

**WORK SESSION OF THE
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION**

**Presidents' Conference Room*
Boulevard Tower
1018 Kanawha Boulevard East
Charleston, West Virginia**

**January 23, 2013
3:30 P.M.**

AGENDA

- I. Call to Order
- II. Approval of Refunding Bond Resolution for West Liberty University
- III. Review of February 1, 2013 Meeting Agenda
- IV. 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 January 23, 2013**

ITEM: Approval of Refunding Bond Resolution

INSTITUTION: West Liberty University

RECOMMENDED RESOLUTION: *Resolved*, That the West Virginia Higher Education Policy Commission approves the resolution drafted by bond counsel approving and authorizing the refunding of certain revenue bonds issued by the West Liberty University Board of Governors in 2003 in an aggregate principal amount not to exceed \$10 million.

STAFF MEMBER: Richard Donovan

BACKGROUND:

The West Liberty State College (now West Liberty University) Board of Governors issued three series of revenue bonds on September 2, 2003 for various capital improvements as follows:

- \$8,870,000 of Dormitory Revenue Bonds, Series 2003 A, to finance improvements to various residence halls with outstanding principal balance of \$6,910,000 as of June 30, 2012;
- \$1,145,000 of College Union Revenue Bonds, 2003 Series B, to finance improvements to the College Union with an outstanding principal balance of \$620,000 as of June 30, 2012; and
- \$3,890,000 in principal amount of Capital Improvement Revenue Bonds, 2003 Series C, to finance the Visual Arts Center Additions to the Creative Arts Building with an outstanding principal balance of \$3,015,000 as of June 30, 2012.

Interest rates in the municipal bond market are currently at historic lows, so it is highly advantageous to refinance these bonds. Interest rates range from 4.8 percent to 6.125 percent on the total outstanding principal of \$10,545,000. After the refunding, the new interest rates will range from 1.3 percent to 2.68 percent. West Liberty University also has a bond reserve of \$1,111,667 that will be applied to the refunding. Annual debt service payment will be reduced from \$1,096,443 to \$766,900 and the total repayment schedule (principal and interest) will be reduced from \$16,458,597 to \$11,478,285 over the remaining term of the bonds.

Wesbanco Bank, Inc. submitted the low bid and the refunding bonds will be issued in four tranches as follows:

- Tranche 1 - \$620,000, interest rate of 1.30 percent;
- Tranche 2 - \$3,455,000, interest rate of 1.85 percent;
- Tranche 3 - \$3,455,000, interest rate of 2.48 percent, and
- Tranche 4 - \$2,015,000, interest rate of 2.68 percent.
(Any variances will reduce Tranche 4.)

The refunding bonds must be certified by the Governor as required by West Virginia Code §5-1-28 prior to issuance.

The bond approving and authorizing resolution has been prepared by Steptoe & Johnson, LLC, and is presented on the following pages.

Policy Commission Approving Resolution

HIGHER EDUCATION POLICY COMMISSION

APPROVING RESOLUTION

**Board of Governors of West Liberty University,
University Refunding Revenue Bonds, Series 2013**

Adopted: January __, 2013

**APPROVING RESOLUTION OF THE
HIGHER EDUCATION POLICY COMMISSION**

RESOLUTION APPROVING THE REFUNDING OF WEST LIBERTY UNIVERSITY'S DORMITORY REVENUE BONDS, 2003 SERIES A, COLLEGE UNION REVENUE BONDS, 2003 SERIES B AND CAPITAL IMPROVEMENT REVENUE BONDS, 2003 SERIES C; AUTHORIZING THE FINANCING OF THE COSTS OF SUCH REFUNDINGS AND RELATED EXPENSES THROUGH THE ISSUANCE BY THE WEST LIBERTY UNIVERSITY BOARD OF GOVERNORS ON BEHALF OF WEST LIBERTY UNIVERSITY OF REFUNDING REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$10,000,000 (THE "BONDS"); MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE BONDS AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO.

WHEREAS, the West Liberty University Board of Governors (the "University Board") has issued and there are currently outstanding the following issues of revenue bonds:

A. \$8,870,000 in principal amount of Dormitory Revenue Bonds, 2003 Series A, issued on September 3, 2003, pursuant to a Bond Indenture dated as of September 1, 2003 (the "Series 2003A Indenture") and currently outstanding in the aggregate principal amount of \$6,910,000 (the "Series 2003A Bonds");

B. \$1,145,000 in principal amount of College Union Revenue Bonds, 2003 Series B, issued on September 3, 2003, pursuant to a Bond Indenture dated as of September 1, 2003 (the "Series 2003B Indenture") and currently outstanding in the aggregate principal amount of \$620,000 (the "Series 2003B Bonds"); and

C. \$3,890,000 in principal amount of Capital Improvement Revenue Bonds, 2003 Series C issued on September 3, 2003, pursuant to a Bond Indenture dated as of September 1, 2003, (the "Series 2003C Indenture") and currently outstanding in the aggregate principal amount of \$3,015,000 (the "Series 2003C Bonds" and collectively with the Series A Bonds and Series B Bonds the "Prior Bonds").

WHEREAS, the Prior Bonds were issued on behalf of and benefit the students of the University;

WHEREAS, refunding the Prior Bonds will result in debt service savings and benefit to the University;

WHEREAS, accordingly, it is in the best interests of the University to refund the Prior Bonds, the refunding of which will result in net present value savings in amounts satisfactory to the President of the University or the Chairman or Vice Chairman of the University Board, as

evidenced by their execution and delivery of a Certificate of Determinations relating to the Refunding Bonds;

WHEREAS, pursuant to the authority contained in Chapter 18B, Articles 10 and 19 of the Code of West Virginia, 1931, as amended (together, the “Bond Act”), and Article 2G, Chapter 13 of the Code of West Virginia 1931, as amended (the “Refunding Act”, and together with the “Bond Act”, the “Act”) the University Board is authorized to issue additional revenue refunding bonds for the purpose of refunding the Prior Bonds;

WHEREAS, it is in the best interests of the University for the University Board to issue on behalf of the University not to exceed \$10,000,000 in aggregate principal amount of refunding revenue bonds in a single series (the “Refunding Bonds”) for the purposes, together with other available funds, of (i) refunding and redeeming the Prior Bonds and (ii) 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 refunding and redeeming the Prior Bonds are hereinafter referred to together as the “Refunding”);

WHEREAS, under the laws of the State of West Virginia (the “State”), including but not limited to the Act, refunding bonds that provide for payment of the outstanding bonds and do not increase the aggregate debt service for the issuer are considered as substitute indebtedness for the bonds being refunded and not as new indebtedness of the issuer;

WHEREAS, accordingly, other than a reduction in the debt service requirements and, as a result of the use of existing debt service funds to redeem a portion of the Prior Bonds a reduction in the principal amount of bonds outstanding, the Refunding will not result in any change to the obligations of the University for payment of debt service in connection with the indebtedness evidenced by the Prior Bonds or the relationship between the Prior Bonds or the Refunding Bonds and any other bonds issued on behalf of the University;

WHEREAS, capitalized terms used and not otherwise defined in this Resolution have the respective meanings given them in the Indenture;

WHEREAS, this Commission and the University Board have the power and authority to execute and deliver the documents required and to carry out the financing described above; and

WHEREAS, this Commission deems it desirable, in keeping with its purposes and in the best interests of the University, to approve the Refunding and the financing of the costs thereof through the issuance of the Refunding Bonds by the University Board.

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

Section 1. Approval of the Bonds. The financing of the Refunding and of related expenses, including but not limited to costs of issuance of the Refunding Bonds, through the issuance by the University Board of the Refunding Bonds in a single series, in an aggregate principal amount not to exceed \$10,000,000 is hereby approved. The Refunding Bonds are authorized to be issued for the purposes, together with other available funds, of (i) refunding and

redeeming the Prior Bonds and (ii) paying the costs of issuance of the Refunding Bonds and related costs. The refunding and redemption on the earliest practicable date of the Prior Bonds are hereby approved. This Commission hereby finds and determines that an aggregate principal amount not exceeding \$10,000,000 can be paid as to both principal and interest and, as applicable and necessary, reasonable margins for a reserve therefor from required educational and general capital fees authorized by and as defined in the Bond Act, other than the \$200 semester required educational and general capital fee imposed by the University Board pursuant to a resolution adopted on May 23, 2012, auxiliary capital fees imposed and collected by the University Board from the University's students pursuant to the Bond Act for the purpose of supporting debt service, capital projects and campus maintenance and renewal for auxiliary facilities, and other sources of revenue and otherwise in the manner and to the extent provided for in the Indenture (together, the "Trust Estate"). The payment of principal of and interest on the Refunding Bonds from the Trust Estate is hereby approved. Although the Refunding is anticipated to be substantially as presented to this Commission this day, 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 finds that it has made the evaluations required by Chapter 18B, Article 19, Subsection 6(c) of the Code of West Virginia, 1931, as amended, and further finds as follows:

- A. The University has sufficient debt capacity and the ability to meet the debt service payments for the full term of the Refunding Bonds;
- B. The University has the ability to fund ongoing operations and maintenance; and
- C. The Refunding Bonds will not materially impact the University's students who will benefit from the Refunding financed with the proceeds of the Refunding Bonds due to debt service savings realized as a result of the Refunding.

Section 3. Special Obligations. This Commission recognizes and agrees that all covenants, stipulations, obligations and agreements of the University Board or the University entered in connection with the Refunding and the Refunding Bonds shall be deemed to be the special and limited covenants, stipulations, obligations and agreements of the University 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 University Board and the University, and their respective successors. No covenant, stipulation, obligation or agreement entered in connection with the Refunding or the Refunding Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of this Commission, the University Board or the University in his or her individual capacity. The Refunding Bonds are special obligations of the University Board and the State, payable solely from and secured by the Trust Estate. Each series of the Refunding Bonds, together with the interest thereon, is a special obligation of the State and shall not constitute a debt of the State, and the credit or taxing power of the State shall not be pledged therefor, but the Refunding Bonds shall be payable only from the Trust Estate pledged for their payment. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Refunding Bonds

or for any claim based thereon, on this Resolution or on any of the documents executed in connection therewith against any official, member, officer or employee of this Commission, the University Board, the University or the State or any person executing the Refunding Bonds, and neither members of this Commission or the University Board nor any person executing the Refunding Bonds shall be liable personally on the Refunding Bonds by reason of the issuance thereof.

Section 4. 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 University Board or the University to carry out the purposes of this Resolution.

Section 5. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this ___ day of January, 2013.

Chairman

CERTIFICATION

The undersigned, being the duly qualified, elected and acting Secretary of the Higher Education Policy Commission does hereby certify that the foregoing Resolution was duly adopted by the members of the Commission at a special meeting duly held, pursuant to proper notice thereof, on January ___, 2013, at Charleston, West Virginia, a quorum being present and acting throughout, and which Resolution is a true, correct and complete copy thereof as witness my hand and the seal of the Commission this January ___, 2013.

Secretary, Higher Education Policy
Commission

EXHIBIT A

**FORM OF UNIVERSITY BOARD OF GOVERNORS
BOND RESOLUTION**

**RESOLUTION OF THE WEST LIBERTY UNIVERSITY
BOARD OF GOVERNORS**

RESOLUTION AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING BONDS PREVIOUSLY ISSUED BY THE BOARD OF GOVERNORS ON BEHALF OF WEST LIBERTY UNIVERSITY; AUTHORIZING THE FINANCING OF THE COSTS OF SUCH REFUNDING, AND RELATED EXPENSES THROUGH THE ISSUANCE BY THE WEST LIBERTY UNIVERSITY BOARD OF GOVERNORS OF A SERIES OF REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$10,000,000; AUTHORIZING THE EXECUTION OF A TRUST INDENTURE WITH RESPECT TO THE BONDS; AUTHORIZING THE SALE OF THE BONDS TO WESBANCO BANK, INC. PURSUANT TO A COMMITMENT WITH RESPECT TO THE BONDS AND THE EXECUTION AND DELIVERY OF SUCH COMMITMENT LETTER; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS AND AGREEMENTS IN CONNECTION WITH THE BONDS, INCLUDING BUT NOT LIMITED TO A DEPOSITORY TRUST AGREEMENT AND A TAX CERTIFICATE; APPOINTING A TRUSTEE FOR THE BONDS; DELEGATING TO THE PRESIDENT AND THE CHIEF FINANCIAL OFFICER OF WEST LIBERTY UNIVERSITY AND THE CHAIRMAN AND VICE-CHAIRMAN OF THE WEST LIBERTY UNIVERSITY BOARD OF GOVERNORS CERTAIN RESPONSIBILITIES IN CONNECTION WITH THE SALE AND ISSUANCE OF THE BONDS AND THE INVESTMENT OF BOND PROCEEDS; DESIGNATING THE BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS; ADOPTION OF POST ISSUANCE TAX COMPLIANCE PROCEDURES AND TAKING OTHER ACTIONS IN CONNECTION WITH THE SALE AND ISSUANCE OF THE BONDS

WHEREAS, the Board of Governors of West Liberty University (the “Board”) proposes to refinance all of the following outstanding bonds (such bonds maturing on and after June 1, 2013, are hereinafter referred to as the “Bonds to be Refunded”) previously issued by the Board (the “Refunding):

- A. \$8,870,000 in principal amount of Dormitory Revenue Bonds, 2003 Series A (the “Series 2003A Bonds”), issued on September 3, 2003, pursuant to Chapter 18, Article 23 and Chapter 18B, Article 10 of the Code of West Virginia, 1931, as amended (the “Series A Original Bond Act”), and pursuant to a Bond Indenture dated as of September 1, 2003, between the Issuer and Wesbanco Bank, Inc., as trustee (the “Series 2003A Indenture”), for the purposes of (i) financing repairs and improvements to the West Liberty University’s (the “University”) existing dormitories located on the University’s campus (the “2003A Project”), (ii) establishing a debt service reserve fund for the Series 2003A Bonds and (iii) paying the costs of issuance of the Series 2003A Bonds and related costs;

B. \$1,145,000 in principal amount of College Union Revenue Bonds, 2003 Series B (the "Series 2003B Bonds"), issued on September 3, 2003, pursuant to Chapter 18B, Article 10 of the Code of West Virginia, 1931, as amended, and pursuant to a Bond Indenture dated as of September 1, 2003, between the Issuer and Wesbanco Bank, Inc., as trustee (the "Series 2003B Indenture") for the purposes of (i) financing repairs and improvements to the University's existing student union building (the "2003B Project"), (ii) establishing a debt service reserve fund for the Series 2003B Bonds and (iii) paying the costs of issuance of the Series 2003B Bonds and related costs; and

C. \$3,890,000 in principal amount of Capital Improvement Revenue Bonds, 2003 Series C (the "Series 2003C Bonds"), issued on September 3, 2003, pursuant to the Chapter 18B, Article 10 of the Code of West Virginia, 1931, as amended, and pursuant to a Bond Indenture dated as of September 1, 2003, between the Issuer and Wesbanco Bank, Inc., as trustee (the "Series 2003C Indenture") for the purposes of (i) financing the construction of a new Communications Wing and to make certain structural repairs on the roof and south façade of the Hall of Fine Arts at the University, and to make certain improvements to the roads, sidewalks and parking areas on the campus of the University (the "2003C Project" and collectively with the 2003A Project and the 2003B Project the "Refunded Projects"), (ii) establishing a debt service reserve fund for the Series 2003C Bonds and (iii) paying the costs of issuance of the Series 2003C Bonds and related costs.

WHEREAS, pursuant to Chapter 13, Article 2G of the Code of West Virginia, 1931, as amended (the "Refunding Act"), the Board is authorized to issue additional bonds for the purpose of refunding outstanding bonds;

WHEREAS, consolidating the bonded indebtedness incurred for the Refunded Projects and currently evidenced by the Prior Bonds (the "Bonded Indebtedness") into the Series 2013 Bonds (defined below) and consolidating the revenues respectively to be pledged to payment of the three series of Prior Bonds into a single pledge of revenues for the Series 2013 Bonds will further result in debt service savings for the University and such refunding is advantageous and necessary;

WHEREAS, pursuant to Chapter 18B, Articles 10 and 19 of the Code of West Virginia, 1931, as amended (together, the "Bond Act") and the Refunding Act (together with the Bond Act, the "Act"), the Issuer is authorized to issue Bonded Indebtedness for the purpose of refinancing the Refunded Projects and pledging the Pledged Revenues (defined below) as security for the payment of principal of and interest and premium, if any, on such Bonded Indebtedness;

WHEREAS, this Board has determined to issue revenue bonds in an aggregate principal amount of not to exceed \$10,000,000 with respect to the Refunding (the "Series 2013 Bonds"), pursuant to the Act and for the purposes set forth above; and

WHEREAS, the Series 2013 Bonds will be issued pursuant to the terms of and secured under a Bond Trust Indenture (the "Indenture") between the Board and Wesbanco Bank, Inc. as trustee (the "Trustee"); and

WHEREAS, the net proceeds of the Series 2013 Bonds and other funds available to the Board (including, but not limited to, amounts held in the debt service reserve funds for the Bonds to be Refunded) shall be deposited into a trust fund established pursuant to a Depository Trust Agreement (the “Depository Trust Agreement”) between the Board and Wesbanco Bank, Inc., as Depository Trustee, and used to pay the principal and any accrued interest on the Prior Bonds on June 1, 2013 which is the first date upon which such Prior Bonds may be redeemed; and

WHEREAS, the principal of and interest on the Series 2013 Bonds will be payable and secured by required educational and general capital fees authorized by and as defined in the Bond Act (W. Va. Code §§ 18B-10-1 and -19-2(h)), other than the \$200 semester required educational and general capital fee imposed by the Board pursuant to a resolution adopted on May 23, 2012, auxiliary capital fees imposed and collected by the Issuer on West Liberty University’s (the “University”) students pursuant to the Bond Act (W. Va. Code § 18B-10-1) for the purpose of supporting debt service, capital projects and campus maintenance and renewal for the Auxiliary Facilities, (collectively, the “Pledged Revenues”) and other sources of revenue and otherwise in the manner and to the extent provided for in the Indenture for the Series 2013 Bonds and shall be special obligations of the State of West Virginia (the “State”) and shall not constitute debts of the State; and

WHEREAS, it is in the best interest of this Board to grant to the President and the Chief Financial Officer of the University and the Chairman and Vice-Chairman of the Board, acting together or individually (each, an “Authorized Officer”), the power and authority to establish the final terms and provisions of and execute the Series 2013 Bonds and the Indenture and the Commitment Letter between the Board and Wesbanco Bank, Inc. (the “Purchaser”); and

WHEREAS, this Board finds and represents that it has full power and authority to issue the Series 2013 Bonds and to make the respective pledges for the payment thereof as will be set forth in the Indenture and the Series 2013 Bonds, and to execute and deliver the Indenture and such other documents hereinafter described and, on behalf of the owners of the Series 2013 Bonds, to grant a lien on and security interest in the Revenues, other sources of revenue and funds described in the Indenture, as permitted under the Act, and to execute and deliver such other documents and to take the actions contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED BY THE WEST LIBERTY UNIVERSITY BOARD OF GOVERNORS, AS FOLLOWS:

Section 1. Findings and Determinations. This Board specifically finds and determines as follows:

(a) It has full power and authority to issue the Series 2013 Bonds and to make the respective pledges for the payment thereof as are described in the recitals hereto and more particularly set forth in the Indenture for the Series 2013 Bonds, and to enter into the Indenture and the other agreements relating to the Series 2013 Bonds and the Refunding, and this Board has taken or will take by the adoption of this Resolution all actions necessary to authorize its proper officers to sign, seal and deliver the Indenture, the Commitment Letter, the Series 2013 Bonds, the Depository Trust Agreement, the Tax Certificate and the other agreements relating thereto.

(b) This Resolution is adopted pursuant to and in accordance with the provisions of the Act, and the Series 2013 Bonds shall be issued pursuant to and in accordance with the Act.

(c) The Purchaser is hereby approved as the purchaser of the Series 2013 Bonds. The Authorized Officers are hereby authorized and directed, upon advice of counsel, to enter into the Commitment Letter with the Purchaser.

(d) Steptoe & Johnson PLLC (“Bond Counsel”) is hereby appointed as bond counsel for the Series 2013 Bonds. It is understood by the Board that Bond Counsel will be compensated only from the proceeds of the Series 2013 Bonds.

(e) It is in the best interests of this Board and the University that an Authorized Officer have the power and authority to execute and deliver one or more certificates of this Board (whether one or more, the "Certificate of Determination") setting forth the final terms and provisions of the Series 2013 Bonds and the Bond Purchase Agreement.

Section 2. The Series 2013 Bonds. There is hereby authorized to be issued and the Board hereby determines to issue, pursuant to the Act, its Series 2013 Bonds in an aggregate principal amount not to exceed \$10,000,000, and to expend all of the proceeds of the Series 2013 Bonds along with the funds held in the debt service reserve funds for the Prior Bonds to finance the costs of the Refunding and of related expenses, including but not limited to all costs incurred in connection with the issuance of the Series 2013 Bonds, such Series 2013 Bonds to be secured by and payable exclusively from the Pledged Revenues, other sources of revenue and funds pledged under the Indenture. The exact aggregate principal amount of the Series 2013 Bonds, not to exceed \$10,000,000, shall be approved by an Authorized Officer, such approval to be evidenced by the execution by an Authorized Officer of the Certificate of Determination, substantially in the form attached hereto as Exhibit A and incorporated herein by reference. The Series 2013 Bonds shall contain a recital that they are issued pursuant to the Act or other applicable provisions of state law, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 3. Indenture, Commitment Letter, Depository Trust Agreement and Tax Certificate. It is anticipated that the Indenture, Commitment Letter, Depository Trust Agreement and Tax Certificate shall be prepared, delivered and executed in connection with the issuance of the Series 2013 Bonds (all of the foregoing documents, except the Series 2013 Bonds, are hereinafter collectively referred to as the “Bond Documents”). The Authorized Officers, with the assistance of counsel, are authorized to negotiate and approve the form and content of the Bond Documents under such terms and conditions as are, in the opinion of such Officers, in the best interests of the Board and the State. The Authorized Officers are hereby authorized, empowered and directed to execute and deliver the Bond Documents prior to or simultaneously with the issuance of the Series 2013 Bonds for and on behalf of the Board, in the form and upon those terms and conditions as approved by the Authorized Officers, with assistance of counsel, and such approval shall be conclusively evidenced by the execution of the Bond Documents by an Authorized Officer.

Section 4. Terms of Series 2013 Bonds. The Series 2013 Bonds shall be designated and dated such date or dates, shall be issued in one series, not to exceed \$10,000,000 in aggregate principal amount, shall mature on such date or dates not later than 16 years from their issuance date, shall bear interest at such rate or rates of interest not to exceed three percent (3%) per annum and shall have such redemption provisions and other terms all as set forth in the Certificate of Determinations. The Series 2013 Bonds shall be in the denominations and in registered form, be payable in the medium of payment and at such places, be subject to mandatory and optional redemption prior to maturity and be entitled to the priorities and Revenues, other sources of revenues and funds, all as provided in the Indenture.

Section 5. Sale of the Series 2013 Bonds. The Series 2013 Bonds shall be sold to the Purchaser pursuant to the Commitment Letter for \$10,000,000 and upon the terms set forth in the Commitment Letter. The Authorized Officers are hereby authorized and directed to execute the Commitment Letter with such changes, insertions and omissions as may be approved by the Authorized Officer, his or her execution thereof to be conclusive evidence of such approval.

Section 6. Series 2013 Bonds Are Special Obligations. The Series 2013 Bonds are special obligations of the Board payable solely from and secured by the Revenues, other sources of revenue and funds pledged under the Indenture. Each Bond, together with the interest thereon, is a special obligation of the State and shall not constitute a debt of the State, and the credit or taxing power of the State shall not be pledged therefor, but the Series 2013 Bonds shall be payable only from the revenues and funds pledged for their payment as provided in the Indenture. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Series 2013 Bonds or for any claim based thereon, on this Resolution or on any of the documents executed in connection therewith, including but not limited to the Series 2013 Bonds and the Bond Documents, against any official, member, officer or employee of the Board, the University or the State or any person executing the Series 2013 Bonds, and neither members of this Board nor any person executing the Series 2013 Bonds shall be liable personally on the Series 2013 Bonds by reason of the issuance thereof.

Section 7. Personal Liability. None of the present or future employees, officers or board members of the Board or the University, or any person executing the Series 2013 Bonds or the Bond Documents relating thereto shall be personally liable for the Series 2013 Bonds or any other obligation relating to the issuance of such Series 2013 Bonds, or be subject to any personal liability by reason of the issuance of the Series 2013 Bonds.

Section 8. Appointment of Trustee. Wesbanco Bank, Inc. is appointed by the Board to serve as Trustee under the Indenture.

Section 9. Qualified Tax-Exempt Obligations. The Board hereby designates the Series 2013 Bonds as “qualified tax-exempt obligations” for purposes of paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986, as amended, (the “Code”) and covenants that the Series 2013 Bonds will not constitute private activity bonds as defined in Section 141 of the Code and as determined in accordance with Section 265(b)(3) of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), including the Series 6162490.3

2013 Bonds, shall be issued by the Board during the calendar year 2013, all as determined in accordance with the Code.

Section 10. Post Issuance Compliance Procedures. The Board hereby adopts the post issuance compliance procedures set forth in Exhibit B attached hereto.

Section 11. Formal Actions. The Board hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Board, and that all deliberations of the Board which resulted in formal action, were meetings open to the public, in full compliance with all applicable legal requirements.

Section 12. Incidental Actions. The Authorized Officers are hereby authorized and directed to seek the required approval of the Commission for the issuance of the Series 2013 Bonds and to execute and deliver such other documents, agreements, instruments and certificates and to take such other action as may be necessary or appropriate in order to effectuate the execution, delivery and/or receipt of the Indenture, the Commitment Letter, the issuance and sale of the Series 2013 Bonds and the investment of the Bond proceeds, and for carrying out the transactions contemplated therein, all in accordance with the Act and other applicable provisions of the Code of West Virginia of 1931, as amended. The execution, delivery and due performance of the Bond Documents and all documents and instruments required in connection therewith are hereby in all respects approved, authorized, ratified and confirmed, including any and all acts heretofore taken in connection with the issuance of the Series 2013 Bonds.

Section 13. Effective Date. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed.

Adopted this 12th day of December, 2012.

CERTIFICATION

The undersigned, being the duly qualified, elected and acting Secretary of the Board of Governors of West Liberty University does hereby certify that the foregoing Resolution was duly adopted by the members of the Board at a regular meeting duly held, pursuant to proper notice thereof, on December 12, 2012, at West Liberty, West Virginia, a quorum being present and acting throughout, and which Resolution is a true, correct and complete copy thereof as witness my hand this ___ day of _____, 2013.

Secretary, Board of Governors of West Liberty University

EXHIBIT A

CERTIFICATE OF DETERMINATIONS

The undersigned, [Chair or Vice-Chair of the West Liberty University Board of Governors (the "Board")][President or Chief Financial Officer of West Liberty University], in accordance with a Bond Resolution adopted by the Board on December 12, 2012 (the "Resolution"), with respect to the \$_____ West Liberty University Board of Governors Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds"), hereby finds and determines as follows:

1. He is an Authorized Officer within the meaning of the Resolution.
2. The Series 2013 Bonds shall be dated _____, 2013.
3. The Series 2013 Bonds shall be issued in the aggregate principal amount of \$_____.
4. Such principal amount does not exceed \$10,000,000, being the maximum principal amount authorized by the Resolution.
5. The Series 2013 Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.
6. The Series 2013 Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein, which rates do not exceed three percent (3%) per annum.
7. The Series 2013 Bonds shall be subject to optional redemption at any time without premium or penalty.
8. The Series 2013 Bonds shall be sold to Wesbanco Bank, Inc. (the "Purchaser"), pursuant to the terms of the Commitment Letter by and between the Purchaser and the Board, at an aggregate purchase price of \$_____ (representing par value, less a bank origination fee of \$25,000).
9. The proceeds of the Series 2013 Bonds shall be applied as set forth on Schedule 2 attached hereto and incorporated herein, including any additional determinations deemed necessary by the [Authorized Officer].

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2013 Bonds are within the limitations prescribed by the Resolution, and the Series 2013 Bonds may be issued with such terms and conditions as authorized by the Resolution.

6162490.3

WITNESS my signature this day of _____, 2013.

WEST LIBERTY UNIVERSITY
BOARD OF GOVERNORS

By: _____
Its: _____

Schedule 1

Maturities

Mandatory Redemption.

Schedule 2

Application of Proceeds and Other Funds.

[EXHIBIT WILL SHOW APPLICATION OF BOND PROCEEDS TO REFUNDING]

EXHIBIT B

POST ISSUANCE COMPLIANCE PROCEDURES

The purpose of these Post-Issuance Tax Compliance Procedures (these “Procedures”) is to establish policies and procedures in connection with tax-exempt bonds issued by the Board of Governors of West Liberty University (the “Board”) so as to ensure that all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of such bonds are met.

General

In connection with the issuance of any tax-exempt bonds, the Board will execute a tax compliance certificate (the “Tax Certificate”) that describes the requirements and provisions of the Code that must be followed in order to maintain the tax exempt status of interest on such bonds. In addition, the Tax Certificate will contain the reasonable expectations of the Board at the time of issuance of the related bonds with respect to the use of the gross proceeds of such bonds and the assets to be financed or refinanced with the proceeds thereof. These Procedures supplement and support the covenants and representations made by the Board in the Tax Certificate related to specific issues of tax-exempt bonds. In order to comply with the covenants and representations set forth in the bond documents and in the Tax Certificate, the Board tracks and monitors the actual use of the proceeds of the related series of bonds, the investment and expenditure of the bond proceeds and the assets financed or refinanced with the proceeds of such bonds over the life of the related bonds.

Designation of Responsible Person

The Board shall maintain an inventory of bonds and assets financed which contains the pertinent data to satisfy the Board’s monitoring responsibilities. Any transfer, sale or other disposition of bond-financed assets must be reviewed and approved by the President of the University.

Post-Issuance Compliance Requirements

External Advisors/Documentation

The Board shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the Tax Certificate and/or other documents finalized at or before issuance of the bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the bonds.

The Board also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the bonds to ensure that all applicable post-issuance requirements

in fact are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use of bond-financed or refinanced assets.

The Board shall train and employ or otherwise engage expert advisors (a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of bond proceeds, unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of bonds.

Unless otherwise provided by the resolution or other authorizing documents relating to the bonds, unexpended bond proceeds shall be held in a segregated account by a trustee, and the investment of bond proceeds shall be managed by the University’s finance staff on behalf of the Board. The University’s finance staff on behalf of the Board shall prepare (or cause the trustee to prepare) regular, periodic statements regarding the investments and transactions involving bond proceeds.

Arbitrage Rebate and Yield

Unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of bonds or an opinion of bond counsel has been obtained to that effect, the University’s finance staff on behalf of the Board shall be responsible for:

- engaging the services of a Rebate Service Provider and, prior to each rebate calculation date, causing the trustee or other account holder to deliver periodic statements concerning the investment of bond proceeds to the Rebate Service Provider;
- providing to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- monitoring efforts of the Rebate Service Provider;
- assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the bonds, and no later than 60 days after the last bond of each issue is redeemed;
- during the construction period of each capital project financed in whole or in part by bonds, monitoring the investment and expenditure of bond proceeds and consulting with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the bonds; and
- retaining copies of all arbitrage reports and account statements as described below under “Record Keeping Requirements.”

The Board, in the Tax Certificate and/or other documents finalized at or before the issuance of the bonds, will agree to undertake the tasks listed above (unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of bonds).

Use of Bond Proceeds and Bond-Financed or Refinanced Assets:

The University's finance staff on behalf of the Board shall be responsible for:

- monitoring the use of bond proceeds and the use of bond-financed or refinanced assets (*e.g.*, facilities, furnishings or equipment) throughout the term of the bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate;
- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of the bonds, including a final allocation of bond proceeds as described below under "Record Keeping Requirements;"
- consulting with bond counsel and other legal counsel and advisers in the review of any contracts or arrangements involving use of bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate;
- maintaining records for any contracts or arrangements involving the use of bond-financed or refinanced assets as described below under "Record Keeping Requirements;"
- conferring at least annually with personnel responsible for bond-financed or refinanced assets to identify and discuss any existing or planned use of bond-financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate; and
- to the extent that the Board discovers that any applicable tax restrictions regarding use of bond proceeds and bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary. Such course of action may, if appropriate, include utilizing the Tax Exempt Bonds Voluntary Closing Agreement Program.

The Board, in the Tax Certificate and/or other documents finalized at or before the issuance of the bonds, will agree to undertake the tasks listed above.

All relevant records and contracts shall be maintained as described below.

Record Keeping Requirement

The University's finance staff on behalf of the Board shall be responsible for maintaining the following documents for the term of each issue of bonds (including refunding bonds, if any) plus at least three years:

- a copy of the bond closing transcript(s) and other relevant documentation delivered to the Board at or in connection with closing of the issue of bonds, including any elections made by the Board in connection therewith;

- a copy of all material documents relating to capital expenditures financed or refinanced by bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, draw requests for Bond proceeds and evidence as to the amount and date for each draw down of Bond proceeds, as well as documents relating to costs paid or reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds;
- a copy of all contracts and arrangements involving the use of Bond-financed or refinanced assets;
- copies of all trustee statements and reports, including arbitrage reports, prepared with respect to the bonds; and
- a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.