WEST VIRGINIA CODE CHAPTER 18 ARTICLE 11A

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§18-11A-1. Board of Governors [board of regents] authorized to issue revenue bonds for new buildings.

The board of Governors of West Virginia University shall have authority, as provided in this article, to issue revenue bonds of the state, not to exceed $10 million in principal amount thereof, to finance the costs of providing new buildings for the college of agriculture, the agricultural experiment station, the cooperative extension service, the college of engineering, the engineering experiment station, and the school of mines of West Virginia University. The principal of and interest on such bonds shall be payable solely from the special nonrevolving fund herein provided for such payment. The costs of any such building or buildings shall include the cost of acquisition of land, the construction and equipment of any such building or buildings, and the provision of roads, utilities and other services necessary, appurtenant or incidental to such building or buildings; and shall also include all other charges or expenses necessary, appurtenant or incidental to the construction, financing and placing in operation of any such building or buildings.

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§18-11A-2. Creation of special university capital improvements fund; revenues payable into such fund; authority of board to pledge such revenues into sinking and reserve funds.

There is hereby created in the State Treasury a special nonrevolving university capital improvements fund. On and after July 1, 1957, there shall be paid into such special fund all fees collected under the provisions of section one, article one-a, chapter twenty-five of this code, from students at the university other than students in the schools of medicine, medical technology, dentistry, dental technology, nursing and pharmacy, except such fees as are required by that section to be paid into other special funds.

The board of Governors shall have authority to pledge all or such part of the revenue paid into the special university capital improvements fund as may be needed to meet the requirements of the sinking fund established in connection with any revenue bond issue authorized by this article, including a reserve fund for the payment of the principal of and interest on such revenue bond issue when other moneys in the sinking fund are insufficient therefor; and may provide in the resolution authorizing any issue of such bonds, and in any trust agreement made in connection therewith, for such priorities on the revenues paid into the special fund as may be necessary for the protection of the prior rights of the holders of bonds issued at different times under the provisions of this article.

If any balance shall remain in the special university capital improvements fund after the board has issued the maximum of $10 million worth of bonds authorized by this article, and after the requirements of all sinking funds and reserve funds established in connection with the issue of such bonds have been satisfied, such balance may and shall be used solely for the redemption of any of the outstanding bonds issued hereunder which by their terms are then redeemable, or for the purchase of bonds at the market price, but at not exceeding the price, if any, at which such bonds shall in the same year be redeemable, and all bonds redeemed or purchased shall forthwith be cancelled and shall not again be issued. Whenever all outstanding bonds issued hereunder shall have been paid, the special university capital improvements fund shall cease to exist and any balance then remaining in such fund shall be transferred to the General Revenue Fund of the state. Thereafter all fees formerly paid into such special fund shall be paid into the General Revenue Fund of the state.

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§18-11A-3. Issuance of revenue bonds.

The issuance of bonds under the provisions of this article shall be authorized by a resolution of the board of regents, which shall recite an estimate by the board of the cost of the proposed building or buildings; and shall provide for the issuance of bonds in an amount sufficient, when sold as hereinafter provided, to provide moneys sufficient to pay such cost, less the amount of any other funds available for the construction of the building or buildings from any appropriation, grant or gift therefor. Such resolution shall prescribe the rights and duties of the bondholders and the board, and for such purpose may prescribe the form of the trust agreement hereinafter referred to. The bonds shall be of such series, bear such date or dates, mature at such time or times not exceeding thirty years from their respective dates, bear interest at such rate or rates, not exceeding seven per centum per annum, payable semiannually; be in such denominations; be in such form, either coupon or fully registered without coupons, carrying such registration exchangeability and interchangeability privileges; be payable in such medium of payment and at such place or places; be subject to such terms of redemption at such prices not exceeding one hundred five percent of the principal amount thereof, and be entitled to such priorities on the revenues paid into the special university capital improvements fund as may be provided in the resolution authorizing the issuance of the bonds or in any trust agreement made in connection therewith. The bonds shall be signed by the Governor, and by the president of the board of regents, under the great seal of the state, attested by the Secretary of State, and the coupons attached thereto shall bear the facsimile signature of the president of the board. In case any of the officers whose signatures appear on the bonds or coupons cease to be such officers before the delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if such officers had remained in office until such delivery.

Such bonds shall be sold in such manner as the board may determine to be for the best interests of the state, taking into consideration the financial responsibility of the purchaser, the terms and conditions of the purchase, and especially the availability of the proceeds of the bonds when required for payment of the cost of such building or buildings, such sale to be made at a price not lower than a price which, when computed upon standard tables of bond values, will show a net return of not more than eight percent per annum to the purchaser upon the amount paid therefor. The proceeds of such bonds shall be used solely for the payment of the cost of such building or buildings, and shall be deposited in the State Treasury in a special fund and checked out as provided by law for the disbursement of other state funds. If the proceeds of such bonds, by error in calculation or otherwise, shall be less than the cost of such building or buildings, additional bonds may in like manner be issued to provide the amount of the deficiency; and unless otherwise provided for in the resolution or trust agreement hereinafter mentioned, shall be deemed to be of the same issue, and shall be entitled to payment from the same fund, without preference or priority, as the bonds before issued for such building or buildings. If the proceeds of bonds issued for such building or buildings shall exceed the cost thereof, the surplus shall be paid into the sinking fund to be established for payment of the principal and interest of such bonds as hereinafter

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provided. Prior to the preparation of definitive bonds, the board may, under like restrictions, issue temporary bonds with or without coupons, exchangeable for definitive bonds upon their issuance.

The bonds issued under the provisions of this article shall be and have all the qualities of negotiable instruments under the law merchant and the Uniform Commercial Code of this state.

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§18-11A-4. Trust agreement for holders of bonds.

The board may enter into an agreement or agreements with any trust company, or with any bank having the powers of a trust company, either within or outside the state, as trustee for the holders of bonds issued hereunder, setting forth therein such duties of the board in respect to the payment of the bonds, the fixing, establishing and collecting of the fees hereinbefore referred to, the acquisition, construction, improvement, maintenance, operation, repair and insurance of such building or buildings, the conservation and application of all moneys, the security for moneys on hand or on deposit, and the rights and remedies of the trustee and the holders of the bonds, as may be agreed upon with the original purchasers of such bonds; and including therein provisions restricting the individual right of action of bondholders as is customary in trust agreements respecting bonds and debentures of corporations, protecting and enforcing the rights and remedies of the trustee and the bondholders, and providing for approval by the original purchasers of the bonds of the appointment of consulting engineers and of the security given by those who contract to construct such building or buildings, and for approval by the consulting engineers of all contracts for construction. Any such agreement entered into by the board shall be binding in all respects on such board and its successors from time to time in accordance with its terms; and all the provisions thereof shall be enforceable by appropriate proceedings at law or in equity, or otherwise.

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§18-11A-5. Sinking fund for payment of bonds.

From the special university capital improvements fund the board shall make periodic payments to the state sinking fund commission in an amount sufficient to meet the requirements of any issue of bonds sold under the provisions of this article, as specified in the resolution of the board authorizing the issue and in any trust agreement entered into in connection therewith. The payments so made shall be placed by the commission in a special sinking fund which is hereby pledged to and charged with the payment of the principal of the bonds of such issue and the interest thereon, and to the redemption or repurchase of such bonds, such sinking fund to be a fund for all bonds of such issue without distinction or priority of one over another. The moneys in the special sinking fund, less such reserve for payment of principal and interest as may be required by the resolution of the board authorizing the issue and any trust agreement made in connection therewith, may be used for the redemption of any of the outstanding bonds payable from such fund which by their terms are then redeemable, or for the purchase of bonds at the market price; but at not exceeding the price, if any, at which such bonds shall in the same year be redeemable; and all bonds redeemed or purchased shall forthwith be cancelled and shall not again be issued.

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§18-11A-6. Credit of state not pledged.

No provisions of this article shall be construed to authorize the board at any time or in any manner to pledge the credit or taxing power of the state, nor shall any of the obligations or debts created by the board under the authority herein granted be deemed to be obligations of the state.

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§18-11A-7. Bonds exempt from taxation.

All bonds issued by the board under the provisions of this article shall be exempt from taxation by the State of West Virginia, or by any county, school district or municipality thereof.

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§18-11A-8. Supplemental powers conferred; conflicting laws superseded.

The powers conferred by this article shall be in addition and supplemental to the existing powers of the board of Governors. The provisions of any other law or laws conflicting with the provisions of this article shall be and the same are hereby superseded to the extent of any such conflict.

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