"(b) Money held for the credit of the Depreciation Reserve Fund shall be applied as follows:

(1) During a Depreciation Shortfall Year the State Treasurer shall transfer from the Depreciation Reserve Fund to the Sinking Fund an amount equal to the Depreciation Shortfall for such Depreciation Shortfall Year.

(2) If at any time money held for the credit of the Bond Service Account, the Redemption Account and the Debt Service Reserve Account should be insufficient to pay the principal and interest on all bonds when due and payable, the State Treasurer shall transfer from the Depreciation Reserve Fund to the Bond Service Account, the Redemption Account or the Debt Service Reserve Account, as the case may be, an amount sufficient to make up any deficiency.

(3) The State Treasurer may transfer from the Depreciation Reserve Fund to the University money to provide working capital for the current operation, maintenance and repair of the Hospital Facilities in an aggregate principal amount not to exceed in any fiscal year the greater of (a) the amount of the University's then current accounts receivable net of reserves and (b) the amount of the University's operating expenses for the most recent one-month period for which records are available; provided, however, that no such transfer may again occur unless there shall be an intervening period of not less than 30 consecutive days during which no prior transfer had not been fully repaid.

(4) For so long as the University is not in default under the provisions of the Resolution the State Treasurer shall use all or a portion of the amount on deposit in the Depreciation Reserve Fund to pay, at the request of the University, the cost of the acquisition or construction by the University of Improvements, and the cost of unusual or extraordinary maintenance or repairs, renewals and replacements of and to the Hospital Facilities, upon receipt from the University of a bill for the same, together with a certificate requesting and authorizing the State Treasurer to make such payment and certifying that (i) the University will take all action necessary to include such property in the Hospital Facilities, and (ii) such cost has not previously been paid from the Depreciation Reserve Fund.
(5) In any Depreciation Shortfall Year in which the amount on deposit in the Depreciation Reserve Fund exceeds the sum of the present values on the first day of the next succeeding Shortfall Year of the Depreciation Shortfall for each of the succeeding Depreciation Shortfall Years, assuming a 5-1/2% annual discount rate, the State Treasurer, at the request of the University, shall transfer the amount of such excess to the University to be applied to any lawful purpose of Medical College of Virginia Hospitals."

(d) By the acceptance of a Series B Bond, the holder thereof assents to all of the provisions of this Section.

SECTION 7. Executive Committee Authorized to Approve Award of Series B Bonds, to Authorize Execution of Bond Purchase Agreement and to Approve Official Statement. The Executive Committee of the Board is hereby authorized to approve, on behalf of the Board, the award of the Series B Bonds by the Treasury Board; provided, however, that the net interest cost shall not exceed 13 1/2% per annum, and the Underwriters' discount shall not exceed 3-1/2% of the face amount of the Series B Bonds. The Executive Committee may authorize the Rector to execute and deliver, on behalf of the Board of Visitors, the Bond Purchase Agreement covering the sale of the Series B Bonds, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Board of Visitors. The Executive Committee is also authorized to approve the Official Statement with respect to the Series B Bonds.

SECTION 8. Approval of Preliminary Official Statement. The form and content of the Preliminary Official Statement, in substantially the form of the proof dated June 10, 1982, together with such changes, modifications and deletions as may be deemed necessary and appropriate by the Vice President for Finance of the University and the legal advisor to the University, are hereby approved and authorized in all respects. The Board hereby approves the distribution of the Preliminary Official Statement and approves and consents to the use of copies of the Preliminary Official Statement, the Resolution and the Supplemental Resolution by the underwriters in connection with the public offering of the Series B Bonds.
[FORM OF COUPON SERIES B BONDS]

No. ....... $5,000

United States of America
Commonwealth of Virginia

VIRGINIA COMMONWEALTH UNIVERSITY
Medical College of Virginia Hospital Revenue Bond,
Series B

Virginia Commonwealth University, a public body constituted as a governmental instrumentality of the Commonwealth of Virginia (herein sometimes called the "University"), acting through its Board of Visitors (herein called the "Board"), for value received, hereby promises to pay, solely from the funds provided therefor as hereinafter set forth, to the bearer on July 1, ...... (or earlier as hereinafter referred to), upon the presentation and surrender hereof, the principal sum of

FIVE THOUSAND DOLLARS

and to pay, solely from said funds, interest thereon from the date hereof at the rate of ...... per centum (____%) per annum until payment of such principal sum, such interest to the maturity hereof being payable on January 1, 1983 and semiannually thereafter on January 1 and July 1 in each year upon the presentation and surrender of the coupons representing such interest as the same respectively become due. Both the principal of and the interest on this bond are payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of this bond and the interest hereon are payable at the principal office of First & Merchants National Bank, in the City of Richmond, Virginia, or, at the option of the bearer, at the principal office of Bankers Trust Company, in the Borough of Manhattan, City and State of New York.

This bond is not payable from the funds of the University nor does it constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the properties of the University or upon its income, receipts or revenues,
except as hereinafter provided for. This bond is not a debt of the Commonwealth of Virginia and does not create or constitute any indebtedness or obligation of the Commonwealth of Virginia, legal, moral or otherwise.

This bond is one of a duly authorized series of revenue bonds of the University, designated "Medical College of Virginia Hospital Revenue Bonds, Series B" (herein called the "Series B Bonds"), consisting of bonds in the aggregate principal amount of Thirty-seven Million Four Hundred Thousand Dollars ($37,400,000) maturing in annual installments on July 1 in each of the years 198_ to 199_, inclusive, and of bonds maturing on July 1, 20__, of like tenor and effect, except as to number, denomination, interest rate, stated maturity and redemption, and issued pursuant to Title 23, Chapter 3, Code of Virginia of 1950, as amended, and a resolution duly adopted by the Board on September 30, 1977, as amended by a supplemental resolution (herein called the "Supplemental Resolution") duly adopted by the Board on June 17, 1982 (hereinafter collectively called the "Resolution") for the purpose of providing funds, together with any other available funds, for paying a part of the cost of constructing and equipping a three-story addition to an existing supply and distribution facility center and renovating an existing facility known as North Hospital operated as part of Medical College of Virginia Hospitals and reimbursing the State Treasury for advances made in connection with the acquisition of the former land and building of Richmond Eye Hospital (herein collectively called the "Program").

THE SUPPLEMENTAL RESOLUTION AMENDS THOSE PROVISIONS OF THE RESOLUTION PROVIDING FOR THE FUNDING OF, AND DISPOSITION OF MONEYS IN, THE DEPRECIATION RESERVE FUND CREATED UNDER THE RESOLUTION BY PERMITTING THE USE OF A FORMULA WHICH MAY RESULT IN A SUBSTANTIAL REDUCTION IN THE AMOUNTS REQUIRED TO BE DEPOSITED TO SAID FUND AND BY EXPANDING THE USES WHICH MAY BE MADE BY THE UNIVERSITY OF MONEYS ON DEPOSIT TO THE CREDIT OF SAID FUND. SAID AMENDMENTS WILL TAKE EFFECT AT SUCH TIME AS THE SERIES A BONDS (HEREINAFTER REFERRED TO) ARE NO LONGER OUTSTANDING OR AT SUCH EARLIER TIME AS CONSENTS TO SAID AMENDMENT SHALL HAVE BEEN OBTAINED FROM THE HOLDERS OF NOT LESS THAN A MAJORITY IN AGGREGATE PRINCIPAL AMOUNT OF ALL BONDS THEN OUTSTANDING PURSUANT TO THE PROVISIONS OF THE RESOLUTION. THE FIRST PURCHASERS OF THE SERIES B BONDS HAVE EXECUTED A WRITTEN INSTRUMENT OF CONSENT TO THE ABOVE-MENTIONED AMENDMENTS AND, BY THE ACCEPTANCE OF THIS BOND, THE HOLDER HEREOF ADOPTS SUCH INSTRUMENT AS HIS OWN AND CONSENTS TO ALL OF THE PROVISIONS OF THE SUPPLEMENTAL RESOLUTION.
The Resolution provides for the issuance from time to time under the conditions, limitations and restrictions therein set forth of additional bonds (i) to provide funds for completing payment of the cost of the Project (as defined in the Resolution), (ii) for paying all or a part of the cost of Improvements (as defined in the Resolution), and (iii) to refund any bonds issued under the Resolution. All such additional series of bonds shall be on a parity with the Series A Bonds (hereinafter mentioned) and with the Series B Bonds and together with the Series A Bonds and the Series B Bonds are herein called the "bonds". Reference is hereby made to the Resolution for the provisions, among others, with respect to the custody and application of the proceeds of the bonds issued under the Resolution, the collection and disposition of revenues, the special fund charged with and pledged to the payment of the interest and the redemption premium, if any, on and the principal of the bonds, the nature and extent of the security thereby created, the terms and conditions under which the bonds are or may be issued, the rights of the holders or registered owners of the bonds, and the rights and obligations of the University. By the acceptance of this bond, the holder hereof assents to all of the provisions of the Resolution.

The Resolution provides for the creation of a fund designated the "Medical College of Virginia Hospital Revenue Bonds Interest and Sinking Fund" (hereinafter called the "Sinking Fund"), which fund is pledged to and charged with the payment of the principal of and the interest on all bonds issued under the provisions of the Resolution, and also provides for the deposit to the credit of said fund of the revenues derived from the operation of the Hospital Facilities (as defined in the Resolution), subject to the liens of the holders of the outstanding Medical College of Virginia Clinical Center Revenue Bonds (Series 1965) and Medical College of Virginia Dormitory Revenue Bonds (Series 1965), to the extent and in the manner provided in the Resolution.

The bonds are issuable as coupon bonds in the denomination of $5,000 each and as registered bonds in denominations of $5,000 or any integral multiple thereof. At the principal office of First & Merchants National Bank, Richmond, Virginia (the "Bond Registrar"), in the manner and subject to the limitations and conditions provided in the Resolution and without cost, except for any tax or other governmental charge, registered bonds may be exchanged for an equal aggregate principal amount of coupon bonds of the same series and maturity, bearing interest at the same rate and having attached thereto coupons representing all unpaid interest.
due or to become due thereon, or of registered bonds of the same series and maturity, of authorized denominations, and bearing interest at the same rate, and coupon bonds with all coupons appertaining thereto representing all unpaid interest due or to become due thereon may in like manner be exchanged for an equal aggregate principal amount of registered bonds of the same series and maturity, of authorized denominations and bearing interest at the same rate.

There are outstanding under the provisions of the Resolution the University's "Medical College of Virginia Hospital Revenue Bonds, Series A", dated November 1, 1977 (the "Series A Bonds") initially issued in the amount of $64,400,000.

The Series B Bonds at the time outstanding are not subject to redemption prior to July 1, 1992, except in connection with damage to or destruction of the Hospital Facilities as provided in the Resolution. If called for redemption in such event, the bonds will be subject to redemption by the University in whole at any time in the event of damage to or destruction of all or substantially all of the Hospital Facilities or in part on any interest payment date (in increments of not less than $500,000) in the event of partial damage to or destruction of the Hospital Facilities, all in the manner provided in the Resolution, at the principal amount of the bonds to be redeemed together with the interest accrued thereon to the date fixed for redemption, but without premium.

In addition, the Series B Bonds at the time outstanding may be redeemed not earlier than July 1, 1992, prior to their respective maturities, either in whole at any time or in part on any interest payment date, at the option of the University, from any moneys that may be made available for such purpose, at the redemption price (expressed as a percentage of the principal amount) set forth below plus accrued interest to the redemption date:

<table>
<thead>
<tr>
<th>Redemption Dates (both dates inclusive)</th>
<th>Redemption Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>From</td>
<td>To</td>
</tr>
</tbody>
</table>

A-4
The Series B Bonds maturing on July 1, ____, are required to be redeemed prior to maturity in part on July 1 in years and amounts as follows, at the price of par and accrued interest to the redemption date, without premium:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

If less than all of the bonds of any series shall be called for redemption, the particular bonds or portions of registered bonds to be redeemed shall be called in the inverse order of their maturities. If less than all of the bonds of any one maturity of a series shall be called for redemption, the particular bonds or portions of registered bonds of such maturity and series to be redeemed shall be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion may determine. The portion of any registered bond to be redeemed shall be in the principal amount of $5,000 or some integral multiple thereof. In selecting bonds for redemption, the Bond Registrar shall treat each registered bond as representing that number of coupon bonds which is obtained by dividing the principal amount of such registered bond by $5,000.

At least thirty (30) days before the redemption date of any bonds, whether such redemption shall be in whole or in part, the State Treasurer shall cause a notice of any such redemption (a) to be published once in a daily newspaper of general circulation published in the City of Richmond, Virginia, and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York, (b) to be filed with the Bond Registrar and the paying agents, and (c) to be mailed, postage prepaid, to all bondholders of record (as defined in the Resolution), owning or holding bonds to be redeemed in whole or in part, but failure so to file or mail any such notice shall not affect the validity of the proceedings for such
redemption. On the date designated for redemption, notice having been published as aforesaid, the bonds or portions of registered bonds so called for redemption shall become and be due and payable at the redemption price provided for the redemption of such bonds or such portions thereof on such date, and, if moneys for the payment of the redemption price and the accrued interest are held by the Bond Registrar or the paying agents as provided in the Resolution, interest on such bonds or such portions thereof so called for redemption shall cease to accrue, the coupons for any such interest payable subsequent to the redemption date shall be void, such bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Resolution and the holders or registered owners thereof shall have no rights in respect of such bonds or such portions thereof so called for redemption except to receive payment of the redemption price so held by the Bond Registrar or the paying agents.

The holder of this bond shall have no right to enforce the provisions of the Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution.

In certain events, on the conditions, in the manner and with the effect set forth in the Resolution, the principal of all the bonds then outstanding under the Resolution may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Resolutions modifying the terms of the Resolution or of any resolution supplemental thereto may be adopted only to the extent and in the circumstances permitted by the Resolution.

This bond is issued with the intent that the laws of the Commonwealth of Virginia shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia and the Resolution to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed as so required.
IN WITNESS WHEREOF, the Board of Visitors of Virginia Commonwealth University has caused this bond to be executed with the facsimile signature of its Rector and signed by its [Secretary] [Assistant Secretary], and a facsimile of the corporate seal of the University to be imprinted hereon, and the interest coupons hereto attached to be executed with the facsimile signature of said Rector, all as of August 1, 1982.

[Assistant] Secretary of the Board of Visitors of Virginia Commonwealth University

Rector of the Board of Visitors of Virginia Commonwealth University
[FORM OF COUPONS]

No. ............ $___________

On _______, 1 _______, Virginia Commonwealth University will pay to bearer (unless the bond mentioned below shall previously have become payable as provided in the Resolution referred to in said bond and provision for payment thereof shall have been duly made) at the principal office of First & Merchants National Bank, in the City of Richmond, Virginia, or at the option of the bearer, at the principal office of Bankers Trust Company, in the Borough of Manhattan, City and State of New York, upon the presentation and surrender hereof, the sum of ________ Dollars in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, solely from the funds referred to in, and for the interest then due upon, its Medical College of Virginia Hospital Revenue Bond, Series B, dated as of August 1, 1982, No. .............

Rector of the Board of Visitors
of Virginia Commonwealth
University

A-8
[FORM OF REGISTERED BONDS]

Same as form of coupon bonds except as follows:

1. Substitute the following for the caption and the first paragraph:

No. R ... $......

United States of America
Commonwealth of Virginia
VIRGINIA COMMONWEALTH UNIVERSITY
Medical College of Virginia Hospital Revenue Bond,
Series B

Virginia Commonwealth University, a public body constituted as a governmental instrumentality of the Commonwealth of Virginia (herein called the "University"), acting through its Board of Visitors (herein called the "Board"), for value received, hereby promises to pay, solely from the funds provided therefor as hereinafter set forth, to ___________ or registered assigns or legal representative, on July 1, ____ (or earlier as hereinafter referred to), upon the presentation and surrender hereof at the principal office of First & Merchants National Bank, in the City of Richmond, Virginia (the "Bond Registrar"), the principal sum of ___________ DOLLARS

in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay, solely from said funds, to the registered owner hereof by check mailed to the registered owner at his address as it appears on the bond registration books of the University, interest on said principal sum from ___________ in like coin or currency at the rate of ____ per centum (____%) per annum until payment of said principal sum, such interest to the maturity hereof being payable semiannually on January 1 and July 1 in each year.

2. Insert the following paragraph immediately following the paragraph dealing with exchange of bonds:

A-9
The transfer of this bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal office of the Bond Registrar but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this bond. Upon any such registration of transfer the University shall execute and the Bond Registrar shall deliver in exchange for this bond a new registered bond or bonds registered in the name of the transferee, of authorized denominations, or, at the option of the transferee, coupon bonds with coupons attached representing all unpaid interest due or to become due thereon, in aggregate principal amount equal to the principal amount of this bond, of the same series and maturity and bearing interest at the same rate.

3. Substitute the following for the paragraph concerning the notice of redemption and the effect thereof:

At least thirty (30) days before the redemption date of any bonds, whether such redemption shall be in whole or in part, the State Treasurer shall cause a notice of any such redemption (a) to be published once in a daily newspaper of general circulation published in the City of Richmond, Virginia, and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York, (b) to be filed with the Bond Registrar and the paying agents, and (c) to be mailed, postage prepaid, to all bondholders of record (as defined in the Resolution) owning or holding bonds to be redeemed in whole or in part, but failure so to file or mail any such notice shall not affect the validity of the proceedings for such redemption. On the date designated for redemption, notice having been published as aforesaid, the bonds or portions of registered bonds so called for redemption shall become and be due and payable at the redemption price provided for the redemption of such bonds or such portions thereof on such date, and, if moneys for the payment of the redemption price and the accrued interest are held by the Bond Registrar, as provided in the Resolution, interest on such bonds or such portions thereof so called for redemption shall cease to accrue, such bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Resolution, and the holders or registered owners thereof shall have no rights in respect of such bonds or such portions thereof so called for redemption except to
receive payment of the redemption price thereof and the accrued interest so held by the Bond Registrar. If a portion of this bond shall be called for redemption a new bond or bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender hereof.

4. Substitute the following for the witnessing clause:

IN WITNESS WHEREOF, the Board of Visitors of Virginia Commonwealth University has caused this bond to be executed with the facsimile signature of its Rector and signed by its [Secretary] [Assistant Secretary], and a facsimile of the corporate seal of the University to be imprinted hereon, all as of August 1, 1982.

5. Omit the Form of Coupons.