

**SPECIAL MEETING OF THE
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION**

**9th Floor Conference Room*
Boulevard Tower
1018 Kanawha Boulevard East
Charleston, West Virginia**

**July 19, 2012
2:30 P.M.**

AGENDA

- I. Call to Order
- II. Approval of Appointment to the Higher Education Student Financial Aid Advisory Board
- III. Approval of Additional Funding for West Virginia State University
- IV. Approval of Refunding Bond Resolution for West Virginia University
- V. Approval of Purchase and Financing of Suncrest Plaza Site in Morgantown, West Virginia by West Virginia University
- VI. Additional Board Action and Comment
- VII. Adjournment

**To join the meeting by conference call, dial the following numbers: 1-866-453-5550, participant code: 5245480#.*

**West Virginia Higher Education Policy Commission
Meeting of July 19, 2012**

ITEM: Approval of Appointment to the Higher Education Student Financial Aid Advisory Board

INSTITUTIONS: All

RECOMMENDED RESOLUTION: *Resolved*, That the West Virginia Higher Education Policy Commission approves the appointment to the Higher Education Student Financial Aid Advisory Board.

STAFF MEMBER: Brian Weingart

BACKGROUND:

The Higher Education Student Financial Aid Advisory Board is a body statutorily charged to provide financial aid expertise and policy guidance to the Commission and the Council for Community and Technical College Education on matters related to federal, state, and private student financial aid resources and programs.

The Higher Education Student Financial Aid Advisory Board consists of seven members. Three members are appointed by the Commission, two members by the Council, one member by the West Virginia Independent Colleges and Universities, and one member by the West Virginia School Counselor Association. According to statute, although original appointments by the Commission were for different term lengths, subsequent appointments shall be for three-year terms. Members are eligible to succeed themselves for one additional consecutive term.

The statute provides that members appointed by the Commission and the Council shall possess a broad knowledge of state and federal higher education student financial aid programs and have experience in administering these programs, preferably at the system or campus level.

In 2009, 2010, and 2011 the Commission approved membership to this Board. Currently, the three-year term for Kaye Widney, Director of Financial Aid at West Virginia University, expired on June 30, 2012. After consultation with the West Virginia Association of Student Financial Aid Administrators, staff recommends that Kaye Widney serve a second three-year term.

**West Virginia Higher Education Policy Commission
Meeting of July 19, 2012**

ITEM: Approval of Additional Funding

INSTITUTION: West Virginia State University

RECOMMENDED RESOLUTION: *Resolved*, That the West Virginia Higher Education Policy Commission approves the allocation of additional funding for various projects to West Virginia State University as presented.

STAFF MEMBER: Paul Hill

BACKGROUND:

During the 2012 legislative session, the Commission received \$1,500,000 in funding for West Virginia State University and West Virginia University Institute of Technology. The one-time allocation is intended to fund projects that will increase the financial stability of the institutions through increased enrollment and efficiencies.

The detailed funding proposal for West Virginia State University appears on the following page. During the meeting, Dr. Brian Hemphill, President, and other institutional officials, will be available to provide additional information and answer any questions.

WEST VIRGINIA STATE UNIVERSITY
Revised Detail Spending Proposal
\$750,000 Additional Funding
July 11, 2012

Senate Bill 330 – Classified staff raise & benefits \$152,000

In accordance with Senate Bill 330, we must fully fund the classified staff salary schedule contained in West Virginia Code §18B-9-3 by July 1, 2015. WVSU is currently at 94% of the required plan levels. This will be the first of three planned increases to accomplish 100% of the goal. Providing our classified staff with this raise will make adequate progress towards SB 330 requirements, as well as boost the staff moral on campus.

Additional library books & periodicals 325,000
 Library online services 58,961
 Academic assessment – LiveText licenses for students 55,000

The three items above regarding library materials, library services, and Live Text licenses are all interrelated parts. The additional library books and periodicals are needed to maintain the expected collection for accreditation. The request is to prepare for the reaffirmation of accreditation. The demand to maintain the online services continues to increase in costs. There is an expectation to keep current online data for specialized accreditation. LiveText is the students' e-portfolio and assessment tools needed to improve evaluation. This Institution has been continuously accredited since 1927. The evaluation will take place during Academic Year 2014-2015.

Recruitment 75,000
 Name buys from ACT & SAT
 Territorial management investment
 Recruiting materials
 Hobsons admissions management system

Branding & Marketing 64,039
 Website enhancements
 Direct mail initiatives (student, parent, business leaders)
 Social media enhancements (Facebook & Twitter)

Recruitment, branding, and marketing are extremely important for WVSU right now as we need to address declining enrollment. The items listed above will help us establish long-term relationships with new and returning students. Furthermore, the addition of a name-buy process as well as the Hobsons system will dramatically modernize our approach to student recruitment. With more students attending WVSU, we will be able to create a sustainable financial framework to reach our goal of long-term financial stability.

Wi-Fi Campus 20,000
 As a primary step to building an improved technological infrastructure, we need to become a Wi-Fi campus. This is part of a new technology initiative for the University. Building a Wi-Fi campus will improve student satisfaction and, in return, student retention.

TOTAL \$750,000

**West Virginia Higher Education Policy Commission
Meeting of July 19, 2012**

ITEM: Approval of Refunding Bond Resolution

INSTITUTION: West Virginia University

RECOMMENDED RESOLUTION: *Resolved, That the West Virginia Higher Education Policy Commission approves and authorizes issuance of revenue bonds to advance refund all or a portion of the outstanding West Virginia University Board of Governors University Revenue Improvement Bonds 2004 Series C in an aggregate principal amount not to exceed \$150 million and authorizes the issuance of revenue bonds in an aggregate principal amount not to exceed \$12 million, pursuant to the approving and authorizing resolution prepared by bond counsel that follows.*

STAFF MEMBER: Richard Donovan

BACKGROUND:

In 2004, West Virginia University Board of Governors University Revenue Improvement Bonds 2004 Series C were issued in an aggregate principal amount of \$138,710,000 to fund capital improvements on campus.

Over the past several months, interest rates in the municipal bond market have fallen to the point that it may be advantageous to refinance the 2004 Series C Bonds. The University will only refinance the bonds under favorable conditions yielding at least 3 percent net present value savings.

The bond authorizing resolution permits the University to take the savings generated by the refinancing and to use those savings to issue additional debt. The proceeds from the debt could be used to fund projects contemplated in the University's capital plan. An alternative approach would be to take the annual interest savings and redirect those savings to other strategic priorities. Both options will be evaluated by the University at the time of the refunding and a final strategy determined by the annual amount of cash savings, funds needed to support capital projects, and operating budget priorities.

The last analysis that was provided to the University projected a net present value savings of approximately \$7.5 million, and net present value savings percentage savings of approximately 6.14 percent.

University officials will be available to provide additional information and to answer questions.

STATE OF WEST VIRGINIA
HIGHER EDUCATION POLICY COMMISSION

RESOLUTION APPROVING AND AUTHORIZING THE ISSUANCE BY THE WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS OF REVENUE REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$150,000,000 TO FINANCE THE ADVANCE REFUNDING AND REDEMPTION OF ALL OR A PORTION OF THE OUTSTANDING WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS UNIVERSITY REVENUE IMPROVEMENT BONDS (WEST VIRGINIA UNIVERSITY PROJECTS) 2004 SERIES C AND THE ISSUANCE BY THE WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS OF REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$12,000,000, THE REPAYMENT OF WHICH IS ALLOCABLE TO THE SAVINGS REALIZED FROM THE ADVANCE REFUNDING, FOR THE PURPOSE OF FINANCING PROPOSED CAPITAL IMPROVEMENT PROJECTS

WHEREAS, the West Virginia University Board of Governors (the “Board”) is party to a Bond Trust Indenture dated as of November 1, 2004, with United Bank, Inc., as trustee (the “Trustee”), as supplemented and amended by the First Supplemental Indenture dated as of August 1, 2011, and by the Second Supplemental Indenture dated as of October 1, 2011 (together, the “Original Indenture”);

WHEREAS, pursuant to the Original Indenture, the Board on December 2, 2004, issued its University Revenue Improvement Bonds (West Virginia University Projects) 2004 Series C, which were issued and are currently Outstanding in the aggregate principal amount of \$138,710,000 (the “Series 2004C Bonds”);

WHEREAS, the Board has determined that it is in the best interests of West Virginia University (the “University”) for the Board to advance refund all or a portion of the Series 2004C Bonds, the refunding of which would result in net present value savings of financial benefit to the University (the “Series 2004C Bonds To Be Refunded”);

WHEREAS, pursuant to the authority contained in Chapter 13, Article 2G of the Code of West Virginia, 1931, as amended (the “Refunding Act”) and, as applicable, Chapter 18B, Articles 10 and 19 of the Code of West Virginia, 1931, as amended (together, the “Financing Act” and, together with the Refunding Act, the “Act”), Section 2.19 of the Original Indenture and a Supplemental Indenture (as defined in the Original Indenture and, together with the Original Indenture, the “Indenture”) to be entered between the Board and the Trustee, the Board proposes to issue (a) not to exceed \$150,000,000 in aggregate

principal amount of a series of refunding revenue bonds as Additional Bonds under the Indenture (the “Refunding Bonds”) for the purposes of (i) financing the cost of advance refunding and redeeming on October 1, 2014 the Series 2004C Bonds To Be Refunded; (ii) funding a debt service reserve fund for the Refunding Bonds, if required; and (iii) paying the costs of issuance of the Refunding Bonds and related costs (the issuance of the Refunding Bonds and the use of the proceeds for advance refunding and redeeming the Series 2004C Bonds To Be Refunded are hereinafter referred to together as the “Refunding”) and (b) not to exceed \$12,000,000 (the “Capital Improvement Bonds”; the Refunding Bonds and the Capital Improvement Bonds are hereinafter referred to together or alternatively, as applicable, as the “Series 2012 Bonds”; provided, that the Series designation may be changed to reflect the year and series designation of the Refunding Bonds or the Capital Improvement Bonds, as applicable) for the purposes of (i) financing the costs of design, acquisition, construction and equipping, or any thereof (and including capitalized interest, if applicable) of capital improvement projects consistent with the University’s capital plan (the “Capital Improvement Projects”), the debt service on which Capital Improvement Bonds would be allocable to the debt service savings realized through the Refunding;

WHEREAS, Chapter 18B, Article 10, Section 8 of the Code of West Virginia, 1931, as amended, requires that the Series 2012 Bonds be approved by this Commission; and

WHEREAS, this Commission deems it desirable and in the best interests of the University to approve and authorize the issuance of the Series 2012 Bonds by the Board to effect the Refunding and the Capital Improvement Projects, allocating the debt service savings realized from the Refunding to the payment of debt service on the Capital Improvement Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE HIGHER EDUCATION POLICY COMMISSION, AS FOLLOWS:

Section 1. Approval of the Series 2012 Bonds.

A. The Refunding and the issuance by the Board pursuant to the Act of its Refunding Bonds in an aggregate principal amount not to exceed \$150,000,000, for the purposes of (i) advance refunding and redeeming on October 1, 2014 the Series 2004C Bonds To Be Refunded, (ii) funding a debt service reserve fund for the Refunding Bonds, if required, and (iii) paying the costs of issuance of the Refunding Bonds and related costs (including but not limited to Credit Enhancement or a Liquidity Facility) are hereby approved.

B. The design, acquisition, construction and equipping of the Capital Improvement Projects and the issuance by the Board pursuant to the Financing Act of its Capital Improvement Bonds in an aggregate principal amount not to exceed \$12,000,000, for the purposes of (i) financing the costs of the Capital Improvement Projects, (ii) funding a debt service reserve fund for the Capital Improvement Bonds, if required, (iii) capitalizing interest on the Capital Improvement Bonds, if required, and (iv) paying the costs of issuance of the Capital Improvement Bonds and related costs (including but not limited to Credit

Enhancement or a Liquidity Facility) are hereby approved. The debt service savings realized from the Refunding shall be allocated to the debt service payments on the Capital Improvement Bonds; provided, that there shall not be created a direct pledge of the debt service savings realized by the Refunding to the Capital Improvement Bonds; rather, such Capital Improvement Bonds shall be secured by and payable exclusively from the respective Fees, other sources of revenue and funds pledged under the Indenture.

C. The Series 2012 Bonds shall be dated, mature, bear interest and have such other terms and provisions as are determined by the Board and set forth in the Supplemental Indenture.

D. This Commission hereby finds and determines that an aggregate principal amount not exceeding \$162,000,000 can be paid as to both principal and interest and, as applicable and necessary, reasonable margins for a reserve therefor from the Institutional Capital Fees, Auxiliary Fees and Auxiliary Capital Fees (as defined in the Indenture, collectively, the "Fees") and other sources of revenue pledged thereto by the Board pursuant to the Indenture. The source of and security for payment of the Series 2012 Bonds from the Fees and other sources of revenue are on parity with that of the Series 2004 Bonds, the Series 2011A Bonds, the Series 2011B Bonds and the Series 2011C Bonds previously issued pursuant to the Indenture. The payment of principal of and premium, if any, and interest on the Series 2012 Bonds from the Fees and other sources of revenue is hereby approved. The Bonds may be sold by private sale after requests for proposals or such other manner as the Board determines is in the best interests of the University.

Section 2. Special Obligations. This Commission recognizes and agrees that all covenants, stipulations, obligations and agreements of the Board or the University entered in connection with the Refunding, the Capital Improvement Projects and the Series 2012 Bonds shall be deemed to be the special and limited covenants, stipulations, obligations and agreements of the Board and the University to the full extent permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon this Commission, the Board and the University, and their respective successors. No covenant, stipulation, obligation or agreement entered in connection with the Refunding, the Capital Improvement Projects or the Series 2012 Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of this Commission, the Board or the University in his or her individual capacity, and no member, officer, agent or employee of this Commission, the Board or the University shall be liable personally thereunder or be subject to any personal liability or accountability by reason thereof.

Section 3. Incidental Action. The Chancellor, the Chairperson, Vice-Chairperson, Secretary and other appropriate members and officers of this Commission are hereby authorized and directed to execute and deliver any documents, certificates, agreements and instruments and take such other actions as may be required or desirable by the Board or the University to carry out the purposes of this Resolution. Each of such authorized officers is hereby authorized and directed to execute and deliver any documents, certificates, agreements and instruments and take such other actions as may be required or desirable by this Commission, the Board or the University to accomplish the Series 2012 Bond financing. Although the Series 2012 Bond financing is anticipated to be substantially as presented to this Commission, this Commission recognizes that market conditions and other factors may affect the amount and terms of such financing. Without limiting the generality of the foregoing, this Commission hereby authorizes the Chancellor to approve an alternate structure for the financing, including but not limited to a lease-purchase agreement for the Capital Improvement Projects or a revenue bond issue under other authority; provided, that no such alternate structure shall cause the financing to be a general obligation of the State of West Virginia or an obligation or liability of any member, officer, agent or employee of this Commission, the Board or the University in his or her individual capacity. The Chancellor's written approval shall constitute approval by this Commission of the financing.

Section 4. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED this ____ day of _____ 2012.

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By: _____
Its: _____

West Virginia Higher Education Policy Commission
Meeting of July 19, 2012

ITEM: Approval of Purchase and Financing of Suncrest Plaza Site in Morgantown, West Virginia

INSTITUTION: West Virginia University

RECOMMENDED RESOLUTION: *Resolved*, That the West Virginia Higher Education Policy Commission approves the acquisition of certain real property located along Van Voorhis Road, consisting of approximately 5.5 acres, with improvements, which include the Suncrest Center, Suncrest Executive Plaza II, an Applebee's Restaurant, and approximately 100,000 square feet of premium Class A office space and 440 parking spaces, including garage and surface parking, in the Seventh Ward, City of Morgantown, Monongalia County, West Virginia, for the sum of \$26,385,000 from Glenmark Holding Limited Liability Company, a West Virginia limited liability company. Such acquisition is further subject to a thirty-day advance notice to the Joint Committee on Government and Finance.

Further Resolved, Pursuant to the approving and authorizing resolution prepared by bond counsel, that the West Virginia Higher Education Policy Commission approves and authorizes the issuance of revenue bonds and a reimbursement resolution in an amount not to exceed \$13.5 million, and the execution of a purchase money loan agreement with West Virginia University Hospitals, Inc. in the amount of \$13.5 million for interim financing that shall thereafter convert to equity upon West Virginia University Hospitals' receipt of a final, non-appealable Certificate of Need.

STAFF MEMBER: Richard Donovan

BACKGROUND:

West Virginia University (WVU) and West Virginia University Hospitals, Inc. (WVU Hospitals) propose to acquire certain real property owned by Glenmark Holding LLC (Glenmark) consisting of approximately 5.5 acres with improvements. The

improvements include the Suncrest Center, Suncrest Executive Plaza II, an Applebee's Restaurant, approximately 100,000 square feet of premium Class A office space, and 440 parking spaces, including garage and surface parking, in Morgantown ("property"), for the sum of \$26,385,000, of which West Virginia University will be responsible for paying \$13,192,500.

WVU and WVU Hospitals propose to own the property jointly, each with an undivided 50 percent ownership interest. While WVU Hospitals is obtaining a final, non-appealable Certificate of Need ("CON") for its purchase of one-half interest in the property, WVU Hospitals will advance an interest free purchase money loan to WVU in an amount not to exceed \$13.5 million. Upon WVU Hospitals' obtaining a CON, WVU will transfer an undivided interest in the property to WVU Hospitals such that WVU and WVU Hospitals will each own an undivided 50 percent ownership interest in the property as tenants-in-common and the loan will be canceled. In the event that a CON is not obtained by WVU Hospitals, the payments on the loan will be made pursuant to the purchase money loan agreement and promissory note. The loan agreement and promissory note, as amended, have been approved by the Attorney General's Office for one fiscal year, the loan is payable from current fiscal year appropriations and contains a non-appropriation clause. WVU will fund its 50 percent share of the purchase through the issuance by the WVU Board of Governors of taxable revenue bonds in the aggregate principal amount of not more than \$13,500,000.

Both parties agree to share income, rents, profits, costs and benefits of the acquisition, operation, management and maintenance of the property on an equal 50/50 basis. The existing tenants in the property will continue to occupy space pursuant to the tenants' leases. The bond payments, debt service payments and operating costs of the property will be supported through existing and future rental revenues. The property's occupancy rate is approximately 85 percent, which, according to WVU, generates sufficient revenues to support debt payments and other operating costs. Approximately 10,000 square feet of space is vacant and is being evaluated as expansion space for the WVU School of Dentistry.

This site is in close proximity to both WVU's Robert C. Byrd Health Sciences Center Campus and WVU Hospitals' Ruby Memorial Hospital, and will provide essential space to meet the long-term and strategic development needs of both entities.

In support of this acquisition, WVU provided the following information, which is summarized, in response to a series of questions by Commission staff:

- Two appraisals have been made of the property; one for the property owner, Glenmark, by Diversified Evaluation Company of Pittsburgh totaling approximately \$27.7 million, and the other for WVU Hospitals, Inc. by Jarom & Associates, LLC of Clarksburg for \$24 million.
- Copies of the recorded deeds and a plat showing property boundaries have been provided.

- An architectural/engineering evaluation of the building and other improvements was performed in-house by WVU's Director of Facilities Maintenance and its Director of Environmental Services. Their opinion is that the building and building systems are in good condition. One issue was reported with the HVAC system. Cooking odors from a pizza restaurant were migrating to adjoining tenant spaces but according to WVU, this problem has been corrected. Furthermore, Glenmark will deposit \$200,000 into an escrow account maintained by an agent chosen by WVU for the purpose of repairing or replacing the existing heating, ventilation, and air-conditioning systems and equipment servicing the Suncrest Center. Suncrest Center was built in 2004 and Suncrest Executive Plaza II in 2007. In addition to the HVAC system, the roofing system, exterior walls and windows, structure, plumbing, electrical, fire alarm and fire suppression systems were evaluated and are reported to be in good condition. The energy efficiency of the building is reported to be "sufficient." No adverse site conditions were reported.
- Glenmark hired CTL Engineering, Inc. in 2003 and 2004 to perform Phase I Environmental Assessments on the three parcels included in this transaction. No environmental issues with the real property were reported.
- The total land to be acquired is 5.465 acres, the total building square footage is 100,000 square feet and the parking deck is 30,000 square feet.
- Total rentable square feet is 89,059, and 77,530 square feet are currently leased; 10,627 square feet are being held for possible leasing by the WVU School of Dentistry Clinical Enterprise.
- Lease cost per square foot average \$25 - \$27.
- Annual operating expenses are \$240,380; annual income from leases and other sources is \$1,825,000; and annual property taxes are \$282,323.

WVU staff will be available to provide additional information to support this item and to answer questions.





STATE OF WEST VIRGINIA
HIGHER EDUCATION POLICY COMMISSION

**RESOLUTION APPROVING AND AUTHORIZING THE ISSUANCE
BY THE WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
OF TAXABLE REVENUE BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT OF NOT MORE THAN \$13,500,000 AND AN
ALTERNATIVE FINANCING IN THE PRINCIPAL AMOUNT OF
NOT MORE THAN \$13,500,000 TO FINANCE THE ACQUISITION
OF THE SUNCREST PLAZA**

WHEREAS, in furtherance of its strategic development and 2020 Plan, West Virginia University proposes to purchase approximately 5.465 acres of property in close proximity to the University's Evansdale campus, which property is known as the Suncrest Plaza (the "Property"), for the purchase price of \$26,385,000 (the "Purchase Price");

WHEREAS, the University proposes to finance a portion of the Purchase Price and related costs, including the costs of issuance of the Bonds (defined below), through the issuance by the West Virginia University Board of Governors (the "Board") of a series of taxable revenue bonds in an aggregate principal amount of not to exceed \$13,500,000 (the "Bonds") pursuant to the authority contained in Chapter 18B, Articles 10 and 19 of the Code of West Virginia, 1931, as amended (together, the "Act"), Section 2.19 of the Bond Trust Indenture dated as of November 1, 2004, with United Bank, Inc., as trustee (the "Trustee"), as supplemented and amended by the First Supplemental Indenture dated as of August 1, 2011, and by the Second Supplemental Indenture dated as of October 1, 2011 (together, the "Original Indenture"), and a Supplemental Indenture (as defined in the Original Indenture and, together with the Original Indenture, the "Indenture") to be entered between the Board and the Trustee,;

WHEREAS, the University proposes to finance the remaining portion of the Purchase Price through a loan to the University from West Virginia University Hospitals, Inc., or one of its affiliates (the "Hospital") in a principal amount not to exceed \$13,500,000 (the "Hospital Loan"), which Hospital Loan would constitute alternative financing authorized by Chapter 18B, Article 19 of the Code of West Virginia, 1931, as amended (the "Capital Project Act") (the acquisition of the Property and the financing of the Purchase Price thereof through the issuance of the Bonds and the Hospital Loan are hereinafter referred to as the "Transaction");

WHEREAS, the Act requires that the Transaction be approved by this Commission; and

WHEREAS, this Commission deems it desirable and in the best interests of the University to approve and authorize Transaction.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE HIGHER EDUCATION POLICY COMMISSION, AS FOLLOWS:

Section 1. Approval of the Transaction.

A. The acquisition of the Property and the financing of the Purchase Price thereof through the issuance of the Bonds and the incurrence of the Hospital Loan are hereby approved.

B. The Series 2012 Bonds shall be dated, mature, bear interest and have such other terms and provisions as are determined by the Board and set forth in the Supplemental Indenture.

C. This Commission hereby finds and determines that an aggregate principal amount not exceeding \$13,500,000 can be paid as to both principal and interest and, as applicable and necessary, reasonable margins for a reserve therefor from the Institutional Capital Fees, Auxiliary Fees and Auxiliary Capital Fees (as defined in the Indenture, collectively, the "Fees") and other sources of revenue pledged thereto by the Board pursuant to the Indenture. The source of and security for payment of the Bonds from the Fees and other sources of revenue are on parity with that of the Series 2004 Bonds, the Series 2011A Bonds, the Series 2011B Bonds and the Series 2011C Bonds previously issued pursuant to the Indenture. The payment of principal of and premium, if any, and interest on the Bonds from the Fees and other sources of revenue is hereby approved. The Bonds may be sold by private sale after requests for proposals or such other manner as the Board determines is in the best interests of the University.

Section 2. Special Obligations. This Commission recognizes and agrees that all covenants, stipulations, obligations and agreements of the Board or the University entered in connection with the Transaction shall be deemed to be the special and limited covenants, stipulations, obligations and agreements of the Board and the University to the full extent permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon this Commission, the Board and the University, and their respective successors. No covenant, stipulation, obligation or agreement entered in connection with the Transaction shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of this Commission, the Board or the University in his or her individual capacity, and no member, officer, agent or employee of this Commission, the Board or the University shall be liable personally thereunder or be subject to any personal liability or accountability by reason thereof.

Section 3. Incidental Action. The Chancellor, the Chairperson, Vice-Chairperson, Secretary and other appropriate members and officers of this Commission are hereby authorized and directed to execute and deliver any documents, certificates, agreements and instruments and take such other actions as may be required or desirable by the Board or the University to carry out the purposes of this Resolution. Each of such authorized officers is hereby authorized and directed to execute and deliver any documents, certificates, agreements and instruments and take such other actions as may be required or desirable by this Commission, the Board or the University to accomplish the Transaction. Although the Transaction is anticipated to be substantially as presented to this Commission, this Commission recognizes that market conditions and other factors may affect the amount and terms of such financing. Without limiting the generality of the foregoing, this Commission hereby authorizes the Chancellor to approve an alternate structure for the financing, including but not limited to a lease-purchase agreement for the Property or a revenue bond issue under other authority; provided, that no such alternate structure shall cause the financing to be a general obligation of the State of West Virginia or an obligation or liability of any member, officer, agent or employee of this Commission, the Board or the University in his or her individual capacity. The Chancellor's written approval shall constitute approval by this Commission of the financing.

Section 4. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED this ____ day of _____ 2012.

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By: _____
Its: _____