit.

Section 5.06. Financial Statements. The audited financial statements of the System as at June 30, 2015, and the related consolidated statement of activities and changes in net assets and the consolidated statement of cash flows for the Fiscal Year then ended, and accompanying notes thereto, which financial statements, accompanied by the audit report of Grant Thornton LLP, heretofore furnished to the Purchaser, fairly present the financial condition of the System in all material respects as of such dates and the results of its operations for the periods then ended in conformity with GAAP.

Section 5.07. No Defaults. No default by the System has occurred and is continuing in the payment of the principal of or premium, if any, on any Debt of the System. No bankruptcy, insolvency or other similar proceedings pertaining to the System or any agency or instrumentality of the System are pending or presently contemplated. No Default or Event of Default has occurred and is continuing hereunder. No "default" or "event of default" under, and as defined in, any of the other Related Documents has occurred and is continuing. The System is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect.

Section 5.08. Incorporation by Reference. The representations and warranties of the System contained in the other Related Documents, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the System in such Sections are hereby made for the benefit of the Purchaser.

Section 5.09. Correct Information. All information, reports and other papers and data with respect to the System furnished by the System to the Purchaser were, at the time the same were so furnished, correct in all material respects. No fact is known to the System that materially and adversely affects the security for the Note, or the ability of the System to repay

when due the principal of or interest on the Note or the obligations due and payable hereunder, that has not been set forth in the financial statements and other documents referred to in this Section 5.09 or in such information, reports, papers and data or otherwise disclosed in writing to the Purchaser.

Section 5.10. Investment Company. The System is not an “investment company” or a company “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended.

Section 5.11. Margin Stock. The System is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds from the issuance of the Note will be used to purchase or carry any such Margin Stock or extend credit to others for the purpose of purchasing or carrying any such Margin Stock.

Section 5.12. Tax-Exempt Status. The System has not taken any action or omitted to take any action, and has no actual knowledge of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Note from gross income for federal income tax purposes.

Section 5.13. Usury. The Note does not provide for any payments that would violate any applicable law regarding permissible maximum rates of interest.

Section 5.14. Pending Legislation and Decisions. There is no amendment, or to the knowledge of the System, proposed amendment to the Constitution of the State or any State law or any administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the issuance of the Note, the security for the Note, the creation, organization, or existence of the System or the titles to office of any officers executing this Agreement or any Related Documents or the System’s ability to repay when due its obligations under this Agreement or the Note.

Section 5.15. No Immunity. Under existing law, the System is not entitled to raise the defense of sovereign immunity in connection with any legal proceeding to enforce or collect upon the Note and the other transactions contemplated by the Note, including the payment of the principal of and interest on the Note.

Section 5.16. Anti-Terrorism Laws. The System is not in violation of any Laws relating to terrorism or money laundering (“*Anti-Terrorism Laws*”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “*Executive Order*”), and the Patriot Act;

(a) The System is not any of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Purchaser is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(v) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“*OFAC*”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(b) The System does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

ARTICLE VI

COVENANTS OF THE SYSTEM

The System covenants and agrees, until the full and final payment and satisfaction of all of the principal of and interest on the Note and all amounts due and payable hereunder, except in any instance in which the Purchaser specially agrees in writing to any performance or noncompliance, that:

Section 6.01. Existence, Etc. The System (a) shall maintain its existence pursuant to its authorizing legislation and the laws of the State and (b) shall not liquidate or dissolve, or sell or lease or otherwise transfer or dispose of all or any substantial part of its property, assets or business, or combine, merge or consolidate with or into any other entity.

Section 6.02. Compliance with Laws; Taxes and Assessments. The System shall comply with all Laws applicable to it, except where non-compliance could not reasonably be expected to result in a Material Adverse Effect, such compliance to include, without limitation, paying all taxes, assessments and governmental charges imposed upon it before the same become delinquent, unless and to the extent that the same are being contested in good faith and by appropriate proceedings and reserves are provided therefor that in the opinion of the System are adequate.

Section 6.03. Reports. The System shall furnish to the Purchaser in form and detail satisfactory to the Purchaser:

(a) *Annual Report.* As soon as available, and in any event within 210 days after the end of the Fiscal Year, the annual audited financial statements of the System together with a Compliance Certificate signed by an authorized officer of the System stating that no Event of Default or Default has occurred.

(b) *Notice of Default or Event of Default.* Promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and in any event within five (5) Business Days thereafter, a certificate signed by a System Representative specifying in reasonable detail the nature and period of existence thereof and what action the System has taken or proposes to take with respect thereto.

(c) *Litigation.* As promptly as practicable, written notice to the Purchaser of all actions, suits or proceedings pending or threatened against the System in court or before any arbitrator of any kind or before any governmental authority which could reasonably be expected to result in a Material Adverse Effect.

(d) *Other Information.* Such other information regarding the business affairs, financial condition and/or operations of the System as the Purchaser may from time to time reasonably request.

Section 6.04. Maintenance of Books and Records. The System will prepare, or have prepared, audited financial statements of the System in accordance with GAAP.

Section 6.05. No Impairment. The System will neither take any action, nor cause the Paying Agent to take any action, under the Note or any other Related Document which would materially adversely affect the rights, interests, remedies or security of the Purchaser under this Agreement or any other Related Document or which could reasonably be expected to result in a Material Adverse Effect.

Section 6.06. Related Documents. The System shall not modify, amend or consent to any modification, amendment or waiver in any material respect of the Note without the prior written consent of the Purchaser.

Section 6.07. Immunity from Jurisdiction. Except for causes of action against the System which sound in tort, the System hereby waives its sovereign immunity and consents to be sued

on its contractual obligations under the Note and all contractual claims with respect thereto, and irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and monetary assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of monetary assets, (iv) execution or enforcement in any suit, action or proceeding relating to the Note in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in the Note and no such immunity (whether or not claimed) may be attributed to the System. This waiver shall not be interpreted as a consent by the System to a suit in any jurisdiction other than Nevada. **[The foregoing waiver does not constitute a waiver by the System of its immunity, if any, with respect to any claim being made on, or relief or execution being granted against any revenues or assets of the System.]**

Section 6.08. Budget. To the fullest extent permitted and/or required by State law, the System shall cause the appropriate System official(s) to take any and all ministerial actions that may be necessary to facilitate the payment of the principal of and interest on the Note and any other amounts payable hereunder when due and to include the principal of and interest on the Note and any other amounts payable hereunder in the annual budget of the System.

Section 6.09. Federal Reserve Board Regulations. The System shall not use any portion of the proceeds of the Note or any Advances for the purpose of carrying or purchasing any Margin Stock and shall not incur any Debt which is to be reduced, retired or purchased by the System out of such proceeds of the Note (except for refunding Debt).

Section 6.10. Underlying Rating. The System shall at all times maintain a long-term unenhanced rating on its Debt that is payable on a parity with the Existing COPs.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01. Events of Default. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of Law) shall be an “Event of Default” hereunder, unless waived in writing by Purchaser:

- (a) the System shall fail to pay any obligation under this Agreement (which, for the avoidance of doubt, does not include the obligation to pay the principal of or interest on the Note) and such failure shall continue for five calendar days;
- (b) any representation or warranty made by or on behalf of the System in this Agreement or in any other Related Document or in any certificate or statement delivered hereunder or thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered;
- (c) the System shall default in the due performance or observance of (i) any of the covenants set forth in Section 6.01, 6.03(a), 6.08 or 6.10 hereof or (ii) any other term,

covenant or agreement contained in this Agreement or the Note and such default shall remain unremedied for a period of thirty (30) days after the earlier to occur of (x) written notice of such default from the Purchaser or (y) knowledge of such default by a responsible officer of the System;

(d) a debt moratorium, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the System by the System or any Governmental Authority with appropriate jurisdiction;

(e) (i) any material provision of this Agreement or the Note, shall at any time for any reason cease to be valid and binding on the System as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or (ii) the validity or enforceability of any material provisions of this Agreement or the Note shall be publicly contested by the System;

(f) dissolution or termination of the existence of the System; or

(g) any “event of default” under the Note (as defined respectively therein) shall have occurred.

Section 7.02. Consequences of an Event of Default. If an Event of Default specified in Section 7.01 hereof shall occur and be continuing, (a) the interest rate on the Note shall increase to the Default Rate and the obligations of the System hereunder shall bear interest at the Default Rate, and (b) the Purchaser may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(i) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the System under the Related Documents, whether for specific performance of any agreement or covenant of the System or in aid of the execution of any power granted to the Purchaser in the Related Documents;

(ii) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however*, that the Purchaser shall have no obligation to effect such a cure; and

(iii) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents and as otherwise available at law and at equity.

Section 7.03. Waivers or Omissions. No delay or omission by the Purchaser in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Purchaser or to be acquiescence therein. No express or implied waiver by the Purchaser of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

ARTICLE VIII

INDEMNIFICATION

In accordance with the limitations of NRS 41.0305 to NRS 41.039, the System hereby agrees to indemnify and hold harmless each Noteholder and its officers, directors and agents (each, an “*Indemnitee*”) from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys’ fees) which may incur or which may be claimed against an Indemnitee by any Person or entity whatsoever (collectively, the “*Liabilities*”) by reason of or in connection with (a) the execution and delivery of, or payment or failure to pay under, any Related Document; (b) the issuance and sale of the Note; and (c) the use of the proceeds of the Note; *provided* that the System shall not be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Indemnitee. The obligations of the System under this Article VIII shall survive the payment of the Note and the termination of this Agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Patriot Act Notice. The Purchaser hereby notifies the System that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the System, which information includes the name and address of the System and other information that will allow the Purchaser to identify the System in accordance with the Patriot Act. The System hereby agrees that it shall promptly provide such information upon request by the Purchaser.

Section 9.02. Further Assurances. From time to time upon the request of either party hereto, the other shall promptly and duly execute, acknowledge and deliver any and all such further instruments and documents as the requesting party may in its reasonable discretion deem necessary or desirable to confirm this Agreement, and the other Related Documents, to carry out the purpose and intent hereof and thereof or to enable the requesting party to enforce any of its rights hereunder or thereunder. At any time, and from time to time, upon request by the Purchaser, the System will, at the System’s expense, correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents. In addition, at any time, and from time to time, upon request by the Purchaser or the Paying Agent, the System will, at the System's expense, provide any and all further instruments, certificates and other documents as may, in the reasonable opinion of the Purchaser or the Paying Agent, be necessary or desirable

in order to verify the System's identity and background in a manner satisfactory to the Purchaser or the Paying Agent, as the case may be.

Section 9.03. Amendments and Waivers; Enforcement. The Purchaser and the System may from time to time enter into agreements amending, modifying or supplementing this Agreement or the other Related Documents or changing the rights of the Purchaser or the System hereunder or thereunder, and the Purchaser may from time to time grant waivers or consents to a departure from the due performance of the obligations of the System hereunder or thereunder. Any such agreement, waiver or consent must be in writing and shall be effective only to the extent specifically set forth in such writing. In the case of any such waiver or consent relating to any provision hereof, any Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Default or Event of Default or impair any right consequent thereto.

Section 9.04. Notices. All notices, requests, demands, directions and other communications (collectively "*notices*") under the provisions of this Agreement shall be in writing (including facsimile communication), unless otherwise expressly permitted hereunder, and shall be sent by first-class mail or overnight delivery and shall be deemed received as follows: (i) if by first class mail, five (5) days after mailing; (ii) if by overnight delivery, on the next Business Day; (iii) if by telephone, when given to a person who confirms such receipt; and (iv) if by e-mail or facsimile, when confirmation of receipt is obtained; *provided* that each Principal Advance Request shall be sent via e-mail or facsimile. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

The System:	Nevada System of Higher Education 2601 Enterprise Road Reno, Nevada 89512 Attention: Vice Chancellor for Finance and Administration Facsimile: () [] Telephone: () []
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The Purchaser, with respect to credit matters:	Wells Fargo Bank, National Association 1700 Lincoln Street, 21st Floor Denver, Colorado 80203 Attention: Nathan Bogg Facsimile: (866) 972-8653 Telephone: (303) 863-6650 E-mail: Nathan.D.Bogg@wellsfargo.com
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The Purchaser, with respect to a Principal Advance Request:

Wells Fargo Bank, National Association
333 South Grand Avenue, 5th Floor
Los Angeles, California 90071
Attention: F. Norman Liversidge, IV
Facsimile: (866) 972-9794
E-mail: Norm.Liversidge@wellsfargo.com

With a copy to:

Wells Fargo Bank, National Association
1700 Lincoln Street, 21st Floor
Denver, Colorado 80203
Attention: Nathan Bogg
Facsimile: (866) 972-8653
E-mail: Nathan.D.Bogg@wellsfargo.com

The Paying Agent:

U.S. Bank National Association
[]
[]
Attention: []
Facsimile: () []
Telephone: () []

The Purchaser may rely on any notice (including telephone communication) purportedly made by or on behalf of the other, and shall have no duty to verify the identity or authority of the Person giving such notice, unless such actions or omissions would amount to negligence or intentional misconduct.

Section 9.05. Student Loan Referrals. The parties hereto represent and warrant to one another that the pricing and terms and conditions for the services provided under this Agreement are unrelated to whether the System refers student loans to the Purchaser and to the amount of any such referrals.

Section 9.06. No Third-Party Rights. Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the parties hereto and the Noteholders any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

Section 9.07. Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 9.08. Governing Law; Consent to Jurisdiction and Venue; Waiver of Jury Trial.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS; *PROVIDED* THAT THE OBLIGATIONS OF THE PURCHASER HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE RELATED DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

Section 9.09. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 9.10. Prior Understandings. This Agreement and the other Related Documents supersede all other prior understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein.

Section 9.11. Duration. All representations and warranties of the System contained herein or made in connection herewith shall survive the making of and shall not be waived by the execution and delivery of this Agreement or the other Related Documents. All covenants and agreements of the System contained herein shall continue in full force and effect from and after the date hereof until the principal of and interest on the Note and all amounts due and payable hereunder have been fully discharged.

Section 9.12. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

Section 9.13. Successors and Assigns.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the System, its successors, transferees and assigns and shall inure to the benefit of the Noteholders and their respective permitted successors, transferees and assigns. The System may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Purchaser. Each Noteholder may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Note and the Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. Wells Fargo Bank, National Association shall be the Purchaser hereunder until such time as the Majority Noteholder designates an alternate

Person to serve as the Purchaser hereunder by delivery of written notice to the System and the Paying Agent and such Person accepts and agrees to act as the Purchaser hereunder and under the Related Documents. The Majority Noteholder may so designate an alternate Person to act as the Purchaser from time to time. Upon acceptance and notification thereof to the System and the Paying Agent, the successor to the Purchaser for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Purchaser, and Wells Fargo Bank, National Association or any other Person being replaced as the Purchaser shall be discharged from its duties and obligations as the Purchaser hereunder.

(b) *Sales and Transfers by Noteholder to a Purchaser Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Note to a Person that is (i) a Purchaser Affiliate or (ii) a trust or other custodial arrangement established by the Purchaser or a Purchaser Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act (each, a “*Purchaser Transferee*”). From and after the date of such sale or transfer, Wells Fargo Bank, National Association (and its successors) shall continue to have all of the rights of the Purchaser hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided, however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Purchaser hereunder, (B) the System and the Paying Agent shall be required to deal only with the Purchaser with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Purchaser shall be entitled to enforce the provisions of this Agreement against the System.

(c) *Sales and Transfers by Noteholder to a Non-Purchaser Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees which are not Purchaser Transferees but each of which constitutes (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (c), of not less than \$5,000,000,000 (each a “*Non-Purchaser Transferee*”) all or a portion of the Note if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Purchaser Transferee, together with addresses and related information with respect to the Non-Purchaser Transferee, shall have been given to the System, the Paying Agent and the Purchaser (if different than the Noteholder) by such selling Noteholder and Non-Purchaser Transferee, and (B) the Non-Purchaser Transferee shall have delivered to the System, the Paying Agent and the selling Noteholder, an investment letter in substantially the form attached as Exhibit D to the Note (the “*Investor Letter*”).

From and after the date the System, the Paying Agent and the selling Noteholder have received written notice and an executed Investor Letter, (A) the Non-Purchaser Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the

Non-Purchaser Transferee, and any reference to the assigning Noteholder hereunder and under the other Related Documents shall thereafter refer to such transferring Noteholder and to the Non-Purchaser Transferee to the extent of their respective interests, and (B) if the transferring Noteholder no longer owns any interest in the Note, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents.

(d) *Participations.* The Purchaser shall have the right to grant participations in all or a portion of the Purchaser's interest in the Note, this Agreement and the other Related Documents to one or more other banking institutions; *provided, however,* that (i) no such participation by any such participant shall in any way affect the obligations of the Purchaser hereunder and (ii) the System and the Paying Agent shall be required to deal only with the Purchaser, with respect to any matters under this Agreement, the Note and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against the System. Notwithstanding the forgoing, without the prior written consent of the System, the Purchaser shall not disclose any financial information relating to the System with a participant or potential participant that was not provided to the Purchaser pursuant to Section 6.03(a) hereof, expressly permitted to be disclosed by the System or is generally available to the public.

(e) *Certain Pledges.* The Purchaser may at any time pledge or grant a security interest in all or any portion of its rights under the Note, this Agreement and the Related Documents to secure obligations of the Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release the Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for the Purchaser as a party hereto.

Section 9.14. Acknowledge and Appointment as the Calculation Agent. The Purchaser hereby acknowledges and accepts its appointment as Calculation Agent pursuant to the Note and acknowledges, accepts and agrees to all the duties and obligations of the Calculation Agent set forth in the Note.

Section 9.15. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and,

“electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the Effective Date.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By _____
Name: _____
Title: _____

NEVADA SYSTEM OF HIGHER EDUCATION

By _____
Name: _____
Title: _____

EXHIBIT A

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate (this "Certificate") is furnished to Wells Fargo Bank, National Association (the "Purchaser") pursuant to that certain Continuing Covenant Agreement dated as of December 1, 2015 (the "Agreement"), between the Nevada System of Higher Education (the "System") and Purchaser. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly appointed [Chancellor] [Vice Chancellor] of the System;

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the System during the accounting period covered by the attached financial statements; and

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements, except as set forth below.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the System has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, 20__.

NEVADA SYSTEM OF HIGHER EDUCATION

By _____
Name: _____
Title: _____