

Lincoln County

DEC 11 1989

**LIABILITY COOPERATIVE OF NEVADA  
("LICOM")  
INTERLOCAL COOPERATIVE AGREEMENT**

THIS AGREEMENT is entered into pursuant to the provisions of NRS 277.055 and NRS 277.080 through 277.180 relating to the authorization of public agencies and non-profit medical facilities for the purchase of certain kinds of insurance or the establishment of self-insurance reserves or funds for coverage, and which have signed this Agreement, and those that may sign hereafter, for the purchase of insurance or the establishment of a self-insurance reserve or fund for coverage under a plan of: casualty insurance, as defined in NRS 681A.020, excluding workman's compensation and employer's liability; marine and transportation insurance as defined in NRS 681A.050; property insurance as defined in NRS 681A.060; surety insurance as defined in NRS 681A.070; or insurance for any combination of these kinds of insurance for those public agencies and non-profit medical facilities which are members of the Nevada Hospital Association, which program is hereinafter designated Liability Cooperative of Nevada ("LICOM").

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WITNESSETH:

WHEREAS, it is to the mutual benefit and in the best public interest of the parties to this Agreement to join together to establish this Interlocal Cooperative Agreement for the purposes hereinafter set forth; and

WHEREAS, the development, organization and implementation of such a program is of such magnitude that it is necessary for the parties to join together through this Interlocal Cooperative Agreement in order to accomplish the purposes herein set forth; and

WHEREAS, it has been determined by the parties that programs of insurance or self-insurance are of value on a mutual basis; and

WHEREAS, an insurance or self-insurance program can adequately serve the needs of all the parties; and

WHEREAS, Nevada law authorizes joint exercise by two or more public agencies of any power common to them; and

WHEREAS, it is the desire of the parties signing this Agreement to jointly provide for an insurance or self-insurance program for their mutual advantage;

NOW, THEREFORE, for and in consideration of the mutual advantages to be derived, and in consideration of the execution of this Agreement, each of the parties hereto does hereby agree as follows:

I.

DEFINITIONS AND GENERAL PROVISIONS

1. "Act." The Nevada Cooperative Agreement Act as set forth in NRS 277.080 through 277.180.
2. "Administrator." LiCON or the contractor or consultant, if any, retained by the Governing Board to administer LiCON.
3. "LiCON." Liability Cooperative of Nevada. Any insurance or self-insurance plan created by this Interlocal Cooperative Agreement, coverage agreement, and related documents.
4. "Certificate of Participation." The document issued to each Participant evidencing its participation in LiCON.
5. "Coverage Agreement." The basic agreement of insurance or self-insurance which defines the extent of LiCON coverage of Participant's risks.

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6. "Fiscal Year" shall mean that period of time commencing July 1st of each year and ending on the following June 30th.

7. "Fiduciary." The bank or trust company organized under the laws of the State of Nevada, which shall have title to the funds and manage the investment of them.

8. "Funds." Unless the context otherwise specifies, all monies paid into LiCON, any earnings thereon, or any other sums coming to LiCON from any source.

9. "Governing Board." The Board of Directors of LiCON.

10. "Member." Any organization which is a member of the Nevada Hospital Association.

11. "Occupied Beds." The daily average number of beds, cribs, and bassinets used by patients during the coverage period.

12. "Participant." A Member of Nevada Hospital Association, satisfying NRS 277.055, who is participating in a LiCON program.

13. "Loss" shall mean a liability or potential liability of a Participant including litigation expenses, attorney's fees and costs covered by an insurance or self-insurance program of LiCON.

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14. "Claim" shall mean a claim made against a Participant arising out of a Loss which is covered by an insurance or self-insurance program of LICOM.

15. "Self-Insured Retention" shall mean that portion of a Loss experienced by a Participant which is retained as a liability or potential liability of LICOM.

16. "Excess Insurance Program" shall mean a program of the Pool under which Participants are protected against designated Losses in excess of the Self-Insured Retention levels.

17. "Maintenance Deductible" shall mean, as to any one Loss, that portion payable by the Participant and not LICOM or its excess insurers.

II.

PURPOSE AND TERM

1. Purpose. The purpose of LICOM is to provide Members with the mechanisms to accumulate, administer and invest funds for the purchase of insurance or the establishment of a self-insurance reserve or fund for coverage under a plan of: Casualty Insurance, as defined in NRS 681A.020, excluding Worker's Compensation and Employer's Liability; Marine and Transportation Insurance as defined in NRS 681A.050; Property Insurance as

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defined in NRS 681A.060; Surety Insurance as defined in NRS 681A.070; or insurance for any combination of these kinds of insurance up to a specified, predetermined amount; to secure properly authorized Excess Insurance on a group basis; and to effect cost savings to Participants in the administration of LiCON. The benefits of LiCON shall not be available to any person or entity other than a Member of Nevada Hospital Association approved for participation by Governing Board which may impose such conditions on membership to protect the interests of LiCON and to provide for the benefits of Members as are required by this Agreement, the Bylaws of LiCON, and other applicable statutes or regulations.

2. Term. This Agreement shall become effective as of the date hereof, and shall continue in full force and effect until determined as provided by Article XIII hereof.

III.

POWERS OF LiCON

LiCON shall have all the powers common to any Public Agency and all additional powers set forth in the Interlocal Cooperative Laws of the State of Nevada, and LiCON is authorized to do all acts necessary for the exercise of said powers, including but not limited to, the following:

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1. To make and enter into contracts;
2. To incur debts, liabilities, and obligations;
3. To acquit, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities;
4. To sue and be sued in its own name;
5. To settle any claim against LICOM or its Members as hereinafter provided;
6. To receive and use contributions and advances from Participants, including contributions or advances of personnel, equipment, or property;
7. To invest any money in its treasury that is not required for its immediate necessities, pursuant to Nevada Laws applicable to investments by a Public Agency; and
8. To carry out all provisions of this Agreement.

IV.

ORGANIZATION AND ADMINISTRATION

1. Responsibility. The responsibility for administration of LiCON shall be vested in LiCON, functioning through its Governing Board and Officers.

2. Authority to Contract. It is anticipated that many of the functions required of Governing Board herein will be performed by independent contractors or consultants. Governing Board shall therefore have the right to contract for the day-to-day management of the fund, investments, computation and collection of contributions, loss control, risk management, claims processing, defense and litigation, or any other activity which Governing Board may have the right or obligation to perform.

3. Agents. Each Participant hereby appoints Governing Board and its delegates or designees to act as its agents in executing all contracts, reports, waivers, agreements and service contracts and to make and arrange for the payment of claims and all other things required for the proper and orderly operation of LiCON.

4. Bylaws. LiCON shall be governed pursuant to this Agreement and to the Bylaws attached hereto as Exhibit "A", and by this reference incorporation herein. Each party to this



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Agreement agrees to comply with and be bound by the provisions of the said Bylaws and further agrees that LiCON shall be operated pursuant to this Agreement and the said Bylaws.

5. Insurance Audits. Governing Board shall arrange for insurance audits of LiCON by a qualified insurance consultant. Such audit shall be addressed to underwriting and claims operations, procedures and practices, including claims reserving, and such other operations as may be determined by consultant and Governing Board. Governing Board is also empowered to retain an independent actuary in connection with such audits. Such audits, including any actuarial services shall be an expense of LiCON.

6. Liability of Governing Board or Officers.

a. Standard of Care. The members of the Governing Board and officers of LiCON should use ordinary care and reasonable diligence in the exercise of their powers and duties hereunder.

b. Limitation of Liability. The members of the Governing Board or officers shall not be liable for any mistake of judgment or other action made, taken or omitted by any of their agents, employees or independent contractors selected by them with reasonable care nor for loss incurred through investment

of, or failure to invest, LiCON funds, and no member of the Governing Board or officer shall be liable for any action taken or omitted by any other member of the Governing Board or officer.

c. Insurance. LiCON shall defend and hold harmless any member of the Governing Board or Officer acting within the scope of his authority for LiCON. LiCON may purchase insurance providing coverage for acts or omissions taken by the Governing Board or performed by an officer within the scope of his or her authority for LiCON.

7. Membership of Nevada Hospital Association. The Nevada Hospital Association shall become an Ex Officio Participant of LiCON upon execution of this Agreement. Its President shall be the President of LiCON without being entitled to vote on any matter pursuant to this Agreement.

v.

CONTRIBUTIONS AND OPERATIONS

1. Contributions. The parties agree that each Participant shall make payment of contributions to LiCON. The amount of such contribution for each Participant shall be determined as provided in the Coverage Agreement entered into by such Participant, and

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any rating endorsements which are made a part of such Coverage Agreement. It is agreed that there must be a timely and orderly method of determining and paying such contributions. The Governing Board is therefore authorized and directed to establish the rate of contributions for each Participant, and the time schedule for payment of such contribution. The timely payment of all contributions to LiCON by each Participant shall be a condition precedent to the continuation of participation by each Participant in LiCON.

2. Annual Nature of Participation. Participation in LiCON except initial participation which may be less than one (1) year, shall be for one (1) year at a time commencing July 1st and ending June 30th, subject to termination at any time upon either LiCON or Participant giving notice as required by Section VIII in writing to the other. Participation may be renewed for additional one (1) year terms by submitting to LiCON prior to the close of the then-current term, such information as Governing Board may require or may specify in the Coverage Agreement, and by remitting to LiCON upon such payment schedule as LiCON shall specify, the Participant's contribution for the following year.

3. Computation of Contribution. The amount to be contributed by each Participant to LiCON shall be determined by the Governing Board.

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The computations shall be made based on independent actuarial computations, taking into account factors such as, but not limited to, the total number of beds, outpatient visits, inpatient visits, physicians on the medical staff, surgeries, loss experience, property values, earnings, vehicles or equipment owned or used, and number of employees. If at any time Governing Board, based upon the recommendation of the Actuary, determines that contributions of Participants need to be adjusted prospectively or retrospectively, it may do so on a group or individual rate of adjustment basis.

4. Loss Control and Risk Management. Participants agree to follow the loss prevention and risk management recommendations of Governing Board, and to abide by all conditions, requirements, rules and regulations regarding loss control and risk management which may be promulgated by Governing Board.

5. Right to Inspect. As provided in the Coverage Contract, each Participant agrees that Governing Board, Administrator, or any of their respective agents, servants, employees or attorneys shall be permitted at any reasonable time to inspect Participant's property and operations and to examine Participant's books, documents and records as necessary in the proper operation of LICON.

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6. Audit. LICOW shall obtain an annual audit of the financial affairs of LICON, by a Certified Public Accountant at the end of each fiscal year in accordance with generally accepted auditing principles. A copy of the annual audit report shall be delivered to each Participant. The costs of such audit shall be paid from the funds of LICON.

7. Binding Nature. Any Member, which makes application for participation in a LICON program, and is accepted as a Participant and signs this Agreement, shall thereupon become a party to this Agreement and shall be bound by all the terms and conditions hereof; provided, however, that any Member may be refused admission to LICON in the sole discretion of Governing Board. The power to adopt, modify or rescind any standards for admission to LICON is the responsibility of the Governing Board.

8. Deposit of Funds. Participants shall pay contributions to LICON which shall deposit them with Fiduciary to be administered by Governing Board pursuant to the provisions of the Bylaws of LICON. The contributions and income therefrom shall be accumulated to pay covered claims against each Participant together with allocated costs and administrative costs, up to a specified amount, to be determined from time to time by Governing Board upon the advice of Administrator.

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9. Contributions of Participants. Without in any way limiting the powers otherwise provided in this Agreement, the Bylaws, or by statute, LiCON shall have the power and authority to receive, accept and utilize the services of personnel offered by any Participants or its representatives or agents; to receive, accept, and utilize property, real or personal, from any Participant or its agents or representatives; and to receive, accept, expend and disburse funds by contract or otherwise, for purposes consistent with the provisions of LiCON, which funds may be provided by any Participant, its agents, or representatives.

10. Annual Budget. The Governing Board shall annually adopt an operating budget to include a separate budget for each program under development or adopted and implemented by LiCON.

VI.

CLAIMS ADMINISTRATION AND PAYMENT OF LOSSES

1. General. The principal purpose for the establishment of LiCON is to provide for the orderly presentment, examination, investigation, defense or settlement of certain identified claims made against the Participants. It is agreed and understood that LiCON shall use the sums contributed by the Participants to pay only such losses and claims to which LiCON is obligated by the Coverage Contract.

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2. Presentment of Claims. The services and benefits to be provided under LICON shall be paid or furnished to or for the benefit of a Participant with respect to a particular incident or claim only if LICON is notified as required by the Coverage Contract.

Upon presentation of a claim and a determination that it is within the Coverage Contract, the following accounting procedures shall be followed by Administrator in connection with such claim:

a. The claim shall be evaluated as to probable loss exposure and defense cost.

b. The sum so determined shall be established as a reserve. Such reserve sum shall be held for the administration and payment of such claim, and for no other purpose.

c. Reserves shall be established in order of the presentation of claims.

d. The reserves shall be adjusted from time to time based upon the then evaluation of such claim reserved against.

Actuary and Governing Board shall be advised by Administrator as to the current status of claims against Participants.

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3. Investigation and Defense. Administrator shall investigate, or cause to be investigated, all such claims referred to in the foregoing paragraph and will attempt to adjust or settle such claims for what LICON may be obligated. As required and subject to the provisions of the Coverage Contract, LICON, through its designated counsel will provide legal defense of claims against Participants. The Participant agrees to aid LICON in such matters and to provide and make available all information and personnel as may be reasonably required in the opinion of Administrator to investigate and defend the claim.

4. Payment of Benefits. Fiduciary shall pay claims as directed in writing by Governing Board. Said writing shall contain the following:

- a. The name, address and social security number of the payee;
- b. The amount to be paid;
- c. The manner in which payment is to be made;
- d. Any conditions, limitations or special instructions with respect to such payment;
- e. The signature(s) authorized by Governing Board.



It is understood that Governing Board and Administrator shall use their discretion in making judgments and assumptions as to the actual value of any claim and making such reserves based on such judgments.

5. Installment Payment of Judgments. Upon recommendation of Administrator and General Counsel, Governing Board is authorized to seek authority for installment payment of judgments, pursuant to provisions of Nevada law.

6. Governing Board may delegate authority to settle certain claims against LICON to Administrator. Fiduciary shall pay such claims as directed by Administrator pursuant to Governing Board's written delegation.

VII.

OBLIGATIONS OF PARTICIPANTS

1. Liability for Other Participants. Except to the extent of the financial contributions to LICON agreed to herein, or such additional obligations as may come about through amendments to this Agreement, or the Bylaws of LICON, no Participant shall be responsible for any claims in tort or contract asserted against any other Member.

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2. Limitation of Participants' Relationships. In the creation of LiCON, the Participants intend only to establish an organization for insurance and self-insurance programs in accordance with the terms and within the scope of this Agreement and have not intended to create as between Participants any other relationships of surety, indemnification or responsibility for the debts or claims of any other Member.

3. Participants' Liability. The liability of each Participant for the obligations of LiCON shall be individual, several and proportionate liability, and not joint.

4. Responsibility for Contributions. Participants who have withdrawn or have been terminated shall remain, subject to the payments of any contributions for the year(s) during which such Member was a participant in the program of LiCON.

VIII.

TERMINATION OR WITHDRAWAL OF PARTICIPANT

1. Withdrawal of Participant. A Participant may terminate its participation in LiCON or a LiCON program by giving the required written notice, but such Participant shall remain liable for any unpaid contribution which shall have accrued prior to termination of its participation. The rights of a Participant

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after termination shall be limited to those benefits which have accrued as of the date of termination as determined by the provisions of the Certificate of Participation issued to the Participant.

2. Participant Insolvency. A Participant may not withdraw as a Participant for a period of one (1) year after its initial entry, except in case of insolvency or change in its legal status as a public or non-profit medical facility.

3. Notice of Withdrawal. After one (1) year following its initial entry, a Participant may withdraw from the LICOM upon giving ninety (90) days written notice to the Governing Board.

4. Effect of Withdrawal. The withdrawal of a Participant shall not affect the continuance of LICOM by the remaining Participants.

5. Payments Before Withdrawal. In order to withdraw, the Participant shall pay any outstanding amounts due and owing to LICOM.

6. Cancellation by LICOM. The Governing Board:

a. May cancel the membership of any Participant in LICOM on a vote of two-thirds of the Governing Board at a meeting called for that purpose, and such Board action shall result in

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the cancellation of that Participant's participation in all programs of LiCON as of the date of the cancellation;

b. May cancel any Participant's participation in a program of LiCON without cancelling its membership in LiCON or participation in other programs on a vote of two-thirds of the Governing Board at a meeting called for that purpose.

7. Involuntary Termination. A Participant may be terminated by two-thirds of the Governing Board for:

a. Failure to abide by any duly adopted amendment of this Agreement or the Coverage Contract for LiCON; or

b. Failure to give prompt notification to Administrator of incidents and claims; or

c. Upon recommendation of Administrator and a vote of Governing Board, for failure to implement loss control and risk management recommendations.

In the case of termination for failure to pay any contribution when due, Governing Board shall establish such notice periods as it may deem necessary or appropriate. In all other cases of

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termination for breach of any of the aforementioned conditions Participant shall be given thirty (30) days' notice of termination.

Upon recommendation of Administrator the Governing Board may terminate a Participant without cause by mailing to the Participant written notice stating when, not less than thirty (30) days thereafter, such termination shall be effective.

8. Adjustment. Participant shall remain liable for any unpaid contribution which shall have accrued prior to the withdrawal or termination of its participation in LICON. Adjustment for amounts of contribution due LICON upon termination shall be made within thirty (30) days of the time at which cancellation is effective.

9. Continued Liability. If at any time Governing Board, based upon the recommendation of the Actuary, determines that contributions of Participants need to be adjusted prospectively or retrospectively, it may do so on a group or individual rate adjustment basis. The amount of any such terminated or withdrawn Participant's adjustment shall be in accordance with a formula developed by LICON's actuary and approved by the Governing Board. Any adjustments of contributions paid by a withdrawn Participant shall be limited to three (3) years after its withdrawal or termination.

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IX.

ADMINISTRATOR

1. Appointment of Administrator. Governing Board will appoint an experienced and qualified Administrator to administer LICON. Such Administrator may be a person, association, partnership, corporation, or any other form of entity, who secures a license in accordance with applicable Nevada law.

2. Duties of Administrator. Administrator shall have all such duties and authorities as may be delegated to it by Governing Board. Governing Board shall enter into a service agreement with any contracted Administrator which shall specify all of the agreed upon duties and obligations.

X.

FIDUCIARY

1. Designation of Fiduciary. Governing Board shall appoint a Nevada Bank or Trust Company qualified to do a trust business as Fiduciary.

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2. Duties. In accordance with policy guidelines established by Governing Board, Fiduciary shall be responsible for investing all Funds of LICON. Fiduciary shall have custody of all Funds and shall pay all claims and settlements as directed by Administrator.

3. Payment. Fiduciary shall be paid such reasonable compensation as shall be agreed upon, from time to time, by Fiduciary and Governing Board. Said compensation shall be an expense of LICON.

4. Resignation. Fiduciary may resign at any time by delivering written notice to Governing Board. Any such resignation shall be effective not less than sixty (60) days after delivery.

5. Removal. Governing Board may remove Fiduciary at any time by delivery of written notice to Fiduciary. Such removal shall be effective not less than sixty (60) days after such delivery.

6. Appointment of Successor Fiduciary. Upon removal, resignation or other termination of Fiduciary, Governing Board shall appoint a successor Fiduciary within thirty (30) days following the date Fiduciary fails to qualify or ceases to act.

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7. Successor Fiduciary. Any successor Fiduciary shall be a recognized independent fiduciary such as a bank or trust company organized under the laws of the State of Nevada and authorized by law to administer and control funds. All successor Fiduciaries shall have the same powers, authorities, obligations, and limitations as the original Fiduciary. The appointment of any successor Fiduciary shall be effective upon the date the Fiduciary which such successor Fiduciary is succeeding, ceases to act.

XI.

ACTUARY

1. Appointment. Governing Board shall retain an Actuary.
2. Duties. Actuary shall have all duties and authorities as may be delegated to it by Governing Board in a written contract between Actuary and Governing Board. It is contemplated that the duties of Actuary shall include, but not necessarily be limited to, the following:
  - a. Recommend contributions;
  - b. Review rating structure;
  - c. Monitor claims and analyze loss reserves;



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- d. Monitor LICON participation;
- e. Assist Governing Board in financial planning.

3. Payment. The professional fee paid the Actuary for its services shall be an expense of LICON.

4. Termination. The contract between Governing Board and Actuary may be terminated by either party on thirty (30) days written notice to the other party of such termination, in which event Actuary shall be paid for all services rendered by it up until the effective date of such termination, but shall not be paid for any work it may do thereafter except as otherwise specifically agreed. Upon termination, Actuary shall return all books, records, files and other items pertaining to LICON, its Participants and their claims to Governing Board.

XII.

GENERAL COUNSEL

- 1. Appointment. Governing Board may retain Legal Counsel as needed.
- 2. Duties. Legal Counsel shall have such duties as may be requested of it in writing by Governing Board or Administrator.

3. Payment. The professional fees of Legal Counsel for services rendered to LICOM shall be an expense of LICOM.

XIII.

AMENDMENT AND TERMINATION

1. Amendment. Participants may amend this Agreement at any time and from time to time by an instrument in writing approved by a majority vote of Governing Board, executed by two-thirds of the Participants, provided, however, that:
  - a. No amendment shall increase the duties or liabilities of either Governing Board, Fiduciary, or Administrator other than on a prospective basis.
  - b. No amendment shall reduce the benefit of a Participant for any fiscal year which Participant was fully qualified Participant in LICOM.

Upon approval, as above, and upon execution of any amendment by a majority of the Participants, the said amendment shall immediately be effective and binding upon all Participants. Any Participant which has failed to sign the amendment shall have the option of withdrawing from LICOM in accordance with Section VIII of this Agreement, or remaining in LICOM and being bound by such

amendment. In the event Participant fails to exercise the option to withdraw within thirty (30) days, it should be deemed to have accepted the amendments.

2. Termination by Agreement. Participants may terminate LICON without a successor entity effective as of the end of the then current fiscal year by an instrument in writing approved by a vote of two-thirds of Governing Board, executed by a two-thirds of the Participants; provided, however, if LICON shall be terminated, such termination shall not reduce or terminate the rights, benefits and obligations of any Participant as to any claim theretofore presented.

3. Termination by Withdrawals. If, at any time, by reason of withdrawals or terminations of Participants and upon the Actuary's determination that LICON is no longer economically feasible or actuarially sound, then LICON may be terminated and dissolved by Governing Board, subject to approval by two-thirds of the remaining Participants.

4. Disposition of Funds Upon Termination. Upon termination of LICON, Fiduciary shall retain in a liquidation fund such sums up to the entire amount of LICON as the Governing Board deems sufficient to pay the remaining obligations of LICON. In the alternative, LICON may insure or reinsure all outstanding liabilities of Participants. Any funds remaining after termination of LICON after adequate provision for all liabilities

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and claims thereunder shall be distributed to Participants and former Participants in the same proportion as each Participant's (or former Participant's) total contributions paid by that Participant, reduced by the amount of losses and allocated claims expenses paid on behalf of that Participant, bear to all contributions paid by all Participants, reduced by the total losses and allocated claims expenses paid on behalf of all Participants from the inception of LICON to its termination. If LICON insures or reinsures all outstanding liabilities of Participants, any funds remaining in excess of amounts necessary to pay the cost of such insurance or reinsurance shall be distributed to Participants in accordance with this Section, not later than twelve (12) months after payment of the final insurance or reinsurance premium. If LICON elects to liquidate the liabilities by means of a liquidation fund, any excess funds shall be distributed not later than twenty-five (25) years following the date of termination of LICON.

XIV.

MISCELLANEOUS

1. Binding Nature. This Agreement contains the entire agreement of the parties and shall be binding upon and inure to the benefit of the original parties hereto and any substitute or additional parties who are bound hereby in accordance with the provisions hereof, their successors and assigns.

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2. Notices. Any notices required by law or this Agreement shall be sufficient if given in writing and deposited in the United States mail, postage paid, addressed to the Participant at the last address on file with LiCON. Notices to be given to LiCON shall be directed to such address as LiCON shall designate for such purpose.

3. Partial Invalidity. If any one or more of the terms, provisions, promises, covenants, or conditions of LiCON shall to any extent be judged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of LiCON shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

4. Successors. This Agreement shall be binding upon and shall inure to the benefit of successors of the parties.

5. Assignment by LiCON. LiCON expressly reserves the right to assign its interests in LiCON, including all powers, duties, and authority therein, to such entity as may be approved for such assignment by Governing Board and authorized by Nevada Law.

No Participant may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third

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party beneficiary of any Participant shall have any right, claim or title to any part, share, interest, fund contribution, premium or asset of LiCON.

6. Counterparts. This Agreement may be executed in one or more counterparts, and shall be deemed effective as to all signatories as though signed in one document.

7. Fiscal Year. LiCON shall operate on a fiscal year commencing July 1st and ending on the following June 30th.

XV.

GOVERNING LAW AND SEVERABILITY

1. Governing Law. The construction, validity, and affect of this Agreement shall be governed by the laws of the State of Nevada.

2. Severability. Should any covenant, condition, term or provision in this Agreement be deemed by a court of competent jurisdiction to be invalid or unenforceable, all of the remaining covenants, conditions, terms and provisions herein shall remain in full force and effect.

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XVI.

FILING WITH ATTORNEY GENERAL

The President of LICON shall file a notice of this Agreement with the office of the Attorney General within thirty (30) days of its effective date as required by Nevada Revised Statutes.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be affixed as of \_\_\_\_\_.

PARTICIPANT:

Carver C. Hill Medical Center  
Name of Medical Facility

By: Janice Sipe

Title: Administrator

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December 19, 1982  
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RECD 490 LINCOLN  
CO. N.Y. NEADA  
FRANK C. HULSE  
COUNTY REC'D  
By: Frank C. Hulse, Deputy

LICOR:

By: John Collins

Title: Chairman

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