

\$167,260,000
STATE OF WEST VIRGINIA
HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES) 2004 SERIES B

Closing Date: August 31, 2004
Volume II of II

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES) 2004 SERIES B

Closing Date: August 31, 2004

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318916

Continuing Disclosure Certificate

This Continuing Disclosure Certificate (the "Certificate") dated as of August 31, 2004, from the West Virginia Higher Education Policy Commission (the "Commission") to Citigroup Global Markets Inc., Crews & Associates, Inc. and Ferris, Baker Watts, Inc., the Underwriters of the \$167,260,000 West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities), 2004 Series B (the "Bonds"), as initial purchasers (the "Purchasers") of the Bonds which are being issued by the Commission, is executed and delivered in connection with the issuance of the Bonds. Capitalized terms used in this Certificate shall have the respective meanings specified above or in Article IV hereof. The Commission certifies as follows:

ARTICLE I

The Undertaking

Section 1.1. Purpose. This Certificate shall constitute a written undertaking for the benefit of the holders of the Bonds, and is being executed and delivered solely to assist the Purchasers in complying with subsection (b)(5) of the Rule, as hereinafter defined.

Section 1.2. Annual Financial Information. (a) The Commission shall provide Annual Financial Information, including without limitation Audited Financial Statements, with respect to each fiscal year of the Commission, and with respect to each fiscal year of the West Virginia Lottery, commencing with the fiscal year ending June 30, 2004, no later than 270 days after the end of the respective fiscal year, to each NRMSIR and the SID.

(b) The Commission shall provide in a timely manner, notice of any failure of the Commission to provide the Annual Financial Information by the date specified in subsection (a) above to (i) either the MSRB or each NRMSIR, and (ii) the SID.

Section 1.3. Material Event Notices. (a) If a Material Event occurs, the Commission shall provide, in a timely manner, notice of each Material Event to (i) either the MSRB or Each NRMSIR, (ii) the SID, and (iii) the Purchasers.

(b) Any such notice of a defeasance of Bonds shall Commission whether the Bonds have been escrowed to maturity or to an earlier redemption date and the date of such maturity or redemption.

Section 1.4. Additional Disclosure Obligations. The Commission acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Commission and that, under some circumstances, additional disclosures or other action in addition to those required by this Certificate may

be required to enable the Commission to fully discharge all of its duties and obligations under such laws.

Section 1.5. Additional Information. Nothing in this Certificate shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Information or notice of Material Event hereunder, in addition to that, which is required by this Certificate. If the Commission chooses to do so, the Commission shall have no obligation under this Certificate to update such additional information or include it in any future Annual Financial Information or notice of Material Event hereunder, in addition to that, which is required by this Certificate.

Section 1.6. No Previous Non-Compliance. The Commission represents that since July 3, 1995, it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement, as entered into by the Commission, as issuer, specified in paragraph (b)(5)(i) of the Rule.

ARTICLE II

Operating Rules

Section 2.1. Reference to Other Documents. It shall be sufficient for purposes of this Certificate if the Commission provides Annual Financial Information by specific reference to documents (i) either (1) provided to each NRMSIR existing at the time of such reference and the SID or (2) filed with the SEC or (ii) if such document is an Official Statement, available from the MSRB.

Section 2.2 Submission of Information. Annual Financial Information may be provided in one document or multiple documents and at one time or in part from time to time.

Section 2.3 Transmission of Information and Notices. Unless otherwise required by law, the Commission shall employ such methods of information and notice transmission, as it shall so determine.

Section 2.4. Fiscal Year. The Commission's current fiscal year is the twelve-month period ending on June 30. The Commission shall promptly notify (i) each NRMSIR, (ii) the SID and (iii) the Purchasers of each change in its fiscal year.

ARTICLE III

Effective Date, Termination, Amendment and Enforcement

Section 3.1 Effective Date; Termination. (a) This Certificate shall be effective upon the issuance of the Bonds.

(b) The Commission's obligations under this Certificate shall terminate upon a legal defeasance; prior redemption or payment in full of all of the Bonds.

(c) This Certificate, or any provision hereof, shall be null and void in the event that the Commission (1) delivers to the Purchasers an opinion of Counsel, addressed to the Commission and the Purchasers, to the effect that those portions of the Rule which require this Certificate, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to each NRMSIR and the SID.

Section 3.2. Amendment. (a) This Certificate may be amended without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Commission or the type of business conducted thereby, (2) this Certificate as so amended would have complied with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Commission shall have delivered to the Purchasers an opinion of counsel, addressed to the Commission and the Purchasers, to the same effect as set forth in clause (2) above, (4) the Commission shall have delivered to the Purchasers an opinion of Counsel or a determination by a person, in each case unaffiliated with the Commission (such as bond counsel or the Purchasers) and acceptable to the Commission, addressed to the Commission and the Purchasers, to the effect that the amendment does not materially impair the interests of the holders of the Bonds, and (5) the Commission shall have delivered copies of such opinion(s) and amendment to each NRMSIR and the SID.

(b) This Certificate may be amended without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Certificate which is applicable to this Certificate (2) the Commission shall have delivered to the Purchasers an opinion of Counsel, addressed to the Commission and the Purchasers, to the effect that performance by the Commission and Purchasers under this Certificate as so amended will not result in a violation of the Rule and that in the opinion of Counsel such change will not materially impair the owners of the Bonds and (3) the Commission shall have delivered copies of such opinion and amendment to each NRMSIR and the SID.

(c) To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) If an amendment is made pursuant to Section 3.2(a) hereof to the accounting principles to be followed by the Commission in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall provide written explanation of such change or changes.

Section 3.3 Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Certificate shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds, except that beneficial owners of Bonds shall be third-party beneficiaries of this Certificate and shall be deemed to be holders of Bonds for purposes of Section 3.3(b) hereof. The provisions of this Certificate shall create no rights in any person or entity except as provided in this subsection (a).

(b) The obligations of the Commission to comply with the provisions of this Certificate shall be enforceable (i) in the case of enforcement of obligations to provide Annual Financial Information and Material Event notices, by any holder of Outstanding bonds or by the Purchasers on behalf of the holders of Outstanding bonds or (ii) in the case of challenges to the adequacy of the Annual Financial Information so provided, by the Purchasers on behalf of the holders of Outstanding Bonds; provided, however, that the Purchasers shall not be required to take any enforcement action except at the direction of the holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Purchasers with adequate security and indemnity. The holders' and Purchasers' rights to enforce the provisions of this Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Commission's obligations under this Certificate.

(c) Any failure by the Commission or the Purchasers to perform in accordance with this Certificate shall not constitute a default or an Event of Default under the Resolution or the Bonds, and the rights and remedies provided by the Resolution upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the Commission; provided, however, that to the extent this Certificate addresses matters of federal securities laws, including the rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV

Definitions

Section 4.1. Definitions. The following items used in this Certificate shall have the following respective meanings:

(1) "Annual Financial Information" means collectively (i) the Commission's Audited Financial Statements, and (ii) Audited Financial Statements prepared in connection with Bonds, and (iii) the information regarding amendments to this Certificate required pursuant to Sections 3.2 (c) and (d) of this Certificate. Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited

(2) "Audited Financial Statements" means the annual financial statements, if any, of the Commission, audited by such auditor as shall then be required or permitted by State law. Audited Financial Statements shall be prepared in accordance with GAAP. Audited Financial Statements, for purposes of this definition, shall also be deemed to mean any special purpose financial statements, audited by such auditor as shall then be required or permitted by State law, that are prepared specifically for the Bonds, provided, that such special purpose financial statements shall be prepared in accordance with generally accepted auditing standards.

(3) "Counsel" means any nationally recognized bond counsel or counsel expert in federal securities law.

(4) "GAAP" means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

(5) "Material Event" means any of the following events with respect to the Bonds, whether relating to the Commission or otherwise, if material:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
 - (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) modifications to rights of security holders;
- (viii) bond calls;

- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the securities; and
- (xi) rating changes.

(6) "MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

(7) "NRMSIR" means, at any time, a then existing nationally recognized municipal securities information repository, as recognized from time to time by the SEC for the purposes referred to in the Rule.

(8) "Official Statement" means "final official Statement", as defined in paragraph (f)(3) of the Rule.

(9) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Certificate, including any official interpretations thereof issued either before or after the effective date of this Certificate which are applicable to this Certificate.

(10) "SEC" means the United Commissions Securities and Exchange Commission.

(11) "SID" means, at any time, a then-existing Commission information depository, if any, as operated or designated as such by or on behalf of the Commission for the purposes referred to in the rule. As of the date of this Certificate, there is no SID.

(12) "Unaudited Financial Statements" means the same as Audited Financial Statements, except that they shall not have been audited.

ARTICLE V

Miscellaneous

Section 5.1. Counterparts. This Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.2. Severability. If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions hereof or thereof, or the Bonds, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

IN WITNESS WHEREOF, the Commission has caused this Certificate to be executed by its duly authorized representatives, all as of the date first above written.

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By: 
_____ Chairman

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES) 2004 SERIES B

GENERAL CERTIFICATE OF THE
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION

On the date set forth below, the undersigned Chancellor of the West Virginia Higher Education Policy Commission (the "Commission"), a commission of the State of West Virginia (the "State"), created pursuant to Chapter 18B, Article 1B of the Code of West Virginia, as amended (the "Act"), hereby certifies, in connection with the issuance of its \$167,260,000 aggregate principal amount State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series B (the "2004 B Bonds"), for and on behalf of the Commission, (i) to Citigroup Global Markets, Inc., Ferris, Baker Watts, Inc., and Crews & Associates, Inc., as underwriters of the 2004 B Bonds from the Commission (the "Original Purchasers" or "Purchasers"), (ii) to all counsel in this transaction, and (iii) to other interested parties, as follows:

The University of West Virginia Board of Trustees (the "Board of Trustees") on September 9, 1992, adopted a General Resolution (the "University General Resolution") pursuant to which it was authorized to issue one or more series of revenue bonds. The Board of Directors of the State College System (the "Board of Directors") on September 9, 1992, adopted a General Resolution (the "College General Resolution" and together with the University General Resolution, the "General Resolution") pursuant to which it was authorized to issue one or more series of revenue bonds. The Commission is the successor to the Board of Trustees and the Board of Directors and is empowered and authorized to issue bonds pursuant to the Act, in furtherance of the public purposes as found and determined by the Legislature of West Virginia as set forth in Section 5 of the Act, including, among other things, to refund the Bonds To Be Refunded.

1. The General Resolution has been amended and supplemented from time to time including the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission adopted July 29, 2004 (the "Second Consolidated Resolution") and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and together with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution and the Second Consolidated Resolution the "Resolution"). All capitalized terms used in this General Certificate and not otherwise defined herein have the respective meanings ascribed to them in the Resolution, the Certificate of Determination setting forth the final terms and provisions of the 2004 B Bonds and executed by the Chairman of the Commission on August 31, 2004 (the "Certificate of Determination"), or the Bond Purchase Agreement (as hereinafter defined);

2. The following persons were and are the duly chosen, qualified and acting members of the Commission, to and including the date of this Certificate, holding the office set forth opposite their respective names as follows:

<u>NAME</u>	<u>OFFICE</u>	<u>EXPIRATION OF TERM</u>
Mary Clare Eros	Chairman	6/30/2007
Elliot G. Hicks	Vice-Chairman	6/30/2006
Michael S. Garrison	Secretary	6/30/2007

3. Dr. David L. Stewart is the State Superintendent of Schools and, pursuant to the Act, is an ex-officio member of the Commission. Kay Huffman Goodwin is Cabinet Secretary of the Department of Education and the Arts and, pursuant to the Act, is an ex-officio member of the Commission. Nelson Robinson is Chair of the Council for Community and Technical College Education and, pursuant to the Act, is an ex-officio member of the Commission.

4. The following persons have been duly appointed by the Governor of the State of West Virginia, with the advice and consent of the State Senate, as members of the Commission pursuant to the Act and are now and, at all times since the commencement of their respective terms of office set forth below, have been duly appointed, qualified and acting members of the Commission, and the respective dates of termination of their terms of office are as follows:

<u>NAME</u>	<u>EXPIRATION OF TERM</u>
John R. Hoblitzell	6/30/2004*
Richard Ken Hall	6/30/2005
Terry R. Sammons	6/30/2005
J. Thomas Jones	6/30/2008

*Serves until a successor is appointed and qualified

Each of the above-named members of the Commission is especially qualified in the field of higher education by virtue of the member's knowledge, learning, experience or interest in the field.

None of the above-named members of the Commission is an officer, employee or member of an advisory board of any State Institution of Higher Education (as defined in the

Act), an officer or member of any political party executive committee, the holder of any other public office or public employment under the federal government or under the government of the State or any of its political subdivisions, or an appointee or employee of any governing board or an immediate family member of any employee under the jurisdiction of the Commission or any governing board.

No person who served as a member of the Commission during all or part of any two consecutive terms is presently serving as a member within three years immediately following the conclusion of the second of his or her two consecutive terms.

5. Each person who is presently serving as a member of the Commission, before exercising any authority or performing any duties as a member of the Commission, qualified by taking and subscribing to the oath of office prescribed by Article IV, Section 5, of the Constitution of West Virginia, and the certificate as to each such oath has been filed with the Secretary of State of the State.

6. Attached as Exhibit A hereto and incorporated herein by reference is a copy of the General Resolution, which has been compared by us to the original thereof and is true, correct and complete and identical thereto. The General Resolution was duly adopted by the Board of Trustees and the Board of Directors at a meeting thereof duly called and held on September 9, 1992. A quorum of each Board was present and acting throughout said meeting. The General Resolution was amended by the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution, the Second Consolidated Resolution and the Third Consolidated Resolution, copies of which are attached hereto and incorporated herein by reference as Exhibit B. The Twelfth Supplemental Resolution was duly adopted by the Commission at a meeting thereof duly called and held on June 4, 2004. The First Consolidated Resolution was duly adopted by the Commission at a meeting thereof duly called and held on June 4, 2004. The Second Consolidated Resolution was duly adopted by the Commission at a meeting thereof duly called and held on July 29, 2004. The Third Consolidated Resolution was duly adopted by the Commission at a meeting thereof duly called and held on August 20, 2004. A quorum of the Commission was present and acting throughout said meetings. The copies of the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution, the Second Consolidated Resolution and the Third Consolidated Resolution attached hereto as Exhibit B have been compared by us to the original thereof and are true, correct and complete and identical thereto.

7. Attached to and incorporated in this General Certificate by reference as Exhibit C is a copy of the Certificate of Determination of the Commission with respect to the 2004 B Bonds, duly executed by the Chairman or Vice Chairman of the Commission under the Resolution. The Certificate of Determination has been compared by us with the original on file in the office of the Commission, and is a true, complete and correct copy of the original thereof and has not been amended, modified, supplemented or repealed and is in full force and effect.

8. Attached to and incorporated in this General Certificate by reference as Exhibit D is a specimen of the 2004 B Bonds, which, except as to authentication, date of maturity, principal amount, and interest rate is identical in all respects to such 2004 B Bonds this day delivered to the original purchasers thereof and is substantially in the form prescribed by the Eleventh Supplemental Resolution and the First Consolidated Resolution.

9. No authority or proceedings for the issuance of the 2004 B Bonds or execution, delivery and performance of the Bond Documents has been repealed, revoked, rescinded or superseded.

10. The Commission is in compliance in all respects with the Resolution and is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution. Except as provided in paragraph 6 hereof, the Resolution has not been amended, modified, supplemented or repealed and remains in full force and effect.

11. Attached to the Transcript of Proceedings as Item 12 is a copy of the Bond Purchase Agreement, dated August 18, 2004, (the "Bond Purchase Agreement") between the Commission and Citigroup Global Markets, Inc., Ferris, Baker Watts, Inc., and Crews & Associates, Inc. (the "Underwriters"). The copy of the Bond Purchase Agreement attached to the Transcript of Proceedings as Item 12, has been compared by us to the original thereof and is true, correct and complete and identical thereto. The Bond Purchase Agreement was duly approved and authorized by the Commission pursuant to the Resolution and is in full force and effect and has not been modified, amended or supplemented as of the date hereof. The Commission has performed and complied with all agreements and conditions required by the Bond Purchase Agreement to be performed or complied with by it at or prior to the Closing Date.

12. In response to Section 7.2(d) of the Bond Purchase Agreement, the undersigned hereby certifies that (i) the representations and warranties made by the Commission in the Bond Purchase Agreement are true and correct as of the Closing Date with the same effect as if made on the Closing Date; (ii) the Commission has performed and complied with all agreements and conditions required by the Bond Purchase Agreement to be performed or complied with by it at or prior to the Closing Date; (iii) since the respective dates as of which information is given in the Official Statement, and except as set forth therein or in the Bond Purchase Agreement, there has not been any material adverse change in the Commission's condition, financial or otherwise; (iv) the Official Statement, insofar as it relates to the Commission, does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) subsequent to June 30, 2003, the date the most recent general purpose audited financial statements included as Appendix B of the Official Statement, there has been no material adverse change in the financial position or results of operations of the Commission, (vi) no litigation is pending or, to the knowledge of the Commission, threatened against the Commission or its officers (A) to restrain or enjoin issuance or delivery of any of the 2004 B Bonds or the collection of Revenues pledged under the Resolution (B) in any way contesting or affecting any authority for the issuance of the 2004 B Bonds, or the validity of the 2004 B

Bonds, or the Bond Documents, (as defined in the Bond Purchase Agreement) (C) in any way contesting or affecting the existence or powers of the Commission or its ability to perform its obligations under the Bond Documents, or (D) that may materially adversely affect the financial condition or operations of the Commission, (vii) the Commission has satisfied all conditions pertaining to the issuance of the 2004 B Bonds pursuant to the Resolution, the Certificate of Determination and all other applicable provisions, and (viii) no event affecting the Commission, or the transactions contemplated by the Official Statement or the Bond Documents has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used, or which it is necessary to disclose therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading.

13. The Preliminary Official Statement dated August 12, 2004 (the "Preliminary Official Statement"), is a true copy of the Preliminary Official Statement of the Commission with respect to the 2004 B Bonds, the distribution of which was ratified, confirmed and approved by the Commission pursuant to the Resolution.

14. The Official Statement dated August 16, 2004 (the "Official Statement"), is a true copy of the Official Statement of the Commission with respect to the 2004 B Bonds, the distribution of which was authorized by the Commission pursuant to the Resolution. A copy of the Official Statement, signed manually by the Chancellor of the Commission, is on file in the office of the Commission.

15. The Commission is obligated under the terms of the Continuing Disclosure Certificate to perform and undertake the actions set forth therein. The Commission is in full compliance with any and all prior continuing disclosure undertakings entered into pursuant to Securities Exchange Commission Rule 15c2-12(b)(5).

16. Appearing opposite the respective names of the persons indicated below are their true and correct titles and true and correct specimens of their signatures:

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>
Mary Clare Eros	Chairman	
J. Michael Mullen	Chancellor	

16. The Commission is not currently, nor has it been in the past, in default on any bonds, notes or other evidences of indebtedness issued by it.

IN WITNESS WHEREOF, I have duly executed this General Certificate of Commission
this 31st day of August, 2004.

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By: 
J. Michael Mullen, Chancellor

318956

EXHIBIT A

GENERAL RESOLUTION

Please refer to Tab No. 1

EXHIBIT B

ELEVENTH SUPPLEMENTAL RESOLUTION

Please refer to Tab No. 1(a)

TWELFTH SUPPLEMENTAL RESOLUTION

Please refer to Tab No. 1(b)

FIRST CONSOLIDATED RESOLUTION

Please refer to Tab No. 1(c)

SECOND CONSOLIDATED RESOLUTION

Please refer to Tab No. 1(d)

THIRD CONSOLIDATED RESOLUTION

Please refer to Tab No. 1(e)

EXHIBIT C

CERTIFICATE OF DETERMINATION

Please refer to Tab No. 6

EXHIBIT D

SPECIMEN BOND

Please refer to Tab No. 5

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES) 2004 SERIES B

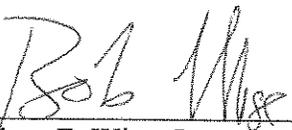
CERTIFICATE AS TO SIGNATURES

The undersigned, as the Governor of the State of West Virginia (the "State"), and the Chancellor of the West Virginia Higher Education Policy Commission (the "Commission"), a commission of the State, hereby certifies as follows:

1. Subscribed below are our true and genuine signatures.
2. On or before the date hereof, the State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series B, in the aggregate principal amount of \$167,260,000, dated as of August 31, 2004 (the "2004 Bonds"), and issued by the Commission on behalf of the State, were duly and completely executed on behalf of the State and the Commission by the respective manual or facsimile signatures of the undersigned Governor of the State and the undersigned Chancellor of the Commission, and by impressing thereon the Great Seal of the State and attestation thereof by the manual or facsimile signature of the undersigned Secretary of State of the State.
3. At the time of such signing and on the date hereof, we were and are the duly chosen, qualified and acting officers of the State and of the Commission, respectively, authorized to execute the 2004 Bonds and holding the respective offices indicated by the official titles set opposite our signatures below.
4. The seal which is impressed below has been imprinted on the 2004 Bonds, and it is the legally adopted, proper and only official Great Seal of the State.

Signature:

Official Title:



Robert E. Wise, Jr.

Governor, State of West Virginia



J. Michael Mullen

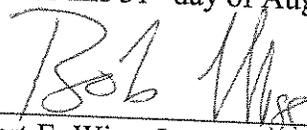
Chancellor, West Virginia Higher Education
Policy Commission



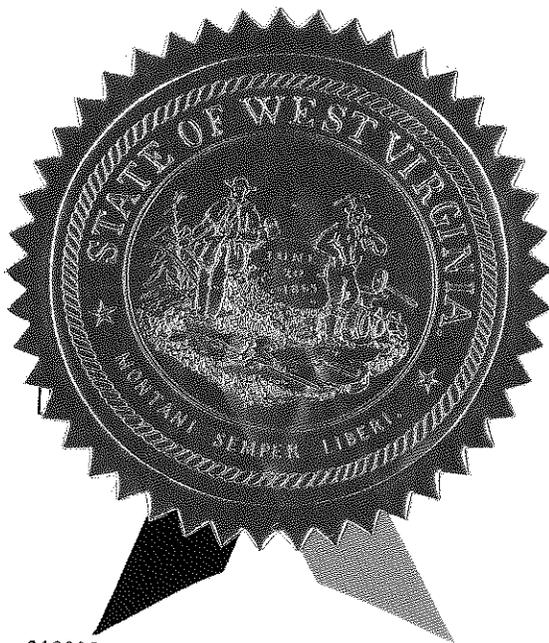
Joe Manchin

Secretary of State, State of West Virginia

IN WITNESS WHEREOF, we have hereunto set our hands, and said Great Seal of the State of West Virginia has been hereunto affixed, as of this 31st day of August, 2004.



Robert E. Wise, Jr., Governor, State of West Virginia



319005



Michael Mullen, Chancellor, West Virginia Higher Education Policy Commission

\$85,650,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(UNIVERSITY FACILITIES) 2004 SERIES A

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES) 2004 SERIES B

CERTIFICATE OF J.P. MORGAN TRUST COMPANY,
NATIONAL ASSOCIATION

The undersigned, on behalf of J.P. Morgan Trust Company, National Association, as construction trustee, registrar and transfer agent (the "Trust Company") in accordance with a General Resolution adopted on September 9, 1992, by the University of West Virginia Board of Trustees (the "Board of Trustees") and a General Resolution adopted on September 9, 1992, by the Board of Directors of the State College System (the "Board of Directors"), predecessors to the West Virginia Higher Education Policy Commission (the "Commission"), as amended by the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission adopted July 29, 2004 (the "Second Consolidated Resolution") and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and collectively with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution and the Second Consolidated Resolution, the "Resolution"), and Certificates of Determination dated as of August 31, 2004 (the "Certificates of Determination") with respect to the State of West Virginia Higher Education Policy Commission Revenue Bonds (University Facilities) 2004 Series A issued by the Commission in the aggregate principal amount of \$85,650,000 (the "2004 A Bonds") and the State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series B issued by the Commission, in the aggregate principal amount of \$167,260,000 (the "2004 B Bonds" and collectively with the 2004 A Bonds, the "2004 Bonds"), hereby certifies as follows:

1. The Trust Company is a national banking association duly organized, validly existing, and in good standing under the laws of the United States, and is lawfully empowered, pursuant to such laws, to execute and accept the trust contemplated and as provided under the Resolution and to serve in the capacities as Trust Company thereunder and hereby accepts the duties and obligations of the Trust Company.

2. The person indicated below was at the time of the execution of this Certificate and is now the duly elected, qualified and acting incumbent of his or her respective

office, and pursuant to authorization from the Board of Directors of the Trust Company, as evidenced by its resolution, an excerpt of the pertinent portion of which is attached as Exhibit A hereto, such person, in his or her official capacity, is authorized to execute and deliver this Certificate and such other documents as are necessary to complete the financing described in the Resolution for and on behalf of the Trust Company.

3. Appearing opposite the respective names of the persons indicated below are their true and correct titles and true and correct specimens of their signatures:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Joseph C. Progar	Vice President	

4. Joseph C. Progar, whose specimen signature appears in paragraph 3 above, is an authorized officer of the Trust Company for the purposes of executing this Certificate.

5. The Trust Company acknowledges receipt of the sum of \$161,694,496.15; which amounts shall be deposited into the various subaccounts as follows:

(a) The sum of \$110,630.35 shall be deposited in the Series A Costs of Issuance subaccount and the sum of \$105,412.05 shall be deposited in the Series B Costs of Issuance subaccount.

(b) The sum of \$88,011,117.02 shall be deposited in the Series A Bond Proceeds subaccount and the sum of \$73,467,336.73 shall be deposited in the Series B Bond Proceeds subaccount.

The Trust Company has received all documents, certificates and other items required by the Resolution and Certificates of Determination and upon request of the Commission, the undersigned this day authenticated and delivered the 2004 A Bonds to Citigroup Global Markets, Inc. and the 2004 B Bonds to the Depository Trust Company ("DTC") on behalf of Citigroup Global Markets, Inc., Ferris, Baker Watts, Inc. and Crews & Associates, Inc., as the original purchasers thereof.

6. The Trust Company, as Registrar, has cancelled the 2004 Series A Bonds upon the return thereof from Citigroup Global Markets Inc.

7. Capitalized terms used and not otherwise defined herein shall have the meaning assigned to such terms in the Resolution.

IN WITNESS WHEREOF, J.P. Morgan Trust Company, National Association,
has caused this Certificate to be executed by its duly authorized officer this 31st day of August,
2004.

J.P. Morgan Trust Company, National
Association,

By: 

Joseph C. Progar, Vice President

319007

Exhibit A

BOARD OF DIRECTORS RESOLUTION

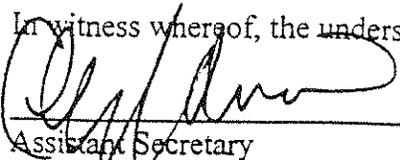


Secretary's Certificate

The undersigned Charles J. Adomanis hereby certifies that he is a duly appointed and acting Assistant Secretary of J.P. Morgan Trust Company, National Association, and that:

1. On December 1, 2001 Chase Manhattan Trust Company, National Association and certain other affiliates merged into Chase Manhattan Bank and Trust Company, National Association, which changed its name to J.P. Morgan Trust Company, National Association.
2. Attached hereto as Exhibit A is a true and complete copy of the Articles of Association of J.P. Morgan Trust Company, National Association as in effect on the date hereof.
3. Attached hereto as Exhibit B is a true and complete copy of the By-Laws of J.P. Morgan Trust Company, National Association as in effect on the date hereof.
4. Attached hereto as Exhibit C is a true and complete copy of certain resolutions duly adopted by the board of directors of J.P. Morgan Trust Company, National Association on December 3, 2001, which resolutions have not been amended or rescinded and are in full force and effect on the date hereof. The phrase CMTC as used in the first attached resolution refers to Chase Manhattan Trust Company, National Association.
5. Attached hereto as Exhibit D is a list of certain officers of J.P. Morgan Trust Company, National Association who have been duly appointed to the offices of J.P. Morgan Trust Company, National Association set forth opposite their respective names and who have not resigned or been removed from such offices as of the date hereof.

In witness whereof, the undersigned has signed this certificate this December 12, 2001.


Assistant Secretary

J.P. Morgan Trust Company, National Association

Exhibit A

J.P. MORGAN TRUST COMPANY,
NATIONAL ASSOCIATION

CHARTER NO. 23470

ARTICLES OF ASSOCIATION

For the purpose of organizing an Association to perform any lawful activities of national banks, the undersigned do enter into the following Articles of Association:

FIRST. The title of this Association shall be J.P. Morgan Trust Company, National Association (the "Association").

SECOND. The main office of the Association shall be in the City of Los Angeles, County of Los Angeles, State of California. The general business of the Association shall be conducted at its main office and its branches.

THIRD. The board of directors of this Association shall consist of not less than five nor more than twenty-five persons, the exact number to be fixed and determined from time to time by resolution of a majority of the full board of directors or by resolution of a majority of the shareholders at any annual or special meeting thereof. Each director, during the full term of his directorship, shall own common or preferred stock of the Association or of a holding company owning the Association, with an aggregate par, fair market or equity value of not less than \$1,000. Any vacancy in the board of directors may be filled by action of the shareholders or a majority of the remaining directors.

Terms of directors, including directors selected to fill vacancies, shall expire at the next regular meeting of shareholders at which directors are elected, unless the directors resign or are removed from office.

Despite the expiration of a director's term, the director shall continue to serve until his or her successor is elected and qualifies or until there is a decrease in the number of directors and his or her position is eliminated.

FOURTH. There shall be an annual meeting of the shareholders to elect directors and transact whatever other business may be brought before the meeting. It shall be held at the main office or any other convenient place the board of directors may designate, on the day of each year specified therefore in the by-laws, or if that day falls on a legal holiday in the state in which the Association is located, on the next following banking day. If no election is held on the day fixed or in event of a legal holiday, on the following banking day, an election may be held on any subsequent day within 60 days of the day fixed, to be designated by the board of directors, or, if the directors fail to fix the day, by shareholders

representing two-thirds of the shares issued and outstanding. Advance notice of the meeting may be waived duly waived by the sole shareholder in accordance with 12 C.F.R. § 7.2001.

A director may resign at any time by delivering written notice to the board of directors, its Chairperson, or to the Association, which resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

A director may be removed by shareholders at a meeting called to remove him or her, when notice of the meeting stating that the purpose or one of the purposes is to remove him or her is provided, if there is a failure to fulfill one of the affirmative requirements for qualification, or for cause.

FIFTH. The authorized amount of capital stock of this Association shall be Six Hundred Thousand (\$600,000), divided into Six Thousand (6,000) shares of common stock of the par value of One Hundred dollars (\$100) each; but said capital stock may be increased or decreased from time to time, according to the provisions of the laws of the United States.

No holder of shares of the capital stock of any class of the Association shall have any preemptive or preferential right of subscription to any shares of any class of stock of the Association, whether now or hereafter authorized, or to any obligations convertible into stock of the Association, issued, or sold, nor any right to subscription to any thereof other than such, if any, as the board of directors, in its discretion may from time to time determine and at such price as the board of directors may from time to time fix.

Unless otherwise specified in the Articles of Association or required by law, (1) all matters requiring shareholder action, including amendments to the Articles of Association, must be approved by shareholders owning a majority voting interest in the outstanding voting stock, and (2) each shareholder shall be entitled to one vote per share.

The Association, at any time and from time to time, may authorize and issue debt obligations, whether or not subordinated, without the approval of the shareholders.

SIXTH. The board of directors may appoint one of its members President of this Association, and one of its members Chairperson of the board or two of its members as Co-Chairpersons of the board, and shall have the power to appoint one or more Vice Presidents, a Secretary who shall keep minutes of the directors' and shareholders' meetings and be responsible for authenticating the records of the Association, and such other officers and employees as may be required to transact the business of this Association. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the board of directors in accordance with the by-laws.

The board of directors shall have the power to:

- (1) Define the duties of the officers, employees, and agents of the Association.

- (2) Delegate the performance of its duties, but not the responsibility for its duties, to the officers, employees, and agents of the Association.
- (3) Fix the compensation and enter into employment contracts with its officers and employees upon reasonable terms and conditions consistent with applicable law.
- (4) Dismiss officers and employees.
- (5) Require bonds from officers and employees and fix the penalty thereof.
- (6) Ratify written policies authorized by the Association's management or committees of the board.
- (7) Regulate the manner in which any increase or decrease of the capital of the Association shall be made, provided that nothing herein shall restrict the power of shareholders to increase or decrease the capital of the Association in accordance with law.
- (8) Manage and administer the business and affairs of the Association.
- (9) Adopt initial by-laws, not inconsistent with law or the Articles of Association, for managing the business and regulating the affairs of the Association.
- (10) Amend or repeal by-laws, except to the extent that the Articles of Association reserve this power in whole or in part to shareholders.
- (11) Make contracts.
- (12) Generally perform all acts that are legal for a board of directors to perform.

SEVENTH. The board of directors shall have the power to change the location of the main office to any other location permitted under applicable law, without the approval of the shareholders, and shall have the power to establish or change the location of any branch or branches of the Association to any other location permitted under applicable law, without the approval of the shareholders subject to approval by the Office of the Comptroller of the Currency.

EIGHTH. The corporate existence of this Association shall continue until termination according to the laws of the United States.

NINTH. These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of this Association, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount. The Association's

board of directors may propose one or more amendments to the Articles of Association for submission to the shareholders.

EXHIBIT B

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION BY-LAWS

Article I

Meetings of Shareholders

Section 1.1. *Annual Meeting.* The regular annual meeting of the shareholders to elect directors and transact whatever other business may properly come before the meeting, shall be held at the main office of the Association, or such other place as the board may designate, and at such time in each year as may be designated by the board of directors. Unless otherwise provided by law, notice of the meeting may be waived by the Association's sole shareholder in accordance with 12 C.F.R. § 7.2001. If, for any cause, an election of directors is not made on that date, or in the event of a legal holiday, on the next following banking day, an election may be held on any subsequent day within 60 days of the date fixed, to be designated by the board, or, if the directors fail to fix the date, by shareholders representing two thirds of the shares issued and outstanding.

Section 1.2. *Special Meetings.* Except as otherwise specifically provided by statute, special meetings of the shareholders may be called for any purpose at any time by a majority of the board of directors or by any one or more shareholders owning, in the aggregate, not less than twenty-five percent of the stock of the Association or by the Chairperson of the board of directors or the President. Unless otherwise provided by law, advance notice of a special meeting may be waived by the Association's Sole Shareholder in accordance with 12 C.F.R. § 7.2001.

Section 1.3. *Nominations of Directors.* Nominations for election to the board of directors may be made by the board of directors or by any stockholder of any outstanding class of capital stock of the Association entitled to vote for the election of directors. Nominations, other than those made by or on behalf of the existing management of the Association, shall be made in writing and shall be delivered or mailed to the President of the Association and to the Comptroller of the Currency, Washington, D.C., not less than 14 days nor more than 50 days prior to any meeting of shareholders called for the election of directors, *provided, however*, that if less than 21 days' notice of the meeting is given to shareholders, such nomination shall be mailed or delivered to the President of the Association and to the Comptroller of the Currency not later than the close of business on the seventh (7th) day following the day on which the notice of meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholder.

- (1) The name and address of each proposed nominee.
- (2) The principal occupation of each proposed nominee.
- (3) The total number of shares of capital stock of the Association that will be voted for each proposed nominee.
- (4) The name and residence address of the notifying shareholder.
- (5) The number of shares of capital stock of the Association owned by the notifying shareholder.

Nominations not made in accordance herewith may, in his/her discretion, be disregarded by the Chairperson of the meeting, and upon his/her instructions, the vote tellers may disregard all votes cast for each such nominee.

Section 1.4. *Proxies.* Shareholders may vote at any meeting of the shareholders by proxies duly authorized in writing, but no officer or employee of this Association shall act as proxy. Proxies shall be valid only for one meeting to be specified therein, and any adjournments of such meeting. Proxies shall be dated and filed with the records of the meeting. Proxies with rubber stamped facsimile signatures may be used and unexecuted proxies may be counted upon receipt of a confirming telegram from the shareholder. Proxies meeting above requirements submitted at any time during a meeting shall be accepted.

Section 1.5 *Quorum.* A majority of the outstanding capital stock, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law, or by the shareholders or directors pursuant to Section 10.2, but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association, or by the shareholders or directors pursuant to Section 10.2. Any action required or permitted to be taken by the shareholders may be taken without a meeting by unanimous written consent of the shareholders to a resolution authorizing the action. The resolution and the written consent shall be filed with the minutes of the proceedings of the shareholders.

Article II

Directors

Section 2.1. *Board of Directors.* The board of directors ("board") shall have the power to manage and administer the business and affairs of the Association. Except as

expressly limited by law, all corporate powers of the Association shall be vested in and may be exercised by the board.

Section 2.2. *Number.* The board shall consist of not less than five nor more than twenty-five persons, the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the full board or by resolution of a majority of the shareholders at any meeting thereof; provided, however, that a majority of the full board may not increase the number of directors to a number which: (1) exceeds by more than two the number of directors last elected by shareholders where such number was 15 or less; and (2) exceeds by more than four the number of directors last elected by shareholders where such number was 16 or more, but in no event shall the number of directors exceed 25.

Section 2.3. *Organization Meeting.* The Secretary shall notify the directors-elect of their election and of the time at which they are required to meet at the main office of the Association to organize the new board and elect and appoint officers of the Association for the succeeding year. Such meeting shall be held on the day of the election or as soon thereafter as practicable, and, in any event, within 30 days thereof. If, at the time fixed for such meeting, there shall not be a quorum, the directors present may adjourn the meeting, from time to time, until a quorum is obtained.

Section 2.4. *Regular Meetings.* The time and location of regular meetings of the board shall be set by the board. Such meetings may be held without notice. Any business may be transacted at any regular meeting. The board may adopt any procedures for the notice and conduct of any meetings as are not prohibited by law.

Section 2.5. *Special Meetings.* Special meetings of the board may be called at the request of the Chairperson or Co-Chairperson of the board, the President, or three or more directors. Each member of the board shall be given notice stating the time and place, by telegram, telephone, letter or in person, of each such special meeting at least one day prior to such meeting. Any business may be transacted at any special meeting.

Section 2.6. *Action by the Board.* Except as otherwise provided by law, corporate action to be taken by the board shall mean such action at a meeting of the board. Any action required or permitted to be taken by the board or any committee of the board may be taken without a meeting if all members of the board or the committee consent in writing to a resolution authorizing the action. The resolution and the written consents thereto shall be filed with the minutes of the proceedings of the board or committee. Any one or more members of the board or any committee may participate in a meeting of the board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such meeting.

Section 2.7. *Waiver of Notice.* Notice of a special meeting need not be given to any director who submits a signed waiver of notice, whether before or after the meeting, or

who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

Section 2.8. *Quorum and Manner of Acting.* Except as otherwise required by law, the Articles of Association or these by-laws, a majority of the directors shall constitute a quorum for the transaction of any business at any meeting of the board and the act of a majority of the directors present and voting at a meeting at which a quorum is present shall be the act of the board. In the absence of a quorum, a majority of the directors present may adjourn any meeting, from time to time, until a quorum is present and no notice of any adjourned meeting need be given. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 2.9. *Vacancies.* In the event a majority of the full board increases the number of directors to a number which exceeds the number of directors last elected by shareholders, as permitted by Section 2.2, directors may be appointed to fill the resulting vacancies by vote of such majority of the full board. In the event of a vacancy in the board for any other cause, a director may be appointed to fill such vacancy by vote of a majority of the remaining directors then in office.

Section 2.10. *Removal of Directors.* The vacancy created by the removal of a director pursuant to this Section may be filled by the board in accordance with Section 2.9 of these by-laws or by the shareholders.

Article III

Committees

Section 3.1. *Executive Committee.* There may be an executive committee consisting of the Chairperson or Co-Chairperson of the board and not less than two other directors appointed by the board annually or more often. Subject to the limitations in Section 3.4(g) of these by-laws, the executive committee shall have the maximum authority permitted by law.

Section 3.2. *Audit Committee.* There may be an audit committee composed of not less than two directors, exclusive of any active officers, appointed by the board annually or more often, whose duty it shall be to make an examination at least once during each calendar year and within fifteen months of the last examination into the affairs of the Association, or cause continuous suitable examinations to be made, by auditors responsible only to the board, and to report the results of any such examinations in writing to the board from time to time. Such examinations shall include audits of the fiduciary business of the Association as may be required by law or regulation.

Section 3.3. *Other Committees.* The board may appoint, from time to time, other committees of one or more persons, for such purposes and with such powers as the board may determine.

Section 3.4. *General.*

(a) Each committee shall elect a Chairperson from among the members thereof and shall also designate a Secretary of the committee, who shall keep a record of its proceedings.

(b) Vacancies occurring from time to time in the membership of any committee shall be filled by the board for the unexpired term of the member whose departure causes such vacancy. The board may designate one or more alternate members of any committee, who may replace any absent member or members at any meeting of such committee.

(c) Each committee shall adopt its own rules of procedure and shall meet at such stated times as it may, by resolution, appoint. It shall also meet whenever called together by its Chairperson or the Chairperson of the board.

(d) No notice of regular meetings of any committee need be given. Notice of every special meeting shall be given either by mailing such notice to each member of such committee at his or her address, as the same appears in the records of the Association, at least two days before the day of such meeting, or by notifying each member on or before the day of such meeting by telephone or by personal notice, or by leaving a written notice at his or her residence or place of business on or before the day of such meeting. Waiver of notice in writing of any meeting, whether prior or subsequent to such meeting, or attendance at such meeting, shall be equivalent to notice of such meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at any special meeting.

(e) All committees shall, with respect to all matters, be subject to the authority and direction of the board and shall report to it when required.

(f) Unless otherwise required by law, the Articles of Association or these by-laws, a quorum at any meeting of any committee shall be one-third of the full membership and the act of a majority of members present and voting at a meeting at which a quorum is present shall be the act of the committee.

(g) No committee shall have authority to take any action which is expressly required by law or regulation to be taken at a meeting of the board or by a specified proportion of directors.

Article IV

Officers and Employees

Section 4.1. *Chairperson of the Board.* The board shall appoint one of its members to be the Chairperson of the board, or two persons to serve as Co-Chairperson of the board to serve at its pleasure. Such person shall preside at all meetings of the board. The Chairperson or Co-Chairpersons of the board shall supervise the carrying out of the policies adopted or approved by the board; shall have general executive powers, as well as the specific powers conferred by these by-laws; and shall also have and may exercise such further powers and duties as from time to time may be conferred upon, or assigned by the board.

Section 4.2. *President.* The board may appoint one of its members to be the President of the Association. In the absence of the Chairperson or Co-Chairpersons, the President shall preside at any meeting of the board. The President shall have general executive powers, and shall have and may exercise any and all other powers and duties pertaining by law, regulation, or practice to the office of President, or imposed by these by-laws. The President shall also have and may exercise such further powers and duties as from time to time may be conferred, or assigned by the board.

Section 4.3. *Vice President.* The board may appoint one or more Vice Presidents. Each Vice President shall have such powers and duties as may be assigned by the board.

Section 4.4. *Secretary.* The board shall appoint a Secretary, Cashier, or other designated officer who shall be Secretary of the board and of the Association, and shall keep accurate minutes of all meetings. The Secretary shall attend to the giving of all notices required by these by-laws; shall be custodian of the corporate seal, records, documents and papers of the Association; shall provide for the keeping of proper records of all transactions of the Association; shall have and may exercise any and all other powers and duties pertaining by law, regulation or practice, to the office of Cashier, or imposed by these by-laws; and shall also perform such other duties as may be assigned from time to time, by the board.

Section 4.5. *Other Officers.* The board may appoint one or more Assistant Vice Presidents, one or more Trust Officers, one or more Assistant Secretaries, one or more Assistant Cashiers, one or more Managers and Assistant Managers of branches and such other officers and attorneys in fact as from time to time may appear to the board to be required or desirable to transact the business of the Association. Such officers shall respectively exercise such powers and perform such duties as pertain to their several offices, or as may be conferred upon, or assigned to, them by the board, the Chairperson or Co-Chairpersons of the board, or the President. The board may authorize an officer to appoint one or more officers or assistant officers.

Section 4.6. *Resignation.* An officer may resign at any time by delivering notice to the Association. A resignation is effective when the notice is given unless the notice specifies a later effective date.

Article V

Fiduciary Activities

Section 5.1. *Trust Committee.* There shall be a Trust Committee of this Association composed of four or more members, who shall be capable and experienced officers or directors of the Association. The Committee is charged with the responsibility for the investment, retention, or disposition of assets held in accounts with respect to which the Association has investment authority; for the review of the assets of accounts for which the Association has investment authority promptly after the acceptance of such an account and at least once during every calendar year thereafter to determine the advisability of retaining or disposing of such assets; for the determination of the manner in which proxies received for accounts for which the Association has responsibility for the voting of proxies shall be voted; for the determination of all substantial questions involving discretionary authority of the Association of a non-investment nature, including, but not limited to, distribution of principal and/or income in respect of any account; for providing advice as to the investment, retention, or disposition of assets in investment advisory accounts maintained by the Association; for the making of such reports as this board shall require; and for such other responsibilities as may be assigned by this board. The Trust Committee, in discharging its aforementioned responsibilities, may authorize officers of the Association to exercise such powers and under such conditions as the Committee may from time to time prescribe.

Section 5.2. *Trust Investments.* Funds held in a fiduciary capacity shall be invested according to the instrument establishing the fiduciary relationship and local law. Where such instrument does not specify the character and class of investments to be made and does not vest in the Association a discretion in the matter, funds held pursuant to such instrument shall be invested in investments in which corporate fiduciaries may invest under applicable law.

Section 5.3. *Trust Audit Committee.* The board shall appoint a committee of at least two directors, exclusive of any active officer of the association, which shall, at least once during each calendar year make suitable audits of the association's fiduciary activities or cause suitable audits to be made by auditors responsible only to the board, and at such time shall ascertain whether fiduciary powers have been administered according to law, Part 9 of the Regulations of the Comptroller of the Currency, and sound fiduciary principles.

Section 5.4. *Fiduciary Files.* There shall be maintained by the association all fiduciary records necessary to assure that its fiduciary responsibilities have been properly undertaken and discharged.

Article VI

Stock and Stock Certificates

Section 6.1. *Transfers.* Shares of stock shall be transferable on the books of the Association, and a transfer book shall be kept in which all transfers of stock shall be recorded. Every person becoming a shareholder by such transfer shall, in proportion to his or her shares, succeed to all rights of the prior holder of such shares.

The board may impose conditions upon the transfer of the stock reasonably calculated to simplify the work of the Association with respect to stock transfers, voting at shareholder meetings, and related matters and to protect it against fraudulent transfers.

Section 6.2. *Stock Certificates.* Certificates of stock shall bear the signature of the Chairperson or Co-Chairpersons of the board or President (which may be engraved, printed or impressed), and shall be signed manually or by facsimile process by the Secretary, Assistant Secretary, Cashier, Assistant Cashier, or any other officer appointed by the board for that purpose, to be known as an authorized officer, and the seal of the Association shall be engraved thereon. Each certificate shall recite on its face that the stock represented thereby is transferable only upon the books of the Association properly endorsed. In case any such officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such before such certificate is issued, it may be issued by the Association with the same effect as if such officer had not ceased to be such at the time of its issue. The corporate seal may be a facsimile, engraved or printed.

Article VII

Corporate Seal

The Chairperson, the President, the Cashier, the Secretary or any Assistant Cashier or Assistant Secretary, or other officer thereunto designated by the board, shall have authority to affix the corporate seal to any document requiring such seal, and to attest the same. Such seal shall be substantially in the following form: A circle, with the words "J.P. Morgan Trust Company, National Association" within such circle.

IMPRESSION

OF SEAL

Article VIII

Miscellaneous Provisions

Section 8.1. *Fiscal Year.* The fiscal year of the Association shall be the calendar year.

Section 8.2. *Execution of Instruments.* All agreements, indentures, mortgages, deeds, conveyances, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, proxies and other instruments or documents may be signed, executed, acknowledged, verified, delivered or accepted on behalf of the Association by the Chairperson or Co-Chairpersons of the board, or the President, or any Vice Chairperson, or any Managing Director, or any Vice President, or any Assistant Vice President, or the Chief Financial Officer, or the Controller, or the Secretary, or the Cashier, or, if in connection with the provision of fiduciary, corporate trust, escrow or agency services, by any of those officers or by any Trust Officer or any Assistant Trust Officer. Any such instruments may also be executed, acknowledged, verified, delivered or accepted on behalf of the Association in such other manner and by such other officers or other persons as the board may from time to time direct. The provisions of this Section 8.2 are supplementary to any other provision of these by-laws.

Section 8.3. *Records.* The Articles of Association, the by-laws and the proceedings of all meetings of the shareholders, the board, and standing committees of the board, shall be recorded in appropriate minute books provided for that purpose. The minutes of each meeting shall be signed by the Secretary, Cashier or other officer appointed to act as Secretary of the meeting.

Section 8.4. *Corporate Governance Procedures.* To the extent not inconsistent with applicable Federal banking law, bank safety and soundness or these by-laws, the corporate governance procedures found in the Delaware General Corporation Law shall be followed by the Association.

Article IX

Indemnification

Section 9.1. *Right to Indemnification.* Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other

enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Association to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Association to provide broader indemnification rights than such law permitted the Association to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; provided, however, that, except as provided in Section 9.3 of these by-laws with respect to proceedings to enforce rights to indemnification, the Association shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the board.

Section 9.2. *Right to Advancement of Expenses.* The right to indemnification conferred in Section 9.1 of these by-laws shall include the right to be paid by the Association the expenses (including attorney's fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Association of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 9.2 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Sections 9.1 and 9.2 of these by-laws shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators.

Section 9.3. *Right of Indemnitee to Bring Suit.* If a claim under Section 9.1 or 9.2 of these by-laws is not paid in full by the Association within sixty (60) days after a written claim has been received by the Association except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Association to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (1) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (2) any suit brought

by the Association to recover an advancement of expenses pursuant to the terms of an undertaking, the Association shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the Delaware General Corporation Law. Neither the failure of the Association (including the board, the Association's independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Association (including the board, the Association's independent legal counsel, or its shareholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Association to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article IX or otherwise shall be on the Association.

Section 9.4. *Non-Exclusivity of Rights.* The rights to indemnification and to the advancement of expenses conferred in this Article IX shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Association's Articles of Association, by-laws, agreement, vote of shareholders or disinterested directors or otherwise.

Section 9.5. *Insurance.* The Association may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Association or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Association would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 9.6. *Indemnification of Employees and Agents of the Association.* The Association may, to the extent authorized from time to time by the board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Association to the fullest extent of the provisions of this Article IX with respect to the indemnification and advancement of expenses of directors and officers of the Association.

Article X

By-laws

Section 10.1. *Inspection.* A copy of the by-laws, with all amendments, shall at all times be kept in a convenient place at the main office of the Association, and shall be open for inspection to all shareholders during banking hours.

Section 10.2. *Amendments.* The by-laws may be amended, altered or repealed, at any regular meeting of the board by a vote of a majority of the total number of the directors except as provided below. The Association's shareholders may amend or repeal the by-laws even though the by-laws may be amended or repealed by its board.

I, _____, CERTIFY that: I am the Secretary of the J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION, and Secretary of its Board of Directors and as such officer am the official custodian of its records; and (2) the foregoing By-Laws are the By-Laws of said association, and all of them are now lawfully in place.

IN TESTIMONY WHEREOF, I have hereunto affixed by official signature and the Seal of the said Association in the City of _____, State of _____, on this _____ day of _____, _____.

EXHIBIT C

RESOLVED, that in addition to the persons listed on the exhibit presented to this meeting, all other officers not so named that were duly elected by the Board of Directors of CMTC, FSB, CMPB and this Association and who held such titles and have not resigned or otherwise departed such positions on or prior to this date, be, and they hereby are, elected to those same offices, each to hold such office until a successor thereto shall have been duly chosen and qualified, or as otherwise provided in the By-laws of this Association; provided, however, that in no case shall the Chairman, Vice Chairman, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Treasurer, Controller, Secretary, Community Reinvestment Act Officer, Regulatory Compliance Officer or Bank Secrecy Act Officer of CMTC, FSB, CMPB or this Association immediately prior to this date be so elected unless they are listed on the exhibit presented to this meeting.

RESOLVED, that any of the documents or instruments duly executed pursuant to resolutions of the Board or the By-laws of the Association may bear the FACSIMILE SIGNATURE of any officer or holder duly authorized by the Board or by the By-laws of this Association.

RESOLVED, that the Secretary or any Vice President, Assistant Vice President, Assistant Secretary, Trust Officer or Assistant Trust Officer be and each of them hereby is authorized, when necessary or appropriate, to affix or cause to be affixed, either manually or by facsimile, the CORPORATE SEAL of the Association to any document or instrument executed pursuant to resolutions of the Board or the By-laws of the Association and to attest to the corporate seal so affixed thereto.

RESOLVED, that this Board delegates to the Secretary of the Board, and each Assistant Secretary of the Board, severally, the authority to update from time to time the Association's resolutions respecting signing authorities and to make any technical changes therein to reflect the organizational structure of the Association.

RESOLVED that any officer of Chase National Corporate Services, Inc. who is designated in a writing, a copy of which is delivered to the Secretary, as an agent, attorney in fact or authorized officer or signatory for the Association (an "Agent") by any officer of the Association holding the title of Vice President or above, is authorized for and on behalf of the Association to execute and deliver any and all indentures, trust agreements, deeds of trust, corporate mortgages, agency agreements, custodial agreements, depositary agreements, deeds, escrow agreements, assignments, affidavits, certificates, releases, satisfactions, applications, petitions, stock and bond powers, authentications and any other documents or instruments in connection with the business or operations of the Association in any corporate trust, fiduciary, agency, representative or other similar capacity, and may affix the seal of the Association thereto.

EXHIBIT D

<u>NAME</u>	<u>TITLE</u>	<u>COMPANY</u>	<u>LOCATION</u>
Charles J.	Vice President, Asst General		PA
David	Counsel and Asst Secretary	J. P. Morgan Trust Company, National Association	PA
Brian	Vice President	J. P. Morgan Trust Company, National Association	PA
James M.	Trust Officer	J. P. Morgan Trust Company, National Association	PA
Denise	Vice President	J. P. Morgan Trust Company, National Association	PA
Ann C.	Assistant Vice President	J. P. Morgan Trust Company, National Association	PA
Marvin	Vice President	J. P. Morgan Trust Company, National Association	PA
Beth Ann	Vice President	J. P. Morgan Trust Company, National Association	PA
Catherine	Vice President	J. P. Morgan Trust Company, National Association	PA
Ronald J.	Vice President	J. P. Morgan Trust Company, National Association	PA
Brian C.	Vice President	J. P. Morgan Trust Company, National Association	PA
Lois M.	Assistant Vice President	J. P. Morgan Trust Company, National Association	PA
Anne Marie	Assistant Vice President	J. P. Morgan Trust Company, National Association	PA
JoAnne	Vice President	J. P. Morgan Trust Company, National Association	PA
Dianna	Vice President	J. P. Morgan Trust Company, National Association	PA
Joseph C.	Assistant Vice President	J. P. Morgan Trust Company, National Association	PA
Michael E.	Vice President	J. P. Morgan Trust Company, National Association	PA
Elaine D.	Vice President	J. P. Morgan Trust Company, National Association	PA
Kevin D.	Assistant Vice President	J. P. Morgan Trust Company, National Association	PA
Melissa	Vice President	J. P. Morgan Trust Company, National Association	PA
Gail K.	Vice President	J. P. Morgan Trust Company, National Association	PA
John J.	Vice President	J. P. Morgan Trust Company, National Association	PA
Kimberly	Trust Officer	J. P. Morgan Trust Company, National Association	PA
Bridget M.	Vice President	J. P. Morgan Trust Company, National Association	PA
Claire L.	Assistant Vice President	J. P. Morgan Trust Company, National Association	PA
Jason	Trust Officer	J. P. Morgan Trust Company, National Association	PA
Noreen	Vice President	J. P. Morgan Trust Company, National Association	PA
Douglas	Trust Officer	J. P. Morgan Trust Company, National Association	PA
Judith	Vice President	J. P. Morgan Trust Company, National Association	PA
Kerry S.	Vice President	J. P. Morgan Trust Company, National Association	PA

CONSTRUCTION TRUSTEE, REGISTRAR AND TRANSFER AGENT AGREEMENT

This Construction Trustee, Registrar and Transfer Agent Agreement ("Agreement") is executed and effective this 31st day of August, 2004 by and between **J. P. Morgan Trust Company, National Association**, a national banking association, as construction trustee, registrar and transfer agent (the "Trust Company") and the **West Virginia Higher Education Policy Commission** ("Issuer").

WHEREAS, Issuer contemplates issuing the following; State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series A issued by the West Virginia Higher Education Policy Commission in the aggregate principal amount of \$85,650,000 (the "2004 A Bonds") and \$167,260,000 State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series B (the "2004 B Bonds" and collectively with the 2004 A Bonds, the "2004 Bonds");

WHEREAS, Issuer desires that the Trust Company act on behalf of Issuer to perform the duties of Construction Trustee, Registrar and Transfer Agent as set forth in this Agreement; and

WHEREAS, the Trust Company is willing to act in such capacities solely in accordance with this Agreement and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, Issuer and the Trust Company agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions

"Authorized Officer" means the person designated pursuant to Section 1.03 of the First Consolidated Resolution.

"Construction Trustee" means any bank, trust company, national association or other organization duly authorized and empowered by law and applicable State or Federal regulations to perform the duties set forth under Section 4.02 herein.

"General Resolution" means the General Resolution adopted by the West Virginia Higher Education Policy Commission, as successor to the University of West Virginia Board of Trustees and the Board of Directors of the State College System, on September 9, 1992, as amended and supplemented from time to time.

"Register" means a complete listing of all holders of record of all 2004 Bonds outstanding at any time.

"Registrar" means any bank, trust company, national association or other organization duly authorized and empowered by law and applicable State or Federal regulations to perform the duties set forth under Section 2.02 herein.

"Transfer Agent" means any bank, trust company, national association or other organization duly authorized and empowered by law and applicable State or Federal regulations to perform the duties set forth under Section 3.02 herein.

"Underwriter" means the firm or firms purchasing the 2004 Bonds from Issuer.

"2004 Projects" means the capital improvements at institutions of higher education located throughout the State of West Virginia.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the General Resolution.

Section 1.02 Effect of Headings

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 1.03 Successors and Assigns

All covenants and agreements contained herein by each of the parties hereto shall bind and inure to the benefit of their successors and assigns whether so expressed or not.

Section 1.04 Separability Clause

In the event any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.05 Rules of Construction

For all purposes of this Agreement unless the context otherwise indicates:

- a) Terms in the singular number shall indicate the plural and vice versa.
- b) The words "hereof" and "herein" shall be construed to refer to the entirety of this Agreement and to not be restricted to the particular Article, Section, subsection or paragraph in which they occur.
- c) Terms of the masculine gender shall be deemed and construed to

include correlative terms of the feminine and neuter genders.

ARTICLE II REGISTRAR

Section 2.01 Acceptance by the Trust Company as Registrar

Issuer hereby appoints the Trust Company to act as Registrar for the 2004 Bonds, and the Trust Company hereby agrees to perform the duties of Registrar as more fully set forth under this Article II, upon the terms and subject to the conditions of this Agreement.

Section 2.02 Duties of Registrar

The duties of Registrar shall be:

- a) to authenticate by manual signature, prepare and deliver 2004 Bonds upon the written instructions of Issuer or the Underwriter as agent for Issuer; and
- b) to keep and maintain the Register complete, current and accurate at all times; and
- c) to maintain a full and complete accounting of all 2004 Bonds issued outstanding, destroyed, and in inventory; and
- d) upon reasonable, prior written request, permit the inspection of the Register during the Registrar's normal business hours by Issuer or, at the Issuer's written direction, any other person or entity that the Issuer has determined has a legitimate legal interest therein; and
- e) to cancel any 2004 Bonds which has been paid, redeemed, transferred, exchanged, converted or otherwise required to be canceled; and
- f) in accordance with the Registrar's policies and procedures, to destroy all canceled 2004 Bonds, at such time as permitted by applicable law or regulation and to provide Issuer with a certificate which lists all 2004 Bonds so destroyed; and
- g) to provide information concerning the 2004 Bonds and its Register to any party entitled to such information.

Section 2.03 Duties of Issuer

- a) Issuer agrees to provide or cause the Underwriter to provide to Registrar at the time of initial issuance of the 2004 Bonds an accurate

and complete list setting forth the following information; all of which shall be in a form acceptable to the Trust Company:

- 1) Each bondholder's name as it is to appear on each 2004 Bond to be issued, or in the event a 2004 Bond is to be registered to a trust or to a minor, then Registrar will be provided with all information necessary to register such 2004 Bond in proper legal form; and
 - 2) Each bondholder's address; and
 - 3) Each bondholder's Social Security Number or Federal Tax Identification Number; and
 - 4) The principal amount of each 2004 Bond to be issued; and
 - 5) The stated maturity of each 2004 Bond to be issued; and
 - 6) The rate of interest applicable to each 2004 Bond; and
 - 7) Any other information required by applicable tax or other laws, rules or regulations.
- b) Issuer agrees to provide or cause to be provided the information enumerated under (a) immediately above with sufficient lead time to permit the Registrar to perform its duties here under in an orderly and deliberate manner.
- c) Issuer agrees to provide a sufficient supply of 2004 Bonds, in a form acceptable to Registrar, to enable Registrar to issue 2004 Bonds. Further Issuer agrees to provide a sufficient supply of additional 2004 Bonds to enable the Registrar to perform its duties as Transfer Agent, as set forth under Article III herein. All 2004 Bonds, at the time so provided to the Registrar, will be numbered consecutively and will be fully executed by duly authorized representatives of Issuer.

ARTICLE III TRANSFER AGENT

Section 3.01 Acceptance by the Trust Company as Transfer Agent

Issuer hereby appoints the Trust Company to act as Transfer Agent for the 2004 Bonds, and the Trust Company hereby agrees to perform the duties of Transfer Agent for the 2004 Bonds, upon the terms and subject to the conditions of this Agreement.

Section 3.02 Duties of Transfer Agent

The duties of the Transfer Agent will be to:

- a) Transfer the ownership on the Register of any 2004 Bonds when said 2004 Bonds, which has been duly and properly endorsed in a manner acceptable to the Transfer Agent and in relation therewith all things required by law and regulation have been done, is presented for transfer; and
- b) Issue a replacement 2004 Bonds of like tenor in the name of the designated transferee after performing the duties enumerated in (a) immediately above; and
- c) Issue a replacement 2004 Bonds of like tenor in lieu of any mutilated, lost, destroyed, or stolen 2004 Bonds upon receipt by the Transfer Agent of evidence to its satisfaction of the mutilation, destruction, loss or theft of such 2004 Bonds and such security or indemnification as the Transfer Agent may reasonably require to hold it harmless from any liability for its issuance of a replacement 2004 Bonds; and
- d) Effect the transfer of ownership of any 2004 Bonds presented in proper and acceptable form for such transfer within 3 business days of the Transfer Agent's receipt of the 2004 Bonds to be transferred.

Section 3.03 Duties of Issuer

Issuer agrees to provide the Transfer Agent with a sufficient supply of unissued 2004 Bonds to enable the Transfer Agent to perform its duties under this Article III. Upon written notice from the Transfer Agent, Issuer agrees to cause to be printed any additional 2004 Bonds required by the Transfer Agent subsequent of initial issuance as long as any 2004 Bonds remain outstanding. Prior to delivering any such additional 2004 Bonds to the Transfer Agent, Issuer agrees to affix the applicable seals and required signatures of its authorized representatives.

Section 3.04 Record Date

The Transfer Agent shall not be required to transfer or exchange any 2004 Bond after the fifteenth day immediately preceding any date fixed for the payment of interest or principal on any of the 2004 Bonds.

Section 3.05 Persons Deemed Owners

The Registrar and Transfer Agent shall treat each person in whose name any 2004 Bond is registered on the Register as the owner of such 2004 Bonds, for all purposes and at all times, both before and after maturity of any 2004 Bonds, including without limitation, the payment of principal of, premium on, if any, and interest on such 2004 Bonds and for all other intents and

purposes. The Registrar and Transfer Agent shall not be affected by any knowledge of facts or notice to the contrary, except for the Registrar's and Transfer Agent's own act or acts involving willful misconduct or gross negligence.

ARTICLE IV CONSTRUCTION TRUSTEE

Section 4.01. Acceptance by the Trust Company as Construction Trustee

Issuer hereby appoints the Trust Company to act as Construction Trustee for the 2004 Bonds, and the Trust Company hereby agrees to perform the duties of Construction Trustee as more fully set forth under this Article IV, upon the terms and subject to the conditions of this Agreement.

Section 4.02. Establishment of, and application of funds in, Cost of Issuance Fund and Bond Proceeds Fund

The Trust Company shall create a 2004 Bond Proceeds Fund and a 2004 Cost Of Issuance Fund. Within each such Fund the Trust Company shall create two subaccounts labeled Series A or Series B. The Construction Trustee may co-mingle the funds on deposit in the separate subaccounts within each Fund and may make disbursements from either subaccount in the 2004 Bond Proceeds Fund with out allocating any particular disbursement for a specific 2004 Project to a specific subaccount; and may also make disbursements from either subaccount in the 2004 Cost of Issuance Fund to pay such Costs. Notwithstanding the foregoing, the Construction Trustee shall establish additional subaccounts at the written direction of the Issuer.

From the proceeds of the 2004 Bonds, the Trust Company acknowledges receipt of the sum of \$161,694,496.15; which amounts shall be deposited into the various subaccounts as follows:

(a) The sum of \$110,630.35 shall be deposited in the Series A Cost of Issuance subaccount and the sum of \$105,412.05 shall be deposited in the Series B Costs of Issuance subaccount.

(b) The sum of \$88,011,117.02 shall be deposited in the Series A Bond Proceeds subaccount and shall deposit the sum of \$73,467,336.73 in the Series B Bond Proceeds subaccount.

(c) Disbursements. The Construction Trustee, upon requisition by an Authorized Officer for payment of costs of the 2004 Projects, shall disburse the proceeds of the 2004 Bonds deposited in the 2004 Bonds Bond Proceeds Fund and any earnings on such proceeds. The Construction Trustee, upon requisition by an Authorized Officer, shall disburse the proceeds of the 2004 Bonds deposited in the 2004 Bonds Costs of Issuance Fund. Any funds remaining in the 2004 Bonds Costs of Issuance

Fund 180 days after the initial issuance of the 2004 Bonds shall be transferred to the 2004 Bonds Bond Proceeds Fund.

Any amount on deposit with the Construction Trustee may only be invested in Permitted Investments as defined in the General Resolution and as directed in writing by the Issuer.

ARTICLE V

MISCELLANEOUS

Section 5.01 Trust Company's Fees and Expenses

The Trust Company's fees and expenses as compensation for the performance of its duties as Construction Trustee, Registrar and Transfer Agent under the terms of this Agreement shall be as follows:

Acceptance Fee	-	\$ <u>500.00</u>
Annual Fee	-	\$ <u>750.00</u>

Fees and expenses quoted in this Section 5.01 are based upon current charges and expenses. The Trust Company reserves the right to revise its fees and expenses in the normal course of business.

Section 5.02 Resignation of Trust Company - Successor

- a) The Trust Company may resign as Construction Trustee, Registrar and Transfer Agent hereunder by giving Issuer not less than 60 days' prior written notice of the effective date of such resignation. If at any time the Trust Company shall cease to be eligible to act under this Agreement in any capacity it shall resign from such capacity in the manner and with the effect hereinafter specified.
- b) Upon receipt of the Trust Company's notice of resignation in any of its capacities here under, Issuer shall, within 45 days, appoint a successor Construction Trustee, Registrar and Transfer Agent, as the case may be. In the event Issuer fails to select a successor, the Trust Company, at the Issuer's expense may apply to a court of competent jurisdiction for the appointment thereof.
- c) The Trust Company shall use its best efforts to make an orderly transition to its successors in any capacity thereunder by surrendering to its successors upon Issuer's written order all documents reasonably required by the successor for the successor to perform its duties as such. The Trust Company may retain copies of any such documents as it may deem appropriate.

- d) Upon the effective date of the succession to the duties of the Trust Company by its successor and the surrender of all funds held by the Trust Company to its successor, the Trust Company's successor shall have all rights, duties and obligations which the Trust Company had thereunder in respect of the capacity or capacities assumed by such successor, and the Trust Company shall have no further liability with respect thereto.
- e) Any corporation or association into which the Trust Company in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Trust Company in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Trust Company in its individual capacity may be sold or otherwise transferred, shall be the Construction Trustee, Registrar and Transfer Agent under this Agreement without further act.

Section 5.03 Limitations on Liability of Trust Company

- a) The Trust Company shall be protected in acting upon any written notice, request, waiver, consent, receipt or other paper or document furnished to it, not only as to its due execution and the validity and effect-iveness of its provisions, but also as to the truth and acceptability of any information therein contained, which it in good faith believes to be genuine.
- b) The Trust Company shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except its own gross negligence or willful misconduct.
- c) To the extent permitted by law, the Issuer agrees to indemnify and save harmless the Trust Company and its directors, officers, agents and employees (collectively, the "Indemnitees") harmless from and against any and all liabilities, losses, damages, fines, suits, actions, demands, penalties, costs and expenses, including out-of-pocket, incidental expenses, legal fees and expenses, the allocated costs and expenses of in-house counsel and legal staff and the costs and expenses of defending or preparing to defend against any claim ("Losses") that may be imposed on, incurred by, or asserted against, the Indemnitees or any of them for following any instruction or other direction upon which the Trust Company is authorized to rely pursuant to the terms of this Agreement. In addition to and not in limitation of the immediately preceding sentence, to the extent permitted by law, the Issuer also agrees to indemnify and hold the Indemnitees and each of them harmless from and against any and all Losses that may be imposed on,

incurred by, or asserted against the Indemnitees or any of them in connection with or arising out of the Trust Company's performance under this Agreement provided the Trust Company has not acted with gross negligence or engaged in willful misconduct. The provisions of this Section 5.03(c) shall survive the Trust Company's resignation or removal or the termination of this Agreement. In no event shall the Trust Company be liable for consequential, indirect or special damages, even if it has been advised of the possibility of such damages.

- d) The Trust Company may consult with, and obtain advice from, legal counsel of its selection in the event any question as to any of the provisions hereof or its duties thereunder shall arise, and it shall incur no liability and shall be fully protected in acting or refraining from acting in good faith in accordance with the opinion and instructions of such counsel. The cost of such services shall be born by Issuer.
- e) The Trust Company shall have no duties except those which are expressly set forth herein, which shall be deemed purely ministerial in nature, and shall under no circumstance be deemed a fiduciary for the Issuer, any of the parties ancillary to this transaction and the holders of the 2004 Bonds. The Trust Company shall not be bound by any notice of a claim or demand with respect thereto, or any waiver, modification, amendment, termination or rescission of this Agreement, unless in writing received by it, and, if its duties or liabilities as set forth herein are affected, unless it shall have given its prior written consent thereto.
- f) The permissive rights of the Trust Company to do things enumerated in this Agreement shall not be construed as a duty.
- g) Whenever in the administration of this Agreement, the Trust Company deems it desirable that a matter be proved or established before it takes, suffers or omits any action, the Trust Company may rely upon a certificate of an Authorized Officer.
- h) Trust Company shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report notice, direction, consent, order, or other paper or document.
- i) Except as otherwise expressly provided hereunder, the Trust Company shall not be required to give or furnish any notice, demand, report, reply, statement advice or opinion to the Issuer or any person, and the Trust Company shall not incur any liability for its failure or refusal to give or furnish the same unless obligated or required to do so by express provisions hereof.
- j) No provision of this Agreement shall require the Trust Company to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties.

- k) The Trust Company shall not be accountable for the application by the Issuer of the proceeds of the 2004 Bonds.

Section 5.04 Renewal of Termination of Agreement

This Agreement shall terminate at the end of the current fiscal year of the Issuer, and thereafter be automatically renewed for each subsequent fiscal year. The Issuer may terminate this Agreement at any time by giving Trust Company 60 days prior written notice of the effective date of such termination. Should the Issuer elect to terminate this Agreement and appoint a successor Construction Trustee, Registrar and Transfer Agent, the Trust Company reserves the right to charge and be paid by the Issuer for the costs of transferring records, notifying bondholders and for any other duties that need to be performed. These costs are in addition to those specified in Section 5.01.

Executed on the date first above written.

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By: 
Mary Clare Eros, Chairperson

J.P. MORGAN TRUST COMPANY, NATIONAL
ASSOCIATION

By: 
Joseph C. Progar, Vice President

318899

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES) 2004 SERIES B

CERTIFICATE OF WEST VIRGINIA MUNICIPAL BOND COMMISSION

The undersigned, on behalf of the West Virginia Municipal Bond Commission, (the "MBC") in accordance with a General Resolution (the "University General Resolution") adopted on September 9, 1992, by the University of West Virginia Board of Trustees (the "Board of Trustees") and a General Resolution (the "College General Resolution" and together with the University General Resolution, the "General Resolution") adopted on September 9, 1992, by the Board of Directors of the State College System (the "Board of Directors"), predecessors to the Higher Education Policy Commission (the "Commission"), as amended and supplemented from time to time including the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution adopted by the Commission on June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution adopted by the Commission on July 29, 2004 (the "Second Consolidated Resolution") and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and together with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution the Second Consolidated Resolution and the Third Consolidated Resolution, as so amended and supplemented, the "Resolution"), and a Certificate of Determination dated as of August 31, 2004 (the "Certificate of Determination") with respect to the State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities), 2004 Series B issued by the Commission, in the aggregate principal amount of \$167,260,000 (the "2004 Bonds"), certifies as follows.

1. The MBC is a commission of the State of West Virginia with the statutory duty, among other things, to serve as fiscal agent for revenue bonds issued by commissions of the State of West Virginia, and is lawfully empowered, pursuant to such laws, to execute and accept the duties as Paying Agent and Escrow Agent contemplated and as provided under the Resolution, and does hereby accept the duties and obligations as Paying Agent and Escrow Agent imposed thereon by the Resolution for the benefit of the Commission, the holders of the 2004 Bonds, Financial Guaranty Insurance Company, as insurer of the 2004 Bonds (for itself and for the benefit of the holders of the 2004 Bonds), and the Construction Trustee, Registrar and Transfer Agent (collectively, the "Beneficiaries"), and acknowledges and agrees that the Beneficiaries may and will rely on the obligations of MBC accepted and assumed hereby.

2. The person indicated below is now the acting incumbent of her respective office, and, such person, in her official capacity, is authorized to execute and deliver such documents as are necessary to complete the financing described in the Resolution for and on behalf of the MBC.

3. Appearing opposite the respective name of the person indicated below is her true and correct title and true and correct specimen of her signature:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Sara Boardman	Acting Executive Director	

4. Capitalized terms used and not otherwise defined herein shall have the meaning assigned to such terms in the Resolution.

[The Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the West Virginia Municipal Bond Commission has caused this Certificate to be executed by its duly authorized officer this 31st day of August, 2004.

WEST VIRGINIA MUNICIPAL BOND
COMMISSION

By: 
Sara Boardman, Acting Executive Director

319016

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B

ORDER AS TO AUTHENTICATION AND DELIVERY OF BONDS
AND APPLICATION OF BOND PROCEEDS

August 31, 2004

J.P. Morgan Trust Company, National Association,
as Construction Trustee, Registrar and Transfer Agent
One Oxford Centre
301 Grant Street
Suite 1100
Pittsburgh, PA 15219

Ladies and Gentlemen:

We herewith hand to you, duly executed, the \$167,260,000 State of West Virginia Higher Education Policy Commission Revenue Bonds, (Higher Education Facilities), 2004 Series A (the "2004 Bonds") issued by the West Virginia Higher Education Policy Commission (the "Commission") authorized to be issued under and pursuant to the Resolution (as hereinafter defined) of the Commission.

As of this date, we have delivered to you:

A. Copies, certified by the Secretary of the Commission of the General Resolution (the "University General Resolution") adopted on September 9, 1992, by the University of West Virginia Board of Trustees (the "Board of Trustees") and a General Resolution (the "College General Resolution" and together with the University General Resolution, the "General Resolution") adopted on September 9, 1992, by the Board of Directors of the State College System (the "Board of Directors"), predecessors to the Commission, the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission adopted July 29, 2004 (the "Second Consolidated Resolution") and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and together with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution and the First Consolidated Resolution and the Second Consolidated Resolution, the "Resolution");

B. A copy of the Certificate of Determination of the Commission dated August 31, 2004;

C. The opinion of Spilman Thomas & Battle, PLLC, bond counsel, dated August 31, 2004, to the effect that (i) the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution, the Second Consolidated Resolution and the Third Consolidated Resolution have been duly and lawfully adopted and are in full force and effect; (ii) the General Resolution has been duly and lawfully adopted and is valid and binding upon, and enforceable against the Commission (except to the extent that the enforceability thereof may be limited by the operation of bankruptcy, insolvency and similar laws affecting rights and remedies of creditors); (iii) the General Resolution creates the valid pledge which it purports to create of the Revenues, and moneys and securities on deposit in any of the Funds established thereunder subject to the application thereof to the purposes and on the conditions permitted by the General Resolution; and (iv) upon the execution and delivery thereof, the 2004 Bonds will have been duly and validly authorized and issued in accordance with the General Resolution;

D. A written order of the Commission, dated August 31, 2004, as to the authentication, registration and delivery of the 2004 Bonds and the application of the proceeds thereof, signed by the Chancellor of the Commission (an "Authorized Officer"); and

E. A Certificate of an Authorized Officer of the Commission, dated August 31, 2004, responsive to Section 2.04 of the General Resolution, to the effect that:

(i) all payments into the respective funds and accounts provided for in the General Resolution and any Related Supplemental Resolution respecting Bonds heretofore issued and currently Outstanding have been made in full to the date of issuance and delivery of the 2004 Bonds and no Event of Default under the General Resolution or any Related Supplemental Resolution is now existing; and

(ii) the Revenues of the type set forth in subsection (i) of the definition of "Revenues" in Section 1.02 of the Resolution, collected by the Commission for the last Fiscal Year preceding the date of issuance of the 2004 Bonds have been not less than 100% of the largest amount of Debt Service due in any Fiscal Year hereafter on the 2004 Bonds and the Prior Bonds or;

(iii) (a) the Revenues (excluding proceeds of any Bonds and earnings thereon) collected by the Commission for the last Fiscal Year preceding the date of issuance of the 2004 Bonds, plus Projected Revenues (as defined below) have been not less than 100% of the largest amount of Debt Service due in any Fiscal Year hereafter on the 2004 Bonds and the Prior Bonds (other than Bonds to be refunded by the 2004 Bonds); and (b) Projected Revenues have not been greater than 20% of the largest amount of Debt Service due in any Fiscal Year hereafter on the 2004 Bonds and the Prior Bonds. For purposes of this section (c),

Projected Revenues may include any Revenues which were not in effect or which were not pledged under the General Resolution during the last Fiscal Year, but which have been adopted, charged and pledged prior to or contemporaneously with the issuance of Bonds; and

F. A copy of the Agreement between the Commission and the Construction Trustee, Registrar and Transfer Agent.

The proceeds of the 2004 Bonds shall be deposited as follows:

(a) \$105,412.05 of the proceeds of the 2004 B Bonds shall be deposited with the Construction Trustee, Registrar and Transfer Agent in the Costs of Issuance subaccount.

(b) \$73,467,336.73 of the proceeds of the 2004 Bonds shall be deposited with the Construction Trustee, Registrar and Transfer Agent in the Bond Proceeds Fund subaccount.

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

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You are hereby requested and authorized to authenticate and deliver the 2004 Bonds, on behalf of the Commission, to the Depository Trust Company for the benefit of Citigroup Global Markets, Inc., Ferris, Baker Watts, Inc., and Crews & Associates, Inc. as Original Purchasers of the 2004 Bonds.

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By 

Mary Clare Eros, Chairman

Attest:

Secretary

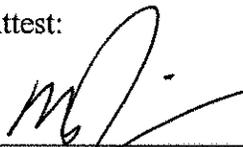
319017

You are hereby requested and authorized to authenticate and deliver the 2004 Bonds, on behalf of the Commission, to the Depository Trust Company for the benefit of Citigroup Global Markets, Inc., Ferris, Baker Watts, Inc., and Crews & Associates, Inc. as Original Purchasers of the 2004 Bonds.

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By _____
Mary Clare Eros, Chairman

Attest:



Secretary

319017

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B

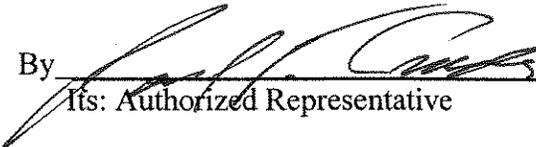
RECEIPT FOR BONDS

On the date hereof, the undersigned, on behalf of itself, Ferris, Baker Watts, Incorporated and Crews & Associates, Inc., acknowledges receipt of the \$167,260,000 in aggregate principal amount of Revenue Bonds (Higher Education Facilities), 2004 Series B (the "2004 Bonds"), issued by the West Virginia Higher Education Policy Commission (the "Commission").

The 2004 Bonds are issued by the Commission pursuant to the General Resolution (the "University General Resolution") adopted on September 9, 1992, by the University of West Virginia Board of Trustees (the "Board of Trustees") and a General Resolution (the "College General Resolution" and together with the University General Resolution, the "General Resolution") adopted on September 9, 1992, by the Board of Directors of the State College System (the "Board of Directors"), predecessors to the Commission, as amended by the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission adopted July 29, 2004 (the "Second Consolidated Resolution") and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and collectively with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, and the First Consolidated Resolution and the Second Consolidated Resolution, the "Resolution"). The 2004 Bonds are dated as of August 31, 2004, bear interest from said date payable semiannually on October 1 and April 1 of each year until maturity or prior redemption, commencing April 1, 2005; are in the form of one bond for each stated maturity; and are numbered from R-1 consecutively upward in order of authentication and are registered in the name of Cede & Co., as nominee for The Depository Trust Company.

Dated this 31st day of August, 2004.

CITIGROUP GLOBAL MARKETS, INC., on
behalf of itself, FERRIS, BAKER WATTS,
INCORPORATED and
CREWS & ASSOCIATES, INC.

By 
Its: Authorized Representative

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES) 2004 SERIES B

CERTIFICATE OF DELIVERY AND PAYMENT

I, Mary Clare Eros, Chairman of the West Virginia Higher Education Policy Commission (the "Commission"), hereby certify as follows:

On the date hereof, the Commission has caused \$167,260,000 in aggregate principal amount of State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series B (the "2004 B Bonds") to be delivered to the Depository Trust Company on behalf of Citigroup Global Markets, Inc., Ferris, Baker Watts, Inc., and Crews & Associates, Inc., upon receipt of payment of the purchase price of on such 2004 B Bonds as follows:

Par	\$81,610,000
Plus: Net Premium	\$3,173,114.05
Less: Underwriter's Discount	<u>\$ 349,888.02</u>
Amount this day received	\$ 84,433,226.03

The proceeds of the 2004 Bonds shall be paid or deposited as follows:

(a) A portion of the proceeds of the 2004 Bonds shall be deposited with the West Virginia Municipal Bond Commission as follows: \$10,178,618.23 shall be deposited in the 2004 Bonds Escrow Account.

(b) A portion of the proceeds of the 2004 Bonds shall be deposited with the Construction Trustee, Registrar and Transfer Agent as follows: \$105,412.05 shall be deposited in the Costs of Issuance subaccount.

(c) A portion of the proceeds of the 2004 Bonds shall be deposited with the Construction Trustee, Registrar and Transfer Agent as follows: \$73,467,336.73 shall be deposited in the Series B Bond Proceeds subaccount.

(d) The remaining \$681,859.02 of the proceeds of the 2004 Bonds shall be paid by the Purchaser directly to Financial Guaranty Insurance Company for the Bond Insurance Policy for the 2004 Bonds.

(e) On the date hereof the Commission is crediting against the purchase price of the 2004 B Bonds the aggregate purchase price (net of original issue premium and underwriters' discount) of \$88,121,747.37 paid this day by the Purchaser of the Higher Education Policy Commission Revenue Bonds (University Facilities) 2004 Series A Bonds which are being

exchanged for a like principal amount of 2004 B Bonds. The purchase price for the 2004 A Bonds is being deposited with the Construction Trustee, Registrar and Paying Agent as follows:

(i) The sum of \$110,630.35 shall be deposited in the Series A Cost of Issuance subaccount; and

(ii) The sum of \$88,011,117.02 shall be deposited in the Series A Bond Proceeds subaccount.

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the General Resolution (the "University General Resolution") adopted on September 9, 1992, by the University of West Virginia Board of Trustees (the "Board of Trustees") and a General Resolution (the "College General Resolution" and together with the University General Resolution, the "General Resolution") adopted on September 9, 1992, by the Board of Directors of the State College System (the "Board of Directors"), predecessors to the Commission, as amended and supplemented from time to time including the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission adopted July 29, 2004 (the "Second Consolidated Resolution") and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and together with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution the First Consolidated Resolution and the Second Consolidated Resolution, the "Resolution").

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2004.

IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of August,

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By: 

Mary Clare Eros, Chairman

319038

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B

CERTIFICATE REGARDING ADDITIONAL BONDS

The undersigned, Mary Clare Eros, Chairman of the West Virginia Higher Education Policy Commission (the "Commission"), hereby certifies, for and on behalf of the Commission, to the West Virginia Municipal Bond Commission, as Paying Agent and Escrow Agent, (the "Paying Agent") and J.P. Morgan Trust Company, National Association, as Construction Trustee, Registrar and Transfer Agent (the "Trust Company") for the State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities), 2004 Series B (the "2004 Bonds"), pursuant to a General Resolution (the "University General Resolution") adopted on September 9, 1992, by the University of West Virginia Board of Trustees (the "Board of Trustees") and a General Resolution (the "College General Resolution" and together with the University General Resolution, the "General Resolution") adopted on September 9, 1992, by the Board of Directors of the State College System (the "Board of Directors"), predecessors to the Commission, as amended and supplemented from time to time including the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission adopted July 29, 2004 (the "Second Consolidated Resolution") and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and together with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution and the Second Consolidated Resolution, the "Resolution"), and the Certificate of Determination, dated August 31, 2004, as follows:

(i) all payments into the respective funds and accounts provided for in the General Resolution and any Related Supplemental Resolution respecting Bonds heretofore issued and currently Outstanding have been made in full to the date of issuance and delivery of the 2004 Bonds and no Event of Default under the General Resolution or any Related Supplemental Resolution is now existing; and

(ii) the Revenues of the type set forth in subsection (i) of the definition of "Revenues" in Section 1.02 of the Resolution, collected by the Commission for the last Fiscal Year preceding the date of issuance of the 2004 Bonds have been not less than 100% of the largest amount of Debt Service due in any Fiscal Year hereafter on the 2004 Bonds and the Prior Bonds; or

(iii) (a) the Revenues (excluding proceeds of any Bonds and earnings thereon) collected by the Commission for the last Fiscal Year preceding the date of issuance of the 2004 Bonds, plus Projected Revenues (as defined below) have been not less than 100% of the largest amount of Debt Service due in any Fiscal Year hereafter on the 2004 Bonds and the Prior Bonds (other than Bonds to be Refunded); and (b) Projected Revenues have not been greater than 20% of the largest amount of Debt Service due in any Fiscal Year hereafter on the 2004 Bonds and the Prior Bonds. For purposes of this section (iii), Projected Revenues may include any Revenues which were not in effect or which were not pledged under the General Resolution during the last Fiscal Year, but which have been adopted, charged and pledged prior to or contemporaneously with the issuance of 2004 Bonds.

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Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms Resolution.

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By: 

Mary Clare Eros, Chairman

319042

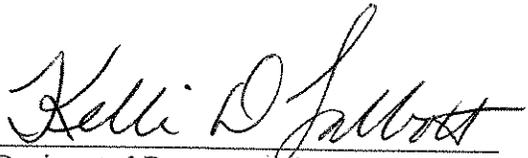
\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B

CERTIFICATE OF ATTORNEY GENERAL REGARDING NO LITIGATION

The undersigned is the duly designated representative for the Attorney General for the State of West Virginia. In connection with the issuance by the West Virginia Higher Education Policy Commission (the "Commission") of its State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities), 2004 Series B (the "2004 Bonds"), and the offering of the 2004 Bonds pursuant to an Official Statement dated August 18, 2004, I have reviewed the information contained in such Official Statement attached to this Certificate as Exhibit A. I hereby certify that there is no pending or, to my knowledge, threatened litigation against the Commission, which is not disclosed in the Official Statement and which would materially and adversely affect the issuance, validity and enforceability of the 2004 Bonds or the security therefor.

Dated this 31st day of August, 2004.

By:



Designated Representative for the
Attorney General for the State of
West Virginia



EXHIBIT A

OFFICIAL STATEMENT

Please refer to Tab No. 14

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES) 2004 SERIES B

CERTIFICATE OF J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION,
AS TO ACKNOWLEDGEMENT OF RECEIPT OF BOND PROCEEDS

On the date hereof, the undersigned, on behalf of J.P. Morgan Trust Company, National Association, with respect to the \$73,572,748.78 in proceeds from the sale of the Revenue Bonds (Higher Education Facilities), 2004 Series B (the "2004 Bonds"), issued by the West Virginia Higher Education Policy Commission (the "Commission"), acknowledges receipt of and the deposit of funds as follows:

J.P. Morgan Trust Company, National Association, as the Construction Trustee, Registrar and Transfer Agent (the "Trust Company") shall deposit: (a) \$105,412.05 of the proceeds of the 2004 Bonds shall be deposited in the Series B Costs of Issuance subaccount and (b) \$73,467,336.73 of the proceeds of the 2004 Bonds shall be deposited in the Series B Bond Proceeds subaccount.

J.P. MORGAN TRUST COMPANY,
NATIONAL ASSOCIATION, Registrar

By: 
Joseph C. Progar, Vice President

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES) 2004 SERIES B

CERTIFICATE OF THE WEST VIRGINIA LOTTERY

The undersigned, on behalf of the West Virginia Lottery Commission (the "Lottery Commission") in accordance with a General Resolution (the "University General Resolution") adopted on September 9, 1992, by the University of West Virginia Board of Trustees (the "Board of Trustees") and a General Resolution (the "College General Resolution" and together with the University General Resolution, the "General Resolution") adopted on September 9, 1992, by the Board of Directors of the State College System (the "Board of Directors"), predecessors to the West Virginia Higher Education Policy Commission (the "Commission"), as amended by the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission adopted July 29, 2004 (the "Second Consolidated Resolution") and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and collectively with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution and the Second Consolidated Resolution, the "Resolution"), with respect to the State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities), 2004 Series B issued by the Commission in the aggregate principal amount of \$167,260,000 (the "2004 Bonds"), certifies as follows:

(1) Since June 30, 2003 there has not been any material adverse change in the properties, financial position or results of operations of the West Virginia Lottery, whether or not arising from transactions in the ordinary course of business, other than as set forth in the Official Statement; and since such date the West Virginia Lottery has not entered into any transaction or incurred any material liability as to the West Virginia Lottery, except as set forth in the Official Statement;

(2) There are not pending or, to their knowledge, threatened, legal or administrative proceedings to which the West Virginia Lottery is a party or to which property of the West Virginia Lottery is subject, which are material as to the West Virginia Lottery and not disclosed in the Official Statement or which will materially and adversely affect the transactions contemplated hereby or by the Official Statement or which will materially and adversely affect the validity or enforceability of the Bonds or this Agreement;

(3) The information contained in the Official Statement relating to the West Virginia Lottery, their organization, activities, properties or financial condition, including, but not limited to the statements contained in the Official Statement under the caption "WEST VIRGINIA LOTTERY," and in Appendix C – "West Virginia Lottery" is true and correct in all material respects and does not contain any untrue or incorrect statement of material fact and does not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; and

(4) If, at any time prior to receipt of notice from the Underwriters pursuant to the Bond Purchase Agreement dated August 18, 2004, by and between the Commission and the Underwriters, as defined therein, that Final Official Statements are no longer required to be delivered under the Rule, any event occurs (including events of which the Director has received notice by any means) as a result of which the Preliminary Official Statement or the Final Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Director shall promptly notify the Underwriters thereof and, upon request of the Underwriters, shall assist in the preparation of an amendment or supplement which will correct such statement or omission at the expense of the Underwriters.

WEST VIRGINIA LOTTERY COMMISSION

By: _____

Its: Director

A large, stylized handwritten signature in black ink is written over a horizontal line. The signature is cursive and appears to read "D. C. ...".

\$167,260,000
STATE OF WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES) 2004 SERIES B

CERTIFICATE OF SURRENDER AND EXCHANGE OF 2004 A BONDS
FOR 2004 B BONDS

On the date hereof, the undersigned Citigroup Global Markets, Inc., hereby certifies as follows:

1. Citigroup Global Markets, Inc. has purchased on the date of this certificate the entire series of the \$85,650,000 State of West Virginia Higher Education Policy Commission Revenue Bonds (University Facilities) 2004 Series A Bonds (the "2004 Series A Bonds") issued by the West Virginia Higher Education Policy Commission (the "Commission"), for a total purchase price of \$88,121,747.37.

2. Citigroup Global Markets, Inc. hereby surrenders, tenders and sells to the Commission the entire series of the \$85,650,000 2004 Series A Bonds which Citigroup Global Markets, Inc. has purchased on the date of this certificate, in exchange for the same principal amount of the \$167,260,000 State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series B (the "2004 Series B Bonds"), issued by the Commission.

On the date hereof, the undersigned, Mary Clare Eros, Chairperson, on behalf of the Commission, hereby certifies as follows:

1. The Commission hereby accepts the surrender by Citigroup Global Markets, Inc. of the entire series of the 2004 Series A Bonds, which Citigroup Global Markets, Inc. previously purchased on the date of this certificate, in exchange for the same principal amount of the 2004 Series B Bonds issued by the Commission.

2. The Commission hereby directs that the funds received by it from Citigroup Global Markets, Inc. for the purchase of the 2004 Series A Bonds in the amount of \$88,121,747.37 be transmitted to J.P. Morgan Trust Company, National Association (the "Trust Company"), with \$88,011,117.02 to be deposited in the 2004 Series A Bond Proceeds Subaccount and \$110,630.35 to be deposited in the 2004 Series A Cost of Issuance Subaccount.

3. As a result of the surrender of the 2004 A Bonds by Citigroup Global Markets, Inc. as certified above and the transfer of the funds received by the Commission from Citigroup Global Markets, Inc. for the purchase of the 2004 Series A Bonds as aforesaid, the Underwriter (as defined in the Bond Purchase Agreement dated August 18, 2004, between Citigroup Global Markets, Inc., and the Commission (the "Bond Purchase Agreement")) shall receive a credit in the amount of \$88,121,747.37 toward the purchase price of the 2004 Series B Bonds to be sold to Citigroup Capital Markets, Inc. pursuant to the Bond Purchase Agreement. The Trust Company, as Registrar of the 2004 Series B Bonds, is hereby directed to cancel the certificates for the surrendered 2004 Series A Bonds upon the initial issuance of the 2004 Series

B Bonds and the completion of the exchange of the entire series of the 2004 Series A Bonds for the same principal amount of 2004 Series B Bonds.

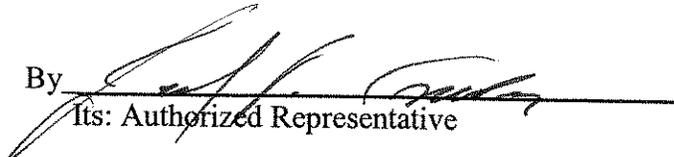
4. The 2004 Series A Bonds are issued by the Commission pursuant to the General Resolution adopted by the Commission on September 9, 1992, as amended by the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), and the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"). The 2004 Series A Bonds are dated as of August 31, 2004, bear interest from said date payable semiannually on October 1 and April 1 of each year until maturity or prior redemption, commencing April 1, 2005; are in the form of one bond for each stated maturity; and are numbered R-1 consecutively upward in order of authentication and are registered in the name of Citigroup Global Markets, Inc.

5. The 2004 Series B Bonds are issued by the Commission pursuant to the General Resolution adopted by the Commission on September 9, 1992, as amended by the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission adopted July 29, 2004 (the "Second Consolidated Resolution") and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and collectively with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, and the First Consolidated Resolution and the Second Consolidated Resolution, the "Resolution"). The 2004 Series B Bonds are dated as of August 31, 2004, bear interest from said date payable semiannually on October 1 and April 1 of each year until maturity or prior redemption, commencing April 1, 2005; are in the form of one bond for each stated maturity; and are numbered from R-1 consecutively upward in order of authentication and are registered in the name of Cede & Co., as nominee for The Depository Trust Company.

IN WITNESS WHEREOF, Citigroup Global Markets, Inc., and the West Virginia Higher Education Policy Commission have caused this Certificate to be executed by their duly authorized representatives as of the date shown below.

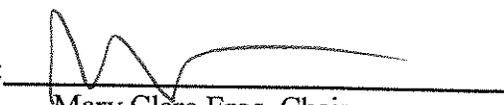
Dated this 31st day of August, 2004.

CITIGROUP GLOBAL MARKETS, INC.

By: 

Its: Authorized Representative

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By: 

Mary Clare Eros, Chairman



SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

August 31, 2004

West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard, East, Suite 700
Charleston, West Virginia 25301

Municipal Bond Commission
8 Capitol Street, Suite 500
Charleston, West Virginia 25301

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1 Oxford Centre
301 Grant Street
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Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017

\$167,260,000 State of West Virginia Higher Education Policy
Commission Revenue Bonds (Higher Education Facilities) 2004
Series B

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the West Virginia Higher Education Policy Commission (the "Commission") of its \$167,260,000 aggregate principal amount State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series B, dated as of August 31, 2004 (the "2004 Bonds"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. We have also examined an unauthenticated specimen 2004 Bond.

The Commission, a commission of the State of West Virginia (the "State"), is the successor to the Board of Directors of the State College System and the University of West Virginia Board of Trustees (collectively, the "Boards") and is empowered and authorized to issue bonds pursuant to Chapter 18B, Articles 1, 1B, 2, 3 and 10 and Chapter 18, Article 12B, Chapter 29, Article 22, Section 18a (the "Lottery Act"), and Chapter 13, Article 2G of the Code of West Virginia, 1931, as amended, (collectively, the "Act") in furtherance of the public purposes as found and determined by the Legislature of West Virginia as set forth in the Act. The 2004 Bonds are issued pursuant to the Act and other applicable laws, and in accordance with a General

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West Virginia Higher Education Policy Commission
West Virginia Municipal Bond Commission
J.P. Morgan Trust Company, National Association
Financial Guaranty Insurance Company
August 31, 2004
Page 2

Resolution adopted by each of the Boards on September 9, 1992 (the "General Resolutions"), as amended and supplemented from time to time including the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission adopted July 29, 2004 (the "Second Consolidated Resolution"), and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and together with the General Resolutions, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution, and the Second Consolidated Resolution, the "Resolution"). Proceeds of the 2004 Bonds are issued (i) to provide sufficient funds to provide capital improvements at institutions of higher education located throughout the State, (ii) to advance refund certain outstanding bonds in the principal amount of \$9,365,000, and (iii) to pay the costs associated with the issuance of the 2004 Bonds.

The Commission has also entered into a Tax Compliance Certificate, dated as of the date hereof (the "Tax Certificate"), which, among other things, sets forth restrictions on the investment and expenditure of the 2004 Bonds proceeds and earnings thereon, to ensure that the requirements of the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto (collectively, the "Code"), necessary to establish and maintain the excludability from gross income for federal income tax purposes of the interest on the 2004 Bonds, are and will continue to be met.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the 2004 Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the representations of the Commission and other entities contained in the herein-described documents and certifications furnished to us by or on behalf of the Commission, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:



West Virginia Higher Education Policy Commission
West Virginia Municipal Bond Commission
J.P. Morgan Trust Company, National Association
Financial Guaranty Insurance Company
August 31, 2004
Page 3

1. The Commission is a commission of the State with power to adopt the Resolution, to execute and deliver the Resolution and the Tax Certificate and to perform the agreements on its part contained therein and to issue the 2004 Bonds.

2. The Resolution has been duly adopted by the Commission, is in full force and effect, and is valid and binding upon the Commission and enforceable against the Commission in accordance with its terms (except to the extent that the enforceability thereof may be limited by the operation of bankruptcy, insolvency and similar laws affecting rights and remedies of creditors).

3. The Tax Certificate has been duly authorized, executed and delivered by the Commission and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Commission, enforceable against the Commission in accordance with the respective terms thereof.

4. The Resolution creates the valid pledge which it purports to create of the Revenues (as defined in the Resolution), and other funds and accounts pledged under the Resolution, subject to the terms thereof.

5. The 2004 Bonds have been duly authorized, executed and delivered by the Commission and, assuming proper authentication, are valid and binding special obligations of the Commission, payable solely from the sources provided therefor in the Resolution.

6. In our opinion, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2004 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are of the further opinion that interest on the 2004 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2004 Bonds. The Commission has covenanted to comply with certain restrictions designed



West Virginia Higher Education Policy Commission
West Virginia Municipal Bond Commission
J.P. Morgan Trust Company, National Association
Financial Guaranty Insurance Company
August 31, 2004
Page 4

to insure that interest on the 2004 Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the 2004 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2004 Bonds. We assume compliance with these covenants. We have not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the 2004 Bonds may adversely affect the value of, or the tax status of interest on the 2004 Bonds.

Certain requirements and procedures contained or referred to in the Resolution, the Tax Certificate, and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. We express no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than this firm.

7. Under the Act, the 2004 Bonds shall, together with the interest thereon, be exempt from all taxation by the State of West Virginia or by any county, school district, municipality or political subdivision thereof.

The rights of the holders of the 2004 Bonds and the enforceability of the 2004 Bonds, the Resolution, the Tax Certificate and the liens and pledges set forth therein may be subject to and limited by bankruptcy laws and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that the enforcement thereof may also be subject to general principles of equity and to the exercise of judicial discretion.

Very truly yours,

Spilman Thomas & Battle, PLLC



SPILMAN THOMAS & BATTLE, PLLC

ATTORNEYS AT LAW

August 31, 2004

West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard, East, Suite 700
Charleston, West Virginia 25301

Citigroup Global Markets, Inc.
390 Greenwich Street, 2nd Floor
New York, NY 10013

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, West Virginia 25301

Ferris, Baker Watts, Incorporated
100 Laidley Tower
Charleston, West Virginia 25301

Re: \$167,260,000 State of West Virginia Higher Education Policy
Commission Revenue Bonds (Higher Education Facilities) 2004
Series B

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of the above-referenced Bonds (the "2004 Bonds") of the West Virginia Higher Education Policy Commission (the "Commission"), issued pursuant to the Constitution and laws of the State, including particularly Chapter 18B, Articles 1, 1B, 2, 3 and 10 and Chapter 18, Article 12B, Chapter 13, Article 2G (collectively, the "Act") and Chapter 29, Article 22, Section 18a of the Code of West Virginia, 1931, as amended, (the "Lottery Act"), in furtherance of the public purposes as found and determined by the Legislature of West Virginia as set forth in the Act. The 2004 Bonds are issued pursuant to the Act and other applicable laws, and in accordance with a General Resolution (the "University General Resolution") adopted on September 9, 1992, by the University of West Virginia Board of Trustees (the "Board of Trustees") and a General Resolution (the "College General Resolution" and together with the University General Resolution, the "General Resolution") adopted on September 9, 1992, by the Board of Directors of the State College System (the "Board of Directors"), predecessors to the Commission, as amended and supplemented from time to time including the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth

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West Virginia Higher Education Policy Commission
Citigroup Global Markets Inc.
Ferris, Baker Watts, Inc.
Crews & Associates, Inc.
August 31, 2004
Page 2

Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission adopted July 29, 2004 (the "Second Consolidated Resolution"), and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and together with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution, and the Second Consolidated Resolution as so amended and supplemented, the "Resolution"). We are rendering our final approving opinion of even date herewith in connection with the authorization, issuance and delivery of the 2004 Bonds to Citigroup Global Markets, Inc., Ferris, Baker Watts, Inc., and Crews & Associates, Inc., as the Underwriters named in the Bond Purchase Agreement dated as of August 18, 2004 (the "Bond Purchase Agreement"), relating to the 2004 Bonds.

In rendering this opinion, we reviewed records of the acts taken by the Commission in connection with the authorization, sale and issuance of the 2004 Bonds, including a record of proceedings of the Commission relating to the authorization, execution and delivery of the Bond Purchase Agreement, and the Certificate of Determination, dated as of August 31, 2004, executed by the Chairman of the Commission, and we were present at various meetings for the preparation of various parts of the Official Statement relating to the 2004 Bonds, dated and executed by the Chairman of the Commission on August 18, 2004 (the "Official Statement").

Based upon the foregoing, we are of the opinion that:

1. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Commission, and (assuming due authorization, execution and delivery by the Underwriters and that it is a binding agreement of the Underwriters in accordance with its terms) constitutes a binding agreement of the Commission in accordance with its terms.

2. The Bond Documents have been duly authorized, executed, acknowledged and delivered by the Commission (assuming due authorization, execution and delivery by the other parties thereto) and are legal, valid and binding agreements of the Commission enforceable in accordance with their respective terms (except as enforcement of remedies may be limited by bankruptcy, insolvency or other laws and equitable principles affecting the right of creditors).

West Virginia Higher Education Policy Commission
Citigroup Global Markets Inc.
Ferris, Baker Watts, Inc.
Crews & Associates, Inc.
August 31, 2004
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3. The 2004 Bonds are exempt from registration requirements pursuant to the Securities Act of 1933, as amended.

4. The Official Statement has been duly approved, executed and delivered by the Commission.

5. The statements contained in the Official Statement under the caption "Tax Matters" are true and accurate in all material respects and present a fair and accurate summary and description of the matters summarized and described under such caption.

6. The statements contained in the Official Statement under the captions "Introductory Statement," "The 2004 Bonds," "Security for the 2004 Bonds," (excepting matters as to Depository Trust Company and the Book-Entry-Only System) "Tax Matters," "Amendments to the Resolution," Appendix G – Summary of Certain Provisions of the Principal Documents," and "Appendix H – Proposed Form of Opinion of Bond Counsel" do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

Very truly yours,



Spilman Thomas & Battle, PLLC



WEST VIRGINIA
H I G H E R
E D U C A T I O N
P O L I C Y
C O M M I S S I O N

MARY CLARE EROS
CHAIR

J. MICHAEL MULLEN
CHANCELLOR

August 31, 2004

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Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, WV 25301

Re: \$167,260,000 State of West Virginia Higher Education
Policy Commission Revenue Bonds (Higher Education
Facilities) 2004
Series B

Ladies and Gentlemen:

I have acted as Counsel to the West Virginia Higher Education Policy Commission (the "Commission") in connection with the sale by the Commission of the above-captioned bonds (the "2004 Bonds") to Citigroup Capital Markets Inc., Ferris, Baker Watts, Inc., and Crews & Associates, Inc. (the "Underwriters"), pursuant to a Bond Purchase Agreement dated August 18, 2004 (the "Bond Purchase Agreement") between the Commission and the Underwriters. The 2004 Bonds are issued in accordance with a General Resolution (the "University General Resolution") adopted on September 9, 1992, by the University of West Virginia Board of Trustees (the "Board of Trustees") and a General Resolution (the "College General Resolution" and together with the University General Resolution, the "General Resolution") adopted on September 9, 1992, by the Board of Directors of the State College System (the "Board of Directors"), predecessors to the Commission, as amended and supplemented from time to time including the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission adopted July 29, 2004 (the "Second Consolidated Resolution"), and the Third Consolidated Resolution of the

Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and together with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution, and the Second Consolidated Resolution as so amended and supplemented, the "Resolution").

I hereby state no litigation is pending or, to my knowledge, threatened (a) to restrain or enjoin the issuance or delivery of any of the 2004 Bonds or the collection of Revenues pledged under the Commission Documents and the Bond Documents, (b) in any way contesting the power or the authority of the Commission for the issuance of the 2004 Bonds or the validity of the 2004 Bonds, or the Bond Documents, (c) in any way contesting the existence or powers of the Commission relating to the issuance of the 2004 Bonds.

To the best of my knowledge, no event affecting the Commission has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to disclose therein in order to make the statements and information therein with respect to the Commission not misleading in any material respect.

The Commission is a commission of the State and existing under the provisions of the Act, and has full legal right, power and authority to enter into the Bond Documents and each constitutes the legal, valid and binding agreement of the Commission enforceable in accordance with its respective terms (subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and to general principles of equity), and compliance with the provisions of each thereof will not conflict with or constitute a violation or breach of or default under any existing law or administrative rule or regulation, or any court order or decree or any agreement, contract or other instrument, to which the Commission is party or otherwise subject or bound.

The Official Statement has been duly approved, executed and delivered by the Commission and the statements contained in the Official Statement under the captions "Plan of Finance," "The Commission," "Regular Student Fees," "Capital Budgeting and Planning," "State Appropriations for Higher Education," "Student Enrollment," "Litigation," and "Continuing Disclosure" (as such information pertains to the Commission) do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

Very truly yours,

A handwritten signature in black ink, appearing to read "Bruce R. Walker". The signature is fluid and cursive, written over a horizontal line.

Bruce R. Walker, Counsel to the West
Virginia Higher Education Policy
Commission

LAW OFFICES

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August 31, 2004

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New York, New York 10013

Ferris, Baker Watts, Incorporated
100 Laidley Tower
Charleston, WV 25301

Crews & Associates, Inc.
2000 Union National Plaza
124 West Capitol Avenue
Little Rock, Arkansas 72201

Re: \$167,260,000 State of West Virginia Higher Education Policy
Commission Revenue Bonds (Higher Education Facilities), 2004
Series B

Ladies and Gentlemen:

We have acted as your counsel in connection with your purchase of the referenced bonds (the "2004 B Bonds") pursuant to a Bond Purchase Agreement dated August 18, 2004 (the "Agreement") between West Virginia Higher Education policy Commission (the "Issuer") and you. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Agreement.

GOODWIN & GOODWIN, LLP

We are of the opinion under existing law that the 2004 B Bonds are exempt from registration under the Securities Act of 1933, as amended, and that the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

The Agreement has been duly authorized, executed and delivered by you, and (assuming due authorization, execution and delivery by the other parties and that it is a binding agreement of the other parties in accordance with its terms) constitutes a binding agreement in accordance with its terms. The Continuing Disclosure Certificate complies as to form in all material respects with the requirements of paragraph (b)(5) of the Rule.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, to assist you in your investigation concerning the Official Statement, we have reviewed certain documents and have participated in conferences in which the contents of the Official Statement and related matters were discussed. During the course of our work on this matter, no facts have come to our attention that cause us to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, information concerning The Depository Trust Company and the book-entry system for the 2004 B Bonds, and information concerning Financial Guaranty Insurance Company, all of which we expressly exclude from the scope of this sentence) contains as of the date hereof any untrue statement of a material fact or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur.

Very truly yours,



Goodwin & Goodwin, LLP



SPILMAN THOMAS & BATTLE, PLLC

ATTORNEYS AT LAW

August 31, 2004

West Virginia Higher Education Policy Commission
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125 Park Avenue
New York, New York 10017

Re: \$167,260,000 State of West Virginia Higher Education Policy
Commission Revenue Bonds (Higher Education Facilities) 2004
Series B

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of the above-referenced Bonds (the "2004 Bonds") of the West Virginia Higher Education Policy Commission (the "Commission"), issued pursuant to the Constitution and laws of the State, in particular Chapter 18B, Articles 1, 1B, 2, 3 and 10 and Chapter 18, Article 12B, Chapter 13, Article 2G (collectively, the "Act") and Chapter 29, Article 22, Section 18a of the Code of West Virginia, 1931, as amended, (the "Lottery Act"), in furtherance of the public purposes as found and determined by the Legislature of West Virginia as set forth in the Act. The 2004 Bonds are issued pursuant to the Act and other applicable laws, and in accordance with a General Resolution (the "University General Resolution") adopted on September 9, 1992, by the University of West Virginia Board of Trustees (the "Board of Trustees") and a General Resolution (the "College General Resolution" and together with the University General Resolution, the "General Resolution") adopted on September 9, 1992, by the Board of Directors of the State College System (the "Board of Directors"), predecessors to the Commission, as amended and supplemented from time to time including the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission

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West Virginia Higher Education Policy Commission
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J.P. Morgan Trust Company, National Association
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Page 2

adopted July 29, 2004 (the "Second Consolidated Resolution"), and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and together with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution, and the Second Consolidated Resolution, the "Resolution"). Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the General Resolution.

In rendering this opinion, we reviewed records of the acts taken by the Commission in connection with the authorization, sale and issuance of the 2004 Bonds, including the record of proceedings of the Commission relating to the authorization, execution and delivery of the 2004 Bonds.

The opinion in this paragraph is being rendered pursuant to Section 2.03(b) of the General Resolution and Section 2.7(c) of the First Consolidated Resolution. We are of the opinion that: (i) the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution, the Second Consolidated Resolution and the Third Consolidated Resolution have been duly and lawfully adopted and are in full force and effect; (ii) the General Resolution has been duly and lawfully adopted and is valid and binding upon, and enforceable against the Commission (except to the extent that the enforceability thereof may be limited by the operation of bankruptcy, insolvency and similar laws affecting the rights and remedies of creditors); (iii) the General Resolution creates the valid pledge which it purports to create of the Revenues, and moneys and securities on deposit in any of the Funds established thereunder subject to the application thereof to the purposes and on the conditions permitted by the General Resolution; and (iv) upon execution and delivery thereof, the 2004 Bonds will have been duly and validly authorized and issued in accordance with the General Resolution.

By the Ninth Supplemental Resolution to the University General Resolution Commission adopted by the Commission on April 24, 2003 (the "Ninth Supplemental Resolution"), the Tenth Supplemental Resolution to the University General Resolution Commission adopted by the Commission on June 5, 2003 (the "Tenth Supplemental Resolution"), the Fifth Supplemental Resolution to the College General Resolution adopted by the Commission on April 24, 2003 (the "Fifth College Supplemental Resolution"), and the Sixth Supplemental Resolution to the College General Resolution adopted by the Commission on June 5, 2003 (the "Sixth College Supplemental Resolution"), the Commission adopted certain prospective amendments to the General Resolution which would only go into effect upon adoption by the Commission of a subsequent Supplemental Resolution putting such amendments into effect (the "Prospective Amendments"). One of the Prospective Amendments was the

West Virginia Higher Education Policy Commission
West Virginia Municipal Bond Commission
J.P. Morgan Trust Company, National Association
Financial Guaranty Insurance Company
August 31, 2004
Page 3

addition of a new Section 10.08 to the General Resolution, which provides that the Commission may consolidate the financings previously issued by the Commission with the financings issued by the Board of Trustees and the Board of Directors, and its successors under the terms of the General Resolution. Section 10.02 of the General Resolution provides that the Commission may amend or modify the rights and obligations of the Commission and the Owners of Bonds issued thereunder with the consent of the Owners of at least fifty percent (50%) in principal amount of Bonds Outstanding at the time such consent is given and the Credit Provider, if any. Section 7.08 of the Twelfth Supplemental Resolution states that the Original Purchaser of the State of West Virginia Higher Education Policy Commission Revenue Bonds (University Facilities) 2004 Series A (the "2004 Series A Bonds") shall be deemed to have approved the amendments to the General Resolution made by the Ninth Supplemental Resolution and the Tenth Supplemental Resolution upon its purchase of the 2004 Series A Bonds without further action on the part of the Original Purchaser. (By virtue of the issuance and sale of the State of West Virginia Higher Education Policy Commission Revenue Refunding Bonds (College Facilities) 2003 Series A, the required consent of the Owners of bonds issued by the Board of Directors of the State College System to the Prospective Amendments contained in the Fifth College Supplemental Resolution and the Sixth College Supplemental Resolution already has been obtained.) The consent of applicable Credit Providers has been obtained by means of a letter dated June 24, 2003 from Ambac Assurance Corporation and a letter dated August 12, 2004 from Financial Guaranty Insurance Company. We are of the opinion that, by virtue of the purchase of all of the 2004 Series A Bonds by the Original Purchaser thereof (Citigroup Global Markets, Inc.), the Prospective Amendments contained in the Ninth Supplemental Resolution and the Tenth Supplemental Resolution, including the amendment regarding the consolidation of financings issued by the Commission with financings issued by the Board of Trustees and the Board of Directors, and its successors under the terms of the General Resolution, will be approved as of the date of issuance and purchase of the 2004 Series A Bonds and that such amendments shall then be in full force and effect.

Very truly yours,



Spilman Thomas & Battle, PLLC



SPILMAN THOMAS & BATTLE, PLLC

ATTORNEYS AT LAW

July 29, 2004

West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard, East, Suite 700
Charleston, West Virginia 25301

Re: State of West Virginia Higher Education Policy Commission
Revenue Bonds (Higher Education Facilities)
2004 Series B

Ladies and Gentlemen:

We are acting as bond counsel in connection with the proposed issuance of the above-referenced Bonds (the "2004 B Bonds") of the West Virginia Higher Education Policy Commission (the "Commission"), which are proposed to be issued pursuant to the Constitution and laws of the State, including particularly Chapter 18B, Article 1B Articles 1, 1B, 2, 3 and 10, Chapter 18, Article 12B and Chapter 13, Article 2G of the Code of West Virginia, 1931, as amended (collectively, the "Act") and pursuant to the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), and the First Consolidated Supplemental Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Supplemental Resolution"), both amending the two General Resolutions of the Commission adopted September 9, 1992 (the "General Resolutions," and together with the Twelfth Supplemental Resolution and the First Consolidated Supplemental Resolution, the "Resolution").

In rendering this opinion, we reviewed records of the acts taken by the Commission in connection with the Resolution and such other documents and records as we have deemed necessary. Capitalized terms used and not otherwise defined herein have the respective meanings given them in the Resolution.

The opinion in this paragraph is being rendered pursuant to Section 10.06 of the General Resolution, with respect to the proposed adoption by the Commission of the Second Consolidated Supplemental Resolution on the date hereof (the "Second Consolidated Supplemental Resolution"). We are of the opinion that the adoption and subsequent execution and delivery of the Second Consolidated Supplemental Resolution is authorized under the Resolution and the Act, and will not adversely affect the excludability from gross income of the recipients thereof of interest on the Tax-Exempt Bonds for federal income tax purposes.

Very truly yours,

Spilman Thomas & Battle, PLLC
Spilman Thomas & Battle, PLLC

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ATTORNEYS AT LAW

August 31, 2004

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\$167,260,000 State of West Virginia Higher Education Policy
Commission Revenue Bonds (Higher Education Facilities) 2004
Series B

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the West Virginia Higher Education Policy Commission (the "Commission") of its \$167,260,000 aggregate principal amount State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series B, dated as of August 31, 2004 (the "2004 Bonds").

A portion of the 2004 Bonds maturing on April 1, 2005, April 1, 2006, April 1, 2008, and April 1, 2011 through April 1, 2034, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax exempt interest received, and a purchaser's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such purchaser. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.



SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

West Virginia Higher Education Policy Commission
Citigroup Global Markets Inc.
Ferris, Baker Watts, Inc.
Crews & Associates, Inc.
August 31, 2004
Page 2 of 2

Very truly yours,

Spilman Thomas & Battle, PLLC

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ATTORNEYS AT LAW

August 31, 2004

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\$167,260,000 State of West Virginia Higher Education Policy
Commission Revenue Bonds (Higher Education Facilities) 2004
Series B

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the West Virginia Higher Education Policy Commission (the "Commission") of its \$167,260,000 aggregate principal amount State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series B, dated as of August 31, 2004 (the "2004 Bonds").

To the extent the issue price of certain of the 2004 Bonds maturing on April 1, 2007, April 1, 2009 and April 1, 2010, is less than the amount to be paid at maturity of such 2004 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the 2004 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the 2004 Bonds is the first price at which a substantial amount of such maturity of the 2004 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers).

The original issue discount with respect to any maturity of the 2004 Bonds accrues daily over the term to maturity of such 2004 Bonds on the basis of a constant interest rate

Spilman Center 300 Kanawha Boulevard, East Post Office Box 273 Charleston, West Virginia 25321-0273

www.spilmanlaw.com 304.340.3800 304.340.3801 fax

Charleston

Morgantown

Parkersburg

Pittsburgh

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West Virginia Higher Education Policy Commission
Citigroup Global Markets Inc.
Ferris, Baker Watts, Inc.
Crews & Associates, Inc.
August 31, 2004
Page 2 of 2

compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2004 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2004 Bonds. Owners of the 2004 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2004 Bonds with original issue discount, including the treatment of purchasers who do not purchase such 2004 Bonds in the original offering to the public at the first price at which a substantial amount of such 2004 Bonds is sold to the public.

Very truly yours,

Spilman Thomas & Battle, PLLC



SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

August 31, 2004

Citigroup Global Markets, Inc.
390 Greenwich Street, 2nd Floor
New York, New York 10013

Ferris, Baker Watts, Inc.
100 Laidley Towers
Charleston, West Virginia 25301

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, West Virginia 25301

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017

Re: \$167,260,000 State of West Virginia Higher Education Policy
Commission Revenue Bonds (Higher Education Facilities)
2004 Series B

Ladies and Gentlemen:

We have delivered our opinions of even date herewith, copies of which are attached. You may rely upon these opinions as if specifically addressed to you.

Very truly yours,

Spilman Thomas & Battle, PLLC

320228



SPILMAN THOMAS & BATTLE, PLLC

ATTORNEYS AT LAW

August 31, 2004

West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard, East, Suite 700
Charleston, West Virginia 25301

Municipal Bond Commission
8 Capitol Street, Suite 500
Charleston, WV 25301

J.P. Morgan Trust Company, National Association
1 Oxford Centre
301 Grant Street
Pittsburgh, Pennsylvania

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017

Re: \$167,260,000 State of West Virginia Higher Education Policy
Commission Revenue Bonds (Higher Education Facilities) 2004
Series B

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of the above-referenced Bonds (the "2004 Bonds") of the West Virginia Higher Education Policy Commission (the "Commission"), issued pursuant to the Constitution and laws of the State, in particular Chapter 18B, Articles 1, 1B, 2, 3 and 10 and Chapter 18, Article 12B, Chapter 13, Article 2G (collectively, the "Act") and Chapter 29, Article 22, Section 18a of the Code of West Virginia, 1931, as amended, (the "Lottery Act"), in furtherance of the public purposes as found and determined by the Legislature of West Virginia as set forth in the Act. The 2004 Bonds are issued pursuant to the Act and other applicable laws, and in accordance with a General Resolution (the "University General Resolution") adopted on September 9, 1992, by the University of West Virginia Board of Trustees (the "Board of Trustees") and a General Resolution (the "College General Resolution" and together with the University General Resolution, the "General Resolution") adopted on September 9, 1992, by the Board of Directors of the State College System (the "Board of Directors"), predecessors to the Commission, as amended and supplemented from time to time including the Eleventh Supplemental Resolution of the Commission adopted April 2, 2004 (the "Eleventh Supplemental Resolution"), the Twelfth Supplemental Resolution of the Commission adopted June 4, 2004 (the "Twelfth Supplemental Resolution"), the First Consolidated Resolution of the Commission adopted June 4, 2004 (the "First Consolidated Resolution"), the Second Consolidated Resolution of the Commission

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West Virginia Higher Education Policy Commission
West Virginia Municipal Bond Commission
J.P. Morgan Trust Company, National Association
Financial Guaranty Insurance Company
August 31, 2004
Page 2

adopted July 29, 2004 (the "Second Consolidated Resolution"), and the Third Consolidated Resolution of the Commission adopted August 20, 2004 (the "Third Consolidated Resolution" and together with the General Resolution, the Eleventh Supplemental Resolution, the Twelfth Supplemental Resolution, the First Consolidated Resolution, and the Second Consolidated Resolution, the "Resolution"). Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the General Resolution.

This opinion is rendered to you in connection with the advance refunding of \$9,365,000 in principal amount of University of West Virginia Board of Trustees, State University Revenue Bonds, (Marshall University Library/Information Center) Series 1996 (the "Bonds to be Refunded") with a portion of the proceeds of the 2004 Bonds.

In connection with this opinion, we have examined: (i) the Resolution, (ii) the verification report of Causey, Demgen & Moore, Inc., Certified Public Accountants dated August 31, 2004; and (iii) such other instruments as we have believed necessary to render this opinion.

Based on the foregoing, we are of the opinion that the Bonds To Be Refunded are deemed to have been paid within the meaning of Section 8.01 of the General Resolution and that such refunding will not adversely affect the exclusion of the interest on the Bonds to be Refunded for federal income tax purposes.

In rendering the foregoing opinion, we have assumed the due authorization, execution and delivery by and the binding effect upon and enforceability against the West Virginia Municipal Bond Commission of the Escrow Agreement.

Very truly yours,



Spilman Thomas & Battle, PLLC



Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
T 212-312-3000
F 212-312-3093

August 31, 2004

State of West Virginia Higher Education Policy Commission

Citigroup Global Markets Inc.,
as Underwriter or as Representative of the Underwriters

**Re: \$167,260,000.00 in aggregate principal amount of State of West Virginia
Higher Education Policy Commission Revenue Bonds (Higher Education
Facilities), 2004 Series B**

Ladies and Gentleman:

I am Senior Counsel of Financial Guaranty Insurance Company ("Financial Guaranty"), and have been requested to render an opinion concerning the issuance by Financial Guaranty of its Municipal Bond New Issue Insurance Policy (the "Policy") in connection with the issuance of the captioned obligations (the "Bonds"). I have examined such documents and records as I have deemed relevant for purposes of this opinion, including (a) the Certificate of Incorporation of Financial Guaranty, including all amendments thereto, (b) the amended By-laws of Financial Guaranty as in effect on the date hereof, (c) the certificate of authority issued to Financial Guaranty by the Superintendent of Insurance of the State of New York, (d) the certificate of authority issued to Financial Guaranty by the Commissioner of Insurance of the State of West Virginia, (e) the executed Policy and (f) the statements in the Official Statement dated August 18, 2004 relating to the Bonds (the "Official Statement") under the caption "BOND INSURANCE".

On the basis of the foregoing, it is my opinion that:

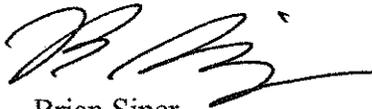
- (1) Financial Guaranty is a stock insurance corporation validly existing and in good standing under the laws of the State of New York and qualified to do business therein and is licensed and authorized to issue its financial guaranty insurance policies under the laws of the State of West Virginia.
- (2) The Policy is valid and binding upon Financial Guaranty and enforceable in accordance with its terms, subject to applicable laws affecting creditors' rights generally.

August 31, 2004

Page 2

- (3) Financial Guaranty, as an insurance company, is not eligible for relief under the Federal Bankruptcy Laws. Any proceedings for the liquidation, conservation or rehabilitation of Financial Guaranty would be governed by the provisions of the Insurance Law of the State of New York.
- (4) The statements described above in the Official Statement relating to Financial Guaranty and the Policy accurately and fairly present the summary information set forth therein and do not omit any material fact with respect to the description of Financial Guaranty relative to the material terms of the Policy or the ability of Financial Guaranty to meet its obligations under the Policy.

Very truly yours,



Brian Siper
Senior Counsel



RECYCLED PAPER
RECYCLABLE



Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
T 212-312-3000
F 212-312-3093

August 31, 2004

State of West Virginia Higher Education Policy Commission

Spilman Thomas & Battle, PLLC

Re: \$167,260,000.00 in aggregate principal amount of State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities), 2004 Series B

Ladies and Gentlemen:

In connection with the issuance of the above-referenced obligations (the "Bonds"), Financial Guaranty Insurance Company ("Financial Guaranty") is issuing a municipal bond insurance policy guaranteeing the payment of principal and interest on the Bonds when due (the "Insurance Policy").

This letter is to advise you that:

- (i) The Insurance Policy is an unconditional and recourse obligation of Financial Guaranty (enforceable by or on behalf of the holder of the Bonds) to pay the scheduled payments of principal and interest on the Bonds when due in the event of a failure by the State of West Virginia Higher Education Policy Commission, West Virginia (the "Issuer") to make such payments.
- (ii) The insurance premium is required to be paid as a condition to the issuance of the Insurance Policy and is a charge for the transfer of substantially all of the credit risk for the payment of principal and interest on the Bonds.
- (iii) Financial Guaranty is not a co-obligor on the Bonds.
- (iv) Except for the premium paid to Financial Guaranty for the Insurance Policy, Financial Guaranty (and any related party within the meaning of section 1.150-1(b) of the Income Tax Regulations) will not use any portion of the proceeds of the Bonds.
- (v) No portion of the premium paid to Financial Guaranty for the Insurance Policy represents a payment for any direct or indirect services, other than the transfer of credit risk, including costs of underwriting or remarketing the Bonds or the cost of insurance for casualty to property financed with the proceeds of the Bonds.

- (vi) The Issuer is not entitled to a refund of any portion of the premium paid for the Insurance Policy in the event that any of the Bonds are retired prior to their stated maturity.

Very truly yours,



Brian Siper
Senior Counsel



Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
T 212-312-3000
F 212-312-3093

MEMORANDUM

Enclosed please find one original and one copy of our commitment to provide municipal bond insurance for the bonds referenced below.

The commitment may include some or all of the following, as applicable:

- Specimen bond insurance policy or surety bond and applicable endorsements.
- Statement of insurance to be printed on the bonds.
- Official Statement disclosure language.
- Additional exhibits may be attached to the commitment letter, including conditions to the issuance of the policy and provisions to be incorporated into the legal documents.

Bonds: State of West Virginia, Higher Education Policy Commission,
Revenue Bonds (Higher Education Facilities), 2004 Series B

Commitment

Due Date: August 20, 2004

FGIC Contact: Paul Greaves, Senior Associate (Phone 212-312-3326)

Closing Contact: Tanya Langman, Analyst (Phone 212-312-2745; Fax 212-312-3206)

Payment

Instructions: Wire transfer instructions for the Policy are enclosed.

Please fax a copy of the signature page of the original commitment letter by the due date noted above and return the original executed commitment letter to the FGIC closing contact noted above. She should also receive bond proofs and official statement drafts, as well as any inquiries regarding commitment letter conditions or closing procedures. Bond documentation should be sent directly to FGIC's in-house counsel, Isabel Guerra (phone 212-312-3245). Please inform your closing contact as soon as possible of the closing date/policy issuance date.

We look forward to working with you on this transaction. Thank you.



Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
T 212-312-3000
F 212-312-3093

Commitment For Municipal Bond Insurance

Issuer: State of West Virginia, Higher
Education Policy Commission

Date of Commitment: August 13, 2004

Expiration Date: October 13, 2004*

Bonds Insured: Not to exceed
\$180,000,000 in principal amount of
Revenue Bonds (Higher Education
Facilities), 2004 Series B

Premium: 0.218% of total debt service on
the Bonds Insured **

FINANCIAL GUARANTY INSURANCE COMPANY

("Financial Guaranty")

A Stock Insurance Company

hereby commits to issue a Municipal Bond New Issue Insurance Policy (the "Policy"), in the form attached hereto as Exhibit A, relating to the above-described debt obligations (the "Bonds"), subject to the terms and conditions contained herein or added hereto.

To keep this Commitment in effect after the Expiration Date set forth above, a request for renewal must be submitted to Financial Guaranty prior to such Expiration Date. Financial Guaranty reserves the right to refuse wholly or in part to grant a renewal.

THE MUNICIPAL BOND NEW ISSUE INSURANCE POLICY SHALL BE ISSUED IF THE CONDITIONS SPECIFIED BELOW ARE SATISFIED.

1. In addition to the satisfaction of the other conditions set forth herein, Financial Guaranty shall be provided with:
 - (a) (i) Executed copies of all financing documents, the official statement (or any similar disclosure document), and all Bond documentation evidencing the Issuer's ability and intent to comply with the Internal Revenue Code of 1986, as amended (if in the opinion of bond counsel (described below) ongoing compliance would be necessary to maintain the exemption from federal income

* Subject to written acceptance of this Commitment being furnished to Financial Guaranty by the earlier of the date on which the disclosure document relating to the Bonds is circulated and August 20, 2004.

** The amount of Bond proceeds deposited with the Trustee or Paying Agent at closing for the payment of accrued interest shall not be applied as a credit in calculating total debt service on the Bonds Insured.

taxation of interest on the Bonds), which shall be in form and substance acceptable to Financial Guaranty; (ii) the various legal opinions delivered in connection with the issuance and sale of the Bonds, including, without limitation, the unqualified approving opinion of bond counsel rendered by a law firm acceptable to Financial Guaranty and addressed to (or with a reliance letter addressed to) Financial Guaranty, which opinion shall include statements to the effect that (A) the interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended (if the Bonds are issued as tax-exempt obligations); and (B) the principal financing documents have been duly and validly authorized, executed and delivered, and are enforceable in accordance with their terms. Copies of all drafts of such documents and legal opinions (blacklined as appropriate) prepared subsequent to the date of this Commitment shall be furnished to Financial Guaranty. Final drafts of such documents shall be provided to Financial Guaranty at least five (5) business days prior to the issuance of the Policy unless Financial Guaranty shall approve a shorter period and such documents shall be satisfactory to Financial Guaranty in all respects.

- (b) Evidence of wire transfer in federal funds in an amount equal to the insurance premium unless alternative arrangements for the payment of the premium acceptable to Financial Guaranty have been made prior to the delivery date of the Bonds. Please note the attached Wire Instructions.
2. The issuer shall incorporate, or cause to be incorporated, the terms and conditions contained in each exhibit to this Commitment.
 3. All authorizing documents shall be subject to Financial Guaranty's review and approval and shall incorporate all of the terms and conditions set forth in the exhibit attached hereto entitled "Legal Documentation Requirements," all of which provisions may, at bond counsel's election, be incorporated into one article of, or as an exhibit to, the appropriate authorizing documents, or may be incorporated into the appropriate specific sections of the appropriate authorizing documents.
 4. At or prior to closing, Financial Guaranty shall receive evidence satisfactory to it that all necessary procedures, including but not limited to the filing of Uniform Commercial Code financing or continuation statements, if appropriate, have been satisfied, in order to grant bondholders a perfected security interest in the revenues or other collateral pledged as security for the Bonds.
 5. The documents to be executed and delivered in connection with the issuance and sale of the Bonds shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
 6. No event shall occur which would permit any purchaser of the Bonds, otherwise required, not to be required to purchase the Bonds on the date scheduled for the issuance and delivery thereof.
 7. There shall be no material change in or affecting the Bonds (including, without limitation, the security for the Bonds) or the financing documents or the official statement (or any similar disclosure document) to be executed and delivered in connection with the



issuance and sale of the Bonds from the descriptions or forms thereof approved by Financial Guaranty.

8. The Bonds shall contain no reference to Financial Guaranty, the Policy or the municipal bond insurance evidenced thereby except as may be approved by Financial Guaranty.
9. The Bonds shall bear a "Statement of Insurance" in the form attached to this Commitment (*also available online on our web site at www.fgic.com*). BOND PROOFS SHALL BE APPROVED BY FINANCIAL GUARANTY PRIOR TO PRINTING.
10. The preliminary official statement and the official statement shall (a) be satisfactory in form and substance to Financial Guaranty and (b) contain the "Official Statement Disclosure Language" attached to this Commitment and only such other references to Financial Guaranty as we shall supply or approve. *Financial Guaranty's official statement language and cover logo are also available online on our web site at www.fgic.com.*
11. The following claim procedures shall be incorporated into the bond documentation:
 - (a) If, on the third day preceding any interest payment date for the Bonds there is not on deposit with the Trustee sufficient moneys available to pay all principal of and interest on the Bonds due on such date, the Trustee shall immediately notify Financial Guaranty and U.S. Bank Trust National Association, New York, New York or its successor as its Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency. If, by said interest payment date, the Issuer has not provided the amount of such deficiency, the Trustee shall simultaneously make available to Financial Guaranty and to the Fiscal Agent the registration books for the Bonds maintained by the Trustee. In addition:
 - (i) The Trustee shall provide Financial Guaranty with a list of the Bondholders entitled to receive principal or interest payments from Financial Guaranty under the terms of the Bond Insurance Policy and shall make arrangements for Financial Guaranty and its Fiscal Agent (1) to mail checks or drafts to Bondholders entitled to receive full or partial interest payments from Financial Guaranty and (2) to pay principal of the Bonds surrendered to the Fiscal Agent by the Bondholders entitled to receive full or partial principal payments from Financial Guaranty; and
 - (ii) The Trustee shall, at the time it makes the registration books available to Financial Guaranty pursuant to (i) above, notify Bondholders entitled to receive the payment of principal of or interest on the Bonds from Financial Guaranty (1) as to the fact of such entitlement, (2) that Financial Guaranty will remit to them all or part of the interest payments coming due subject to the terms of the Bond Insurance Policy, (3) that, except as provided in paragraph (b) below, in the event that any Bondholder is entitled to receive full payment of principal from Financial Guaranty, such Bondholder must tender his Bond with the instrument of transfer in the form provided on the Bond executed in the name of Financial Guaranty, and (4) that, except as provided in paragraph (b) below, in the event that such Bondholder is entitled to receive partial payment of principal from Financial Guaranty, such Bondholder must

tender his Bond for payment first to the Trustee, which shall note on such Bond the portion of principal paid by the Trustee, and then, with an acceptable form of assignment executed in the name of Financial Guaranty, to the Fiscal Agent, which will then pay the unpaid portion of principal to the Bondholder subject to the terms of the Bond Insurance Policy.

- (b) In the event that the Trustee has notice that any payment of principal of or interest on a Bond has been recovered from a Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time it provides notice to Financial Guaranty, notify all Bondholders that in the event that any Bondholder's payment is so recovered, such Bondholder will be entitled to payment from Financial Guaranty to the extent of such recovery, and the Trustee shall furnish to Financial Guaranty its records evidencing the payments of principal of and interest on the Bonds which have been made by the Trustee and subsequently recovered from Bondholders, and the dates on which such payments were made.
 - (c) Financial Guaranty shall, to the extent it makes payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy and, to evidence such subrogation, (i) in the case of subrogation as to claims for past due interest, the Trustee shall note Financial Guaranty's rights as subrogee on the registration books maintained by the Trustee upon receipt from Financial Guaranty of proof of the payment of interest thereon to the Bondholders of such Bonds and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note Financial Guaranty's rights as subrogee on the registration books for the Bonds maintained by the Trustee upon receipt of proof of the payment of principal thereof to the Bondholders of such Bonds. Notwithstanding anything in this authorizing document or the Bonds to the contrary, the Trustee shall make payment of such past due interest and past due principal directly to Financial Guaranty to the extent that Financial Guaranty is a subrogee with respect thereto.
12. All drafts of the preliminary official statement, official statement or any other disclosure documents and the form of the Bonds should be directed to the attention of Tanya Langman (Phone 212-312-2745), Financial Guaranty's closing contact for this transaction, for approval. Any inquiries concerning this Commitment should be directed to Paul Greaves (Phone 212-312-3326), the Financial Guaranty credit analyst assigned to this transaction. All legal documentation should be directed to Financial Guaranty's in-house counsel, Isabel Guerra (phone 212-312-3245).

- 13. Promptly after the closing of the Bonds, Financial Guaranty shall receive three completed sets of executed documents (one original and two photocopies), copies of which we will deliver to each agency rating the Bonds.

Karen Daly
Authorized Representative

To keep this commitment in effect to the Expiration Date set forth on the first page, Financial Guaranty must receive a duplicate of this Commitment executed by an appropriate officer of State of West Virginia, Higher Education Policy Commission by August 20, 2004.

The undersigned agrees that if the Bonds are insured by a policy of municipal bond insurance, such insurance shall be provided by Financial Guaranty in accordance with the terms of the Commitment.

Accepted as of _____ by State of West Virginia, Higher Education Policy Commission.

By: _____

Name: _____

Title: _____

6018245



Financial Guaranty Insurance Company
 125 Park Avenue
 New York, NY 10017
 T 212-312-3000
 T 800-352-0001

Municipal Bond New Issue Insurance Policy

Issuer:	Policy Number:
	Control Number: 0010001
Bonds:	Premium:

Financial Guaranty Insurance Company ("Financial Guaranty"), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy, hereby unconditionally and irrevocably agrees to pay to U.S. Bank Trust National Association or its successor, as its agent (the "Fiscal Agent"), for the benefit of Bondholders, that portion of the principal and interest on the above-described debt obligations (the "Bonds") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

Financial Guaranty will make such payments to the Fiscal Agent on the date such principal or interest becomes Due for Payment or on the Business Day next following the day on which Financial Guaranty shall have received Notice of Nonpayment, whichever is later. The Fiscal Agent will disburse to the Bondholder the face amount of principal and interest which is then Due for Payment but is unpaid by reason of Nonpayment by the Issuer but only upon receipt by the Fiscal Agent, in form reasonably satisfactory to it, of (i) evidence of the Bondholder's right to receive payment of the principal or interest Due for Payment and (ii) evidence, including any appropriate instruments of assignment, that all of the Bondholder's rights to payment of such principal or interest Due for Payment shall thereupon vest in Financial Guaranty. Upon such disbursement, Financial Guaranty shall become the owner of the Bond, appurtenant coupon or right to payment of principal or interest on such Bond and shall be fully subrogated to all of the Bondholder's rights thereunder, including the Bondholder's right to payment thereof.

This Policy is non-cancellable for any reason. The premium on this Policy is not refundable for any reason, including the payment of the Bonds prior to their maturity. This Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bond.

As used herein, the term "Bondholder" means, as to a particular Bond, the person other than the Issuer who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof. "Due for Payment" means, when referring to the principal of a Bond, the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity and means, when referring to interest on a Bond, the stated date for payment of interest. "Nonpayment" in respect of a Bond means the failure of the Issuer to have provided sufficient funds to the paying agent for payment in full of all



Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
T 212-312-3000
T 800-352-0001

Municipal Bond New Issue Insurance Policy

principal and interest Due for Payment on such Bond. "Notice" means telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or a paying agent for the Bonds to Financial Guaranty. "Business Day" means any day other than a Saturday, Sunday or a day on which the Fiscal Agent is authorized by law to remain closed.

In Witness Whereof, Financial Guaranty has caused this Policy to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

Frank Biron

SPECIMEN

President

Effective Date:

Authorized Representative

U.S. Bank Trust National Association, acknowledges that it has agreed to perform the duties of Fiscal Agent under this Policy.

Authorized Officer



Financial Guaranty Insurance Company
 125 Park Avenue
 New York, NY 10017
 T 212-312-3000
 T 800-352-0001

Endorsement
To Financial Guaranty Insurance Company
Insurance Policy

Policy Number: _____ **Control Number:** 0010001

It is further understood that the term "Nonpayment" in respect of a Bond includes any payment of principal or interest made to a Bondholder by or on behalf of the issuer of such Bond which has been recovered from such Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

Frank Biron

President

Effective Date:

Authorized Representative

Acknowledged as of the Effective Date written above:

[Signature]

Authorized Officer
U.S. Bank Trust National Association, as Fiscal Agent

STATEMENT OF INSURANCE

(To be printed on the Bonds)

Financial Guaranty Insurance Company ("Financial Guaranty") has issued a policy containing the following provisions with respect to the Bonds, such policy being on file at the principal office of [Paying Agent], as paying agent (the "Paying Agent"):

Financial Guaranty hereby unconditionally and irrevocably agrees to pay for disbursement to the Bondholders that portion of the principal or accreted value (if applicable) of and interest on the Bonds which is then due for payment and which the issuer of the Bonds (the "Issuer") shall have failed to provide. Due for payment means, with respect to principal or accreted value (if applicable), the stated maturity date thereof, or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which the payment of principal or accreted value (if applicable) of the Bonds is due by reason of call for redemption (other than mandatory sinking fund redemption), acceleration or other advancement of maturity, and with respect to interest, the stated date for payment of such interest.

Upon receipt of telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or the Paying Agent to Financial Guaranty that the required payment of principal, accreted value or interest (as applicable) has not been made by the Issuer to the Paying Agent, Financial Guaranty on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, or its successor as its agent (the "Fiscal Agent"), sufficient to make the portion of such payment not paid by the Issuer. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the Bondholder's right to receive such payment and any appropriate instruments of assignment required to vest all of such Bondholder's right to such payment in Financial Guaranty, the Fiscal Agent will disburse such amount to the Bondholder.

As used herein the term "Bondholder" means the person other than the Issuer or the borrower(s) of bond proceeds who at the time of nonpayment of a Bond is entitled under the terms of such Bond to payment thereof.

The policy is non-cancellable for any reason.

FINANCIAL GUARANTY INSURANCE COMPANY

OFFICIAL STATEMENT DISCLOSURE LANGUAGE

BOND INSURANCE

Financial Guaranty has supplied the following information for inclusion in this Official Statement. No representation is made by the issuer or the underwriter as to the accuracy or completeness of this information.

Payments Under the Policy

Concurrently with the issuance of the Bonds, Financial Guaranty Insurance Company ("Financial Guaranty") will issue its Municipal Bond New Issue Insurance Policy for the Bonds (the "Policy"). The Policy unconditionally guarantees the payment of that portion of the principal or accreted value (if applicable) of and interest on the Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the issuer of the Bonds (the "Issuer"). Financial Guaranty will make such payments to U.S. Bank Trust National Association, or its successor as its agent (the "Fiscal Agent"), on the later of the date on which such principal, accreted value or interest (as applicable) is due or on the business day next following the day on which Financial Guaranty shall have received notice (in accordance with the terms of the Policy) from an owner of Bonds or the trustee or paying agent (if any) of the nonpayment of such amount by the Issuer. The Fiscal Agent will disburse such amount due on any Bond to its owner upon receipt by the Fiscal Agent of evidence satisfactory to the Fiscal Agent of the owner's right to receive payment of the principal, accreted value or interest (as applicable) due for payment and evidence, including any appropriate instruments of assignment, that all of such owner's rights to payment of such principal, accreted value or interest (as applicable) shall be vested in Financial Guaranty. The term "nonpayment" in respect of a Bond includes any payment of principal, accreted value or interest (as applicable) made to an owner of a Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

Once issued, the Policy is non-cancellable by Financial Guaranty. The Policy covers failure to pay principal (or accreted value, if applicable) of the Bonds on their stated maturity dates and their mandatory sinking fund redemption dates, and not on any other date on which the Bonds may have been otherwise called for redemption, accelerated or advanced in maturity. The Policy also covers the failure to pay interest on the stated date for its payment. If the Bonds are accelerated or become subject to mandatory redemption, Financial Guaranty will be obligated to pay principal (or accreted value, if applicable) and interest on the originally scheduled principal (including mandatory sinking fund redemption) and interest payment dates. Upon such payment, Financial Guaranty will become the owner of the Bond, appurtenant coupon or right to payment of principal or interest on such Bond and will be fully subrogated to all of the Bondholder's rights thereunder.

The Policy does not insure any risk other than Nonpayment by the Issuer, as defined in the Policy. Specifically, the Policy does not cover: (i) payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity; (ii) payment of any redemption, prepayment or acceleration premium; or (iii) nonpayment of principal (or accreted value, if applicable) or interest caused by the insolvency or negligence or any other act or omission of the trustee or paying agent, if any.

As a condition of its commitment to insure Bonds, Financial Guaranty may be granted certain rights under the Bond documentation. The specific rights, if any, granted to Financial Guaranty in connection with its insurance of the Bonds may be set forth in the description of the principal legal documents appearing elsewhere in this Official Statement, and reference should be made thereto.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Guaranty Insurance Company

Financial Guaranty, a New York stock insurance corporation, is a direct, wholly-owned subsidiary of FGIC Corporation, and provides financial guaranty insurance for public finance and structured finance obligations. Financial Guaranty is licensed to engage in financial guaranty insurance in all 50 states, the District of Columbia and the Commonwealth of Puerto Rico and, through a branch, in the United Kingdom. Financial Guaranty is a wholly-owned subsidiary of FGIC Corporation, a Delaware corporation.

On December 18, 2003, an investor group consisting of The PMI Group, Inc. ("PMI"), affiliates of The Blackstone Group L.P. ("Blackstone"), affiliates of The Cypress Group L.L.C. ("Cypress") and affiliates of CIVC Partners L.P. ("CIVC") acquired FGIC Corporation (the "FGIC Acquisition") from a subsidiary of General Electric Capital Corporation ("GE Capital"). PMI, Blackstone, Cypress and CIVC acquired approximately 42%, 23%, 23% and 7%, respectively, of FGIC Corporation's common stock. FGIC Corporation paid GE Capital approximately \$284.3 million in pre-closing dividends from the proceeds of dividends it, in turn, had received from Financial Guaranty, and GE Capital retained approximately \$234.6 million in liquidation preference of FGIC Corporation's convertible participating preferred stock and approximately 5% of FGIC Corporation's common stock. Neither FGIC Corporation nor any of its shareholders is obligated to pay any debts of Financial Guaranty or any claims under any insurance policy, including the Policy, issued by Financial Guaranty.

Financial Guaranty is subject to the insurance laws and regulations of the State of New York, where it is domiciled, including Article 69 of the New York Insurance Law ("Article 69"), a comprehensive financial guaranty insurance statute. Financial Guaranty is also subject to the insurance laws and regulations of all other jurisdictions in which it is licensed to transact insurance business. The insurance laws and regulations, as well as the level of supervisory authority that may be exercised by the various insurance regulators, vary by jurisdiction, but generally require insurance companies to maintain minimum standards of business conduct and solvency, to meet certain financial tests, to comply with requirements concerning permitted investments and the use of policy forms and premium rates and to file quarterly and annual financial statements on the basis of statutory accounting principles ("SAP") and other reports. In addition, Article 69, among other things, limits the business of each financial guaranty insurer, including Financial Guaranty, to financial guaranty insurance and certain related lines.

For the six months ended June 30, 2004, and the years ended December 31, 2003 and December 31, 2002, Financial Guaranty had written directly or assumed through reinsurance, guaranties of approximately \$27.1 billion, \$42.4 billion and \$47.9 billion par value of securities, respectively (of which approximately 58%, 79% and 81%, respectively, constituted guaranties of municipal bonds), for which it had collected gross premiums of approximately \$162.9 million, \$260.3 million and \$232.6 million, respectively. For the six months ended June 30, 2004, Financial Guaranty had reinsured, through facultative arrangements, approximately 0.1% of the risks it had written.

As of June 30, 2004, Financial Guaranty had net admitted assets of approximately \$2.935 billion, total liabilities of approximately \$1.793 billion, and total capital and policyholders' surplus of approximately \$1.142 billion, determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

The unaudited financial statements of Financial Guaranty as of June 30, 2004, and the audited financial statements of Financial Guaranty as of December 31, 2003 and December 31, 2002, which have been filed with the Nationally Recognized Municipal Securities Information Repositories ("NRMSIRs"), are hereby included by specific reference in this Official Statement. Any statement contained herein under the heading "BOND INSURANCE," or in any documents included by specific reference herein, shall be modified or superseded to the extent required by any statement in any document subsequently filed by Financial Guaranty with such NRMSIRs, and shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement. All financial statements of Financial Guaranty (if any) included in documents filed by the Issuer with the NRMSIRs subsequent to the date of this Official Statement and prior to the termination of the offering of the Bonds shall be deemed to be included by specific reference into this Official Statement and to be a part hereof from the respective dates of filing of such documents.

Financial Guaranty also prepares quarterly and annual financial statements on the basis of generally accepted accounting principles. Copies of Financial Guaranty's most recent GAAP and SAP financial statements are available upon request to: Financial Guaranty Insurance Company, 125 Park Avenue, New York, NY 10017, Attention: Corporate Communications Department. Financial Guaranty's telephone number is (212) 312-3000.

Financial Guaranty's Credit Ratings

The financial strength of Financial Guaranty is rated "AAA" by Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., "Aaa" by Moody's Investors Service, and "AAA" by Fitch Ratings. Each rating of Financial Guaranty should be evaluated independently. The ratings reflect the respective ratings agencies' current assessments of the insurance financial strength of Financial Guaranty. Any further explanation of any rating may be obtained only from the applicable rating agency. These ratings are not recommendations to buy, sell or hold the Bonds, and are subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds. Financial Guaranty does not guarantee the market price or investment value of the Bonds nor does it guarantee that the ratings on the Bonds will not be revised or withdrawn.

Neither Financial Guaranty nor any of its affiliates accepts any responsibility for the accuracy or completeness of the Official Statement or any information or disclosure that is provided to potential purchasers of the Bonds, or omitted from such disclosure, other than with respect to the accuracy of information with respect to Financial Guaranty or the Policy under the heading "BOND INSURANCE." In addition, Financial Guaranty makes no representation regarding the Bonds or the advisability of investing in the Bonds.

LEGAL DOCUMENTATION REQUIREMENTS

[To be incorporated into Authorizing Document(s)]

1. Definitions.
 - (a) A definition of "Bond Insurance Policy" shall be included, to read as follows: "the municipal bond new issue insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the Bonds *."
 - (b) A definition of "Bond Insurer" shall be included, to read as follows: "Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto."
2. Reserve Fund Requirements. Any credit instrument provided in lieu of a cash deposit into the debt service reserve fund, other than one provided by the Bond Insurer, shall conform to the requirements set forth in the exhibit attached hereto entitled "Reserve Fund Surety Guidelines," if attached. Such guidelines shall be incorporated into the authorizing document.
3. Redemption Notices. Notice of any redemption of Bonds shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the applicable fund or account on the redemption date sufficient money to pay the full redemption price of the Bonds to be redeemed, or (ii) be sent only if sufficient money to pay the full redemption price of the Bonds to be redeemed is on deposit in the applicable fund or account.
4. Default-Related Provisions.
 - (a) The Trustee shall, to the extent there are no other available funds held under the authorizing document, use the remaining funds in the construction fund to pay principal of or interest on the Bonds in the event of a payment default.
 - (b) The applicable authorizing document provisions describing events of default shall specify that in determining whether a payment default has occurred or whether a payment on the Bonds has been made under the authorizing document(s), no effect shall be given to payments made under the Bond Insurance Policy.
 - (c) Any acceleration of the Bonds or any annulment thereof shall be subject to the prior written consent of the Bond Insurer (if it has not failed to comply with its payment obligations under the Bond Insurance Policy).
 - (d) The Bond Insurer shall receive immediate notice of any payment default and notice of any other default known to the Trustee or the Issuer within 30 days of the Trustee's or the Issuer's knowledge thereof.
 - (e) For all purposes of the authorizing document provisions governing events of default and remedies, except the giving of notice of default to Bondholders, the Bond Insurer shall be deemed to be the sole holder of the Bonds it has insured for so long as it has not failed to comply with its payment obligations under the Bond Insurance Policy.

* As used in this exhibit, "Bonds" means the Series of Bonds referred to in the Commitment Letter.

- (f) If the authorizing document permits the Trustee to waive any event of default, any such waiver shall be subject to the prior written consent of the Bond Insurer.
 - (g) The Bond Insurer shall be included as a party in interest and as a party entitled to (i) notify the Issuer, the Trustee, if any, or any applicable receiver of the occurrence of an event of default and (ii) request the Trustee or receiver to intervene in judicial proceedings that affect the Bonds or the security therefor. The Trustee or receiver shall be required to accept notice of default from the Bond Insurer.
5. Amendments and Supplements. Any amendment or supplement to the authorizing document or any other principal financing documents shall be subject to the prior written consent of the Bond Insurer. Any rating agency rating the Bonds must receive notice of each amendment and a copy thereof at least 15 days in advance of its execution or adoption. The Bond Insurer shall be provided with a full transcript of all proceedings relating to the execution of any such amendment or supplement.
6. Successor Trustees, Etc. No resignation or removal of the Trustee, Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Trustee, Paying Agent or Bond Registrar, as applicable. The Bond Insurer shall be furnished with written notice of the resignation or removal of the Trustee, Paying Agent or Bond Registrar and the appointment of any successor thereto.
7. Defeasance Provisions. Only cash, direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination of the foregoing) shall be used to effect defeasance of the Bonds unless the Bond Insurer otherwise approves. In the event of an advance refunding, the Issuer shall cause to be delivered a verification report of an independent nationally recognized certified public accountant. If a forward supply contract is employed in connection with the refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement (or the authorizing document, if no separate escrow agreement is utilized), the terms of the escrow agreement or authorizing document, if applicable, shall be controlling.
8. Variable Rate Indebtedness.
- (a) For all purposes, variable rate indebtedness shall be assumed to bear interest at the highest of: (i) the actual rate on the date of calculation, or if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, or if no debt is outstanding for the twelve prior months under the authorizing document, the average rate borne by reference to an index comparable to that to be utilized in determining the interest rate for the debt to be issued and (iii) (A) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published

Bond Buyer "Revenue Bond Index" (or comparable index if no longer published), or (B) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities; provided, however, that for purposes of any rate covenant measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period.

- (b) In the case of variable rate issues in which financial covenants are based on the synthetic fixed rate under a swap, utilization of the synthetic fixed rate under a Swap for purposes of performing any required calculations under the applicable legal documentation shall be permitted only if such documentation and the applicable Swap satisfy the requirements of the exhibit hereto entitled "Swap Provider Guidelines," if attached, which shall be incorporated into the authorizing document.

9. Reporting Requirements. The Bond Insurer shall be provided with the following:

- (a) Notice of the redemption, other than mandatory sinking fund redemption, of any of the Bonds, or of any advance refunding of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;
- (b) Notice of the downgrading by any rating agency of the Issuer's or Obligor's underlying public rating, or the underlying rating on the Bonds or any parity obligations, to "non-investment grade";
- (c) Notice of any rate covenant violation with respect to the Bonds;
- (d) Notice of any decline in enrollment at the institution by more than 5% in any year;
- (e) Notice of any material events pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended; and
- (f) Such additional information as the Bond Insurer may reasonably request from time to time.

10. Reimbursement of Expenses. The following provision shall be incorporated into the authorizing document and any other applicable financing document: The Obligor shall pay or reimburse the Bond Insurer for any and all charges, fees, costs, and expenses that the Bond Insurer may reasonably pay or incur in connection with the following: (i) the administration, enforcement, defense, or preservation of any rights or security hereunder or under any other transaction document; (ii) the pursuit of any remedies hereunder, under any other transaction document, or otherwise afforded by law or equity, (iii) any amendment, waiver, or other action with respect to or related to this agreement or any other transaction document whether or not executed or completed; (iv) the violation by the Obligor of any law, rule, or regulation or any judgment, order or decree applicable to it; (v) any advances or payments made by the Bond Insurer to cure defaults of the Obligor under the transaction documents; or (vi) any litigation or other dispute in connection with this agreement, any other transaction document, or the transactions contemplated hereby or thereby, other than amounts resulting from the failure of the Bond Insurer to honor its payment obligations under the Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver, or consent proposed

in respect of this agreement or any other transaction document. The obligations of the Obligor to the Bond Insurer shall survive discharge and termination of this agreement.

11. Notice Addresses. The notice addresses for the Bond Insurer and the Fiscal Agent shall be included in the authorizing document as follows: Financial Guaranty Insurance Company, 125 Park Avenue, New York, New York 10017, Attention: Risk Management; and U.S. Bank Trust National Association, 100 Wall Street, 19th Floor, New York, New York 10005, Attention: Corporate Trust Department.

SWAP PROVIDER GUIDELINES

Any Swap entered into in connection with the issuance or incurrence by the Issuer of variable rate indebtedness secured with the Bonds by a parity lien on *Gross Revenues* shall meet the following guidelines and, for purposes of calculating "Debt Service" and establishing compliance with financial covenants under the *[AUTHORIZING DOCUMENT]* shall be treated as follows:

A. Long - Dated Swaps - Term or Weighted Average Maturity of Ten Years or More.

1. The Swap provider must be rated at least A-/A3 or better by Standard & Poor's Ratings Services and Moody's Investors Service (the "Initial Rating Requirement").
2. Assuming satisfaction of the Initial Rating Requirement, and thereafter as long as the long term indebtedness of the Swap provider or the claims paying ability of the Swap provider does not fall below Baa2 or BBB by either Standard & Poor's or Moody's (the "Minimum Rating Requirement"), all interest rate assumptions for purposes of establishing or demonstrating compliance with a financial covenant (e.g., rate covenant, reserve requirement, additional bonds test, asset transfer test, etc.) may be based upon the synthetic fixed interest rate under the Swap.

Failure to maintain a Swap provider holding the Minimum Rating Requirement or, if the issuer elects, failure to replace any such Swap provider by another Swap provider which holds the Initial Rating Requirement within ten business days, will have the following effects: (1) compliance with any required rate covenant for the preceding Fiscal Year will be based on the actual interest paid on the Variable Rate Indebtedness during such Fiscal Year without regard to the Swap; (2) in the case of any required debt service reserve fund, the amount required to be on deposit therein will be re-calculated based on the formula described in Section 6(a) (containing variable rate debt service calculation conventions) of the exhibit entitled "Legal Documentation Requirements," calculated as of the date of original issuance of the variable rate indebtedness and any resulting deficiency will be restored within the same one year restoration period established in the bond documentation for curing Debt Service Reserve Fund deficiencies; and (3) any "forward-looking" financial covenant based upon "Debt Service", "Annual Debt Service" or "Maximum Annual Debt Service" will be based upon the formula described in Section 6(a) (containing variable rate debt service calculation conventions) of the exhibit entitled "Legal Documentation Requirements," calculated as of the date the required calculation is made.

B. Sales Tax and Other Limited Tax Backed Issues.

The requirements outlined in A above will apply to all sales tax and limited tax-backed transactions with the following additional requirements: (i) the term or weighted average maturity of the Swap may not exceed ten years; and (ii) the Swap and the related bond documentation must provide that if the outstanding long term indebtedness or claims-paying ability of the Swap provider falls below the Minimum Rating Requirement by Standard & Poor's or Moody's, respectively, the Swap provider must be replaced within 10 business days (the replacement cost to be paid by the Issuer); provided, however, that if the Issuer delivers a certificate demonstrating and concluding that, assuming the maximum permitted rate of interest

under the variable rate documentation, it is not then in default and will not be in default under any financial covenant, the Issuer may elect the following treatment, in lieu of replacing the Swap provider: (1) any "forward-looking" financial covenant based upon "Annual Debt Service" or "Maximum Annual Debt Service" (primarily the additional bonds test) will be based on the maximum permitted rate of interest under the variable rate legal documentation, and (2) in the case of the Debt Service Reserve Fund, the amount required to be on deposit therein will be re-calculated based on the formula described in Section 8 of the exhibit entitled "Legal Documentation Requirements," calculated as of the date of original issuance of the variable rate indebtedness and any resulting deficiency will be restored within the same restoration period established in the bond documentation for curing Debt Service Reserve Fund deficiencies.

C. Short Dated Swaps Having Terms or Weighted Average Maturities of Ten Years or Less, Whereupon Related Bonds Automatically Convert to a Pre-Set Fixed Rate.

The embedded Swap provider must meet the Initial Rating Requirement. With respect to financial covenants, the synthetic fixed rate based on the Swap may be utilized for purposes of demonstrating or establishing compliance with the applicable covenant. Failure to maintain a Swap provider holding the Minimum Rating Requirement during the embedded Swap period will require replacement of the Swap provider within ten business days. Failure to replace will require re-calculation of the applicable financial covenants in the manner outlined in A.2 above.

**FINANCIAL GUARANTY INSURANCE COMPANY
PROCEDURES FOR PAYMENT OF PREMIUM**

Financial Guaranty's issuance of its Municipal Bond New Issue Insurance Policy (or Debt Service Reserve Fund Policy, as applicable) at closing is contingent upon its receipt of the premium. **NO POLICY WILL BE RELEASED UNTIL ORAL CONFIRMATION OF THE FEDERAL RESERVE WIRE REFERENCE NUMBER HAS BEEN PROVIDED.** Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of Amount to be Paid: Upon determination of the final debt service schedule, provide such schedule to Financial Guaranty, to the attention of the FGIC Closing Coordinator, whose name and telephone number are referenced in commitment letter, and subsequently confirm the amount of the premium with the Closing Coordinator.

Payment: Closing Date

Method of Payment: Wire Transfer of Federal Funds

Wire Transfer Instructions: JPMorgan Chase Bank
Routing/Transit No. 021000021
Branch and Account No. 904951812
For Credit to Financial Guaranty Insurance Company Premium Account
FGIC Policy # _____

FGIC Closing Contact: FGIC Closing Coordinator – Tanya Langman (Phone 212-312-2745;
Fax 212-312-3206)

Any questions concerning these procedures or any premium payment method other than outlined above should be directed to the attention of the FGIC Closing Coordinator at least two banking days prior to the scheduled payment date.

CONFIRMATION OF RECEIPT OF PREMIUM

Financial Guaranty will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to the FGIC Closing Coordinator.

Upon confirmation of the premium payment and satisfaction of the other conditions set forth in the commitment letter, Financial Guaranty will release the Policy.

**REQUESTS FOR FURTHER INFORMATION OR
ALTERNATIVE PAYMENT ARRANGEMENTS**

Requests for additional information regarding the procedures described above or as to the acceptability of alternate payment procedures should be directed to the FGIC Closing Coordinator at least two business days prior to the closing date.



RECYCLED PAPER
RECYCLABLE



Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
T 212-312-3000
T 800-352-0001

Municipal Bond New Issue Insurance Policy

Issuer: State of West Virginia, Higher
Education Policy Commission

Policy Number: 04010546

Control Number: 0010001

Bonds: \$167,260,000.00 in aggregate principal
amount of Revenue Bonds (Higher
Education Facilities), 2004 Series B

Premium: \$681,859.02

Financial Guaranty Insurance Company ("Financial Guaranty"), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy, hereby unconditionally and irrevocably agrees to pay U.S. Bank Trust National Association or its successor, as its agent (the "Fiscal Agent"), for the benefit of Bondholders, that portion of the principal and interest on the above-described debt obligations (the "Bonds") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

Financial Guaranty will make such payments to the Fiscal Agent on the date such principal or interest becomes Due for Payment or on the Business Day next following the day on which Financial Guaranty shall have received Notice of Nonpayment, whichever is later. The Fiscal Agent will disburse to the Bondholder the face amount of principal and interest which is then Due for Payment but is unpaid by reason of Nonpayment by the Issuer but only upon receipt by the Fiscal Agent, in form reasonably satisfactory to it, of (i) evidence of the Bondholder's right to receive payment of the principal or interest Due for Payment and (ii) evidence, including any appropriate instruments of assignment, that all of the Bondholder's rights to payment of such principal or interest Due for Payment shall thereupon vest in Financial Guaranty. Upon such disbursement, Financial Guaranty shall become the owner of the Bond, appurtenant coupon or right to payment of principal or interest on such Bond and shall be fully subrogated to all of the Bondholder's rights thereunder, including the Bondholder's right to payment thereof.

This Policy is non-cancellable for any reason. The premium on this Policy is not refundable for any reason, including the payment of the Bonds prior to their maturity. This Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bond.

As used herein, the term "Bondholder" means, as to a particular Bond, the person other than the Issuer who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof. "Due for Payment" means, when referring to the principal of a Bond, the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity and means, when referring to interest on a Bond, the stated date for payment of interest. "Nonpayment" in respect of a Bond means the failure of the Issuer to have provided sufficient funds to the paying agent for payment in full of all principal and interest



Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
T 212-312-3000
T 800-352-0001

Municipal Bond New Issue Insurance Policy

Due for Payment on such Bond. "Notice" means telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or a paying agent for the Bonds to Financial Guaranty. "Business Day" means any day other than a Saturday, Sunday or a day on which the Fiscal Agent is authorized by law to remain closed.

In Witness Whereof, Financial Guaranty has caused this Policy to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date: August 31, 2004

Authorized Representative

U.S. Bank Trust National Association acknowledges that it has agreed to perform the duties of Fiscal Agent under this Policy.

Authorized Officer

COUNTERSIGNATURE:

Licensed Resident Agent



Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
T 212-312-3000
T 800-352-0001

Endorsement To Financial Guaranty Insurance Company Insurance Policy

Policy Number: 04010546

Control Number: 0010001

It is further understood that the term "Nonpayment" in respect of a Bond includes any payment of principal or interest made to a Bondholder by or on behalf of the issuer of such Bond which has been recovered from such Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Effective Date: August 31, 2004

Acknowledged as of the Effective Date written above:

Authorized Officer
U.S. Bank Trust National Association, as Fiscal Agent

Authorized Representative

COUNTERSIGNATURE:

Licensed Resident Agent



Financial Guaranty Insurance Company
123 Park Avenue
New York, NY 10017
T 212 312-3000
F 212 312-3093

August 12, 2004

West Virginia Higher Education Policy Commission
1019 Kanawha Boulevard, East
Suite 700
Charleston, WV 25301

Re: Ninth Supplemental Resolution adopted by the Commission on April 24, 2003 and the Tenth Supplemental Resolution adopted by the Commission On June 5, 2003 amending the General Resolution of the West Virginia Higher Education Policy Commission as adopted on September 9, 1992

Gentlemen:

West Virginia Higher Education Policy Commission ("Commission") has requested that Financial Guaranty Insurance Company ("FGIC") consent to the amendments to the General Resolution of the University of West Virginia Board of Governors (predecessor to the "Commission") adopted September 9, 1992, contained in the Ninth and Tenth Supplemental Resolutions hereinafter more particularly described. FGIC is a Credit Provider as that term is defined in the aforesaid General Resolution.

The relevant provision of the General Resolution that establishes FGIC's consent rights is as follows:

"Section 10.02. Supplemental Resolutions With Owner Consent. (a) Any modification of or amendment to this General Resolution and of the rights and obligations of the Board and of the Owners of the Bonds hereunder other than as permitted under Section 10.01 hereof [relating to non-substantive amendments], in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section 10.03 hereof (i) of the Owners of at least fifty percent (50%) in Principal amount of the Bonds Outstanding at the time such consent is given and the Credit Provider, if any, (ii) in case less than all of the several Series of Bonds Outstanding are affected by the modification or amendment, of the Owners of at least fifty percent (50%) in Principal amount of the Bonds and the Credit Provider, if any, of each Series so affected and Outstanding at the time such consent is given, and (iii) in case less than all the maturities of a Series of Bonds are affected by the modification or amendment, of the Owners of at least fifty percent (50%) in Principal amount of the Bonds of each maturity and the Credit Provider, if any, so affected and Outstanding at the time such consent is given. If any such modification or amendment will not take effect until certain Bonds shall no longer remain Outstanding, the consent of the Owners of such Bonds shall not be required and such



Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section.”

The amendments contained in the Ninth Supplemental Resolution to be consented to are as follows:

“Section 1.01. Amendments to the General Resolution. The General Resolution is hereby amended as follows:

(a) The definition of “Revenues” shall be amended by adding new clauses (iv) and (v) to read as follows:

(iv) any other funds from any source that may now or hereafter be legally pledged by the Commission and made available for payment of Debt Service and are specifically pledged by the Commission for such payment by Supplemental Resolution; and

(v) all tuition and registration fees collected at Colleges supervised by the Commission and earnings thereon, provided that the consolidation of such tuition and registration fees with the fees described in clauses (i) of this definition of Revenues has been approved by Supplemental Resolution.

(b) Section 10.02 (a) shall be amended to read as follows:

Supplemental Resolution With Owner Consent. (a) Any modification of or amendment to this General Resolution and of the rights and obligations of the Board and of the Owners of the Bonds hereunder other than as permitted under Section 10.01 of the General Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section 10.03 General Resolution (i) of the Owners of at least fifty percent (50%) in Principal amount of the Bond Outstanding at the time such consent is given, (ii) in case less than all of the several Series of Bond Outstanding are affected by the modification or amendment, of the Owners of at least fifty percent (50%) in Principal amount of the Bonds, if any, of each Series so affected and Outstanding at the time such consent is given, and (iii) in case less than all maturities of a Series of Bonds are affected by the modification or amendment, of the Owners of at least fifty percent (50%) in Principal amount of the Bonds of each maturity so affected and Outstanding at the time such consent is given; provided, however that to the extent any of the Bonds are secured by a Credit Facility, only the consent of the Credit Provider, and not the consent of the Owners of such Bonds, shall be required. If any such modification or amendment will not take effect until certain Bonds shall no longer remain Outstanding, the consent of the Owners of such Bonds shall not be required and such



Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section.

Section 1.02. Prospective Amendment To General Resolution. The following amendments to the General Resolution shall only take effect upon the adoption by the Commission of a subsequent Supplemental Resolution putting such amendments into effect:

(a) Section 6.03(b) shall be amended to read as follows:

(b) The payment of the Debt Service on all Bonds issued under this General Resolution shall be secured forthwith equally and ratably by a first lien on the Revenues, and the Commission hereby pledges the Revenues to payment of the Principal, Purchase Price and Redemption Price of and interest on the Bonds, but the existence of such pledge shall not prevent the expenditure, deposit or commingling of Revenues by the Board so long as all required payments under this General Resolution and any Supplemental Resolution are made at the times and in the amounts specified herein and therein. The Board shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of such Revenues pledged under this General Resolution and all the rights of the Owners under this General Resolution against all claims and demands of all persons whomsoever.

(b) A New Section 10.08 shall be added to read as follows:

Section 10.08. Consolidation of System Financings. The Commission may consolidate the financings previously issued by the College System Board with the financings issued by the University of West Virginia Board of Trustees, and its successors under the terms of the General Resolution. The general resolution of the College Systems Board dated as of September 9, 1992, as amended or supplemented from time to time shall be amended and restated in its entirety to conform to the terms

The amendments contained in the Tenth Supplemental Resolution to be consented to are as follows:

“Section 1.01. Amendments to the General Resolution. The General Resolution is hereby amended as follows:

(a) Section 2.06 shall be amended by adding an additional sentence at the end thereof to read as follows:

FGIC

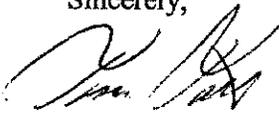
The obligations of the Commission under any Interest Rate Swap Agreements shall be payable from the Revenues on a parity with any Outstanding Bonds and such obligations shall be considered as Debt Service for the purpose of Section 6.03(c) only.

(b) Section 6.03 shall be amended by adding a subsection (c) to read as follows:

(c) Notwithstanding any other provisions herein to the contrary, the collection and transfer of the Revenues shall be governed as follows: Beginning on September 1, 2003, and on each February 1 and September 1 thereafter the Treasurer shall prohibit any withdrawals from the capital improvement funds held by the Treasurer on behalf of each University until the amounts on deposit in such funds equal one-half of the Debt Service on the Bonds (the "Semi-Annual Debt Service Requirement") for the 12-month period beginning on September 1 of each year (an "Annual Payment Period") allocable to such University and will only release funds for such University's use in excess of the University's allocable share of the Semi-Annual Debt Service Requirement. The Treasurer shall disburse the aggregate amount retained as the Semi-Annual Debt Service Requirement from all Universities to the Municipal Bond Commission and the Trustee for the Bonds, as the case may be, at the times required hereunder for making such Debt Service transfers. The Commission agrees to furnish the Treasurer with the allocable amount payable by each University as its Semi-Annual Debt Service Requirements for each Annual

Upon review, FGIC hereby consents to the amendments to the General Resolution contained in both the Ninth and Tenth Supplemental Resolutions.

Sincerely,



Authorized Representative

Timothy T. Thom

The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

[To be Completed by Issuer]

West Virginia Higher Education Policy Commission

[Name of Issuer]

July 29, 2003

[Date]

[For Municipal Issues:
Underwriting Department—Eligibility; 50th Floor]

[For Corporate Issues:
General Counsel's Office; 49th Floor]

The Depository Trust Company

55 Water Street

New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

West Virginia Higher Education Policy Commission

(Issuer)

By: *James A. Winter*

(Authorized Officer's Signature)

James A. Winter, Director of Finance & Facilities

(Print Name)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: *Denise Russo*

1018 Kanawha Boulevard, East, Suite 700

(Street Address)

Charleston, WV 25301

(City) (State) (Country)

(Zip Code)

(304) 558-0281

(Phone Number)

winter@hepc.wvnet.edu

(E-mail Address)



**The Depository Trust &
Clearing Corporation**

(To Blanket Issuer Letter of Representations)

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity

of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC [nor its nominee], Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

REPORT OF PROPOSED DEBT ISSUANCE

West Virginia State Treasurer's Office

State Capitol Complex, Suite E-145

Charleston, WV 25305

(304) 558-5000

Completion and timely submittal of this form to the West Virginia State Treasurer's Office at the above address will assure your compliance with existing West Virginia State law and will assist in the maintenance of a complete data base. Additionally, please enclose a copy of the preliminary official statement (or offering circular) with this form or when it becomes available. Thank you for your cooperation.¹

NAME OF ISSUER: West Virginia Higher Education Policy Commission

ADDRESS OF ISSUER: 1018 Kanawha Blvd East, Suite 700, Charleston, WV 25301

PROPOSED SALE DATE: August 19, 2004

TYPE OF SALE: Competitive Negotiated

PROPOSED PRINCIPAL TO BE SOLD: Not to exceed \$160,000,000 in principal amount

IS THE INTEREST ON THE DEBT EXEMPT FROM TAXATION?

Under State law: NO (taxable)

YES (tax-exempt)

Under Federal law: NO (taxable)

YES (tax-exempt) If the issue is Federally tax-exempt, is interest a specific preference item for the purpose of alternative minimum tax?

Yes, preference item No, not a preference item

IS ANY PORTION OF THE DEBT FOR REFUNDING?

No Yes

TYPE OF DEBT INSTRUMENT

NOTE

- Tax anticipation
- Tax and revenue anticipation
- Revenue anticipation
- Bond anticipation
- Grant anticipation
- Tax allocation
- Other note (Please specify below.)

BOND

- General obligation
- Limited tax obligation
- Revenue (Public enterprise)
- Conduit revenue (Private obligor)
- Special assessment
- Tax allocation
- Other bond (Please specify below.)

FINANCING LEASE

CERTIFICATES OF PARTICIPATION

COMMERCIAL PAPER

OTHER (Please specify below.)

Please specify if "Other note/Other bond/OTHER" was checked:

SOURCE(S) OF REPAYMENT

- Public enterprise revenues
- Private obligor payments
- Bond proceeds
- Grants
- Intergovernmental transfers other than grants
- Tax-increment
- Special assessments
- Special tax revenues
- Property tax revenues

Other (Please specify.): Pledged Revenues

¹ §12-6A-6(2) of the West Virginia Code requires the issuer of any proposed new State debt issue to give written notice of the proposed sale to the Treasurer no later than 30 days prior to the sale.

AUG 11 P 2:45 WEST VIRGINIA STATE TREASURER

PURPOSE(S) OF FINANCING

- Cash flow, interim financing
- Single-family housing
- Multifamily housing
- College/university housing
- Hospital
- Health care facilities
- Other/multiple health care purposes (equipment, etc.)
- K-12 school facility
- College/university facility
- Student loans
- Other/multiple educational uses (equipment, etc.)
- Redevelopment, multiple uses
- Pollution control
- Commercial development
- Industrial development
- Airport
- Ports and marinas
- Recreation and sports facilities
- Parks/open space
- Power generation/transmission
- Parking
- Convention center
- Solid waste recovery facilities
- Equipment
- Flood control/storm drainage
- Water supply/storage/distribution
- Wastewater collection and treatment
- Public transit
- Bridges and highways
- Public building
- Street construction and improvements
- Prisons/jails/correctional facilities
- Multiple capital improvements and public works
- Other capital improvements and public works
- Other than listed above

Please specify type/name of project: State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series A and State of West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities) 2004 Series B

PARTIES INVOLVED

Bond Counsel: Spilman Thomas & Battle, PLLC Tax Counsel: _____

Trustee: J.P. Morgan Trust Co., National Association Financial Advisor: _____

Auditor: _____

Lead Underwriter: Citigroup, Inc., Ferris, Baker Watts, Inc. and Crews & Associates, Inc.

(or PURCHASER: _____ or PLACEMENT AGENT: _____)

Name of individual (representing Bond Counsel, Issuer, Financial Advisor, or Lead Underwriter) who completed this form and may be contacted for information:

Name: Lee O. Hill, Esquire
Firm/Agency: Spilman Thomas & Battle, PLLC
Address: PO Box 273, Charleston, WV 25321-0273
Phone: (304) 340-3802 Date of Completion: August 10, 2004

Contact person at issuing agency, if different from above:
Name: J. Michael Mullen
Title: Chancellor, West Virginia Higher Education Policy Commission
Address: 1018 Kanawha Blvd, East, Suite 700 Charleston, WV 25301
Phone: (304) 558-2101

REPORT OF FINAL SALE
West Virginia State Treasurer's Office
State Capitol Complex, Suite E-145
Charleston, WV 25305
(304) 558-5000

Completion of this form is requested to provide information which was not available when the "Report of Proposed Debt Issuance" was filed with the Treasurer's Office or to verify information which was reported as "proposed." **Additionally, please send a copy of the official statement (or offering circular) with this form to the Treasurer's Office.**



GENERAL INFORMATION

NAME AND ADDRESS

OF ISSUER: West Virginia Higher Education Policy Commission
1080 Kanawha Blvd, East, Suite 700
Charleston, WV 25301

ISSUE NAME: \$167,260,000 State of West Virginia Higher Education Policy Commission Revenue Bonds
(Higher Education Facilities) 2004 Series B

DATED : August 31, 2004 PRINCIPAL AMOUNT SOLD \$167,260,000

INTEREST COST: 4.690234% (Please provide True Interest Cost)

Variable (Please specify)

OFFICIAL STATEMENT: Enclosed To be sent None available

COMPLETE TRANSCRIPT: Enclosed To be sent None available

UNDERWRITER OR PURCHASER: Citigroup Global Markets Inc., Ferris, Baker Watts, Incorporated and Crews & Associates, Inc.

IS THE INTEREST ON THE DEBT EXEMPT FROM TAXATION?

Under State law: NO (taxable) YES (tax-exempt)
Under Federal law: NO (taxable) YES (tax-exempt)

If the issue is Federally tax-exempt, is interest a specific preference item for the purpose of alternative minimum tax?

Yes, preference item No, not a preference item

IS ANY PORTION OF THE DEBT FOR REFUNDING?

No Yes, to advance refund a portion of the 1996 University Bonds (Marshall University)

VIRGINIA

ISSUANCE COSTS

Please indicate the parties involved and the applicable fees. An attachment may be provided in lieu of this form.

Bond Counsel..... \$52,000.00
Underwriter's Counsel..... \$52,000.00
Trustee..... \$5,000.00
Verification Agent..... \$4,000.00
Rating Agency #1 (S&P)..... \$50,400.00
Rating Agency #2 (Moody's)..... \$40,142.40
POS/OS Publication Costs..... \$7,500.00
Miscellaneous..... \$5,000.00

CREDIT RATING

INDICATE CREDIT RATING: (For example, "AAA" or "Aaa")

[X] RATED
Standard & Poor's: AAA
Moody's: Aaa
Fitch:
Other:

[] NOT RATED

CREDIT ENHANCEMENT

WAS THE ISSUE INSURED OR GUARANTEED? [] No [X] Bond insurance [] Letter(s) of credit
[] Other

GUARANTOR'S NAME: Financial Guaranty Insurance Company

DISCOUNT/PREMIUM

The Bond was sold at: [] Par [X] A Discount [X] A Premium

If Bond was sold at a Premium, please indicate amount: \$77,195,000

If Bond was sold at a Discount, please indicate: Original Issue Discount \$11,230,000
Underwriter's Discount \$723,747.00

MATURITY SCHEDULE

Please attach a maturity schedule for the bond issue if an official statement is not submitted with this form.
Provide the following information:

- 1) Maturity Date 2) Principal Amount 3) Interest Rate

OTHER INFORMATION

SOURCE OF FUNDS UTILIZED FOR REPAYMENT OF THE ISSUE: Revenues from the West Virginia Higher Education Policy Commission.

Name of individual (representing Bond Counsel, Issuer, Financial Advisor, or Lead Underwriter) who completed this form and may be contacted for information:

Name: Lee O. Hill

Firm/Agency: Spilman Thomas & Battle, PLLC

Address: P.O. Box 273, Charleston, WV 25321

Phone: (304) 340-3802

Date of Completion: August 31, 2004

Contact person at issuing agency, if different from above:

Name: J. Michael Mullen

Title: Chancellor

Address: 1080 Kanawha Blvd, East, Suite 700, Charleston, WV 25301

Phone: (304) 558-2021

**STANDARD
& POOR'S**

Vincent S. Orgo
Administrative Officer
55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2074
vincent_orgo@standardandpoors.com

Diane P. Brosen
Director
55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-7973
diane_brosen@standardandpoors.com

reference no.: 40153469

August 27, 2004

Financial Guaranty Insurance Co.
125 Park Avenue, 5th Floor
New York, NY 10017
Attention: Mr. Jeffrey Fried, Senior Managing Director

Re: \$167,260,000 State of West Virginia Higher Education Policy Commission, Revenue Bonds (Higher Education Facilities), 2004 Series B, dated: August 31, 2004, Serial Bonds due: April 1, 2005-2024; Term Bonds due: April 1, 2029 and 2034, (POLICY #04010546)

Dear Mr. Fried:

Standard & Poor's has reviewed the rating on the above-referenced obligations. After such review, we have changed the rating to "AAA" from "A+". The rating reflects our assessment of the likelihood of repayment of principal and interest based on the bond insurance policy your company is providing. Therefore, rating adjustments may result from changes in the financial position of your company or from alterations in the documents governing the issue.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

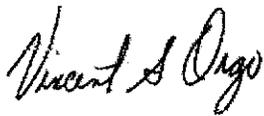
Standard & Poor's relies on the issuer and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

Mr. Jeffrey Fried
Page 2
August 27, 2004

Standard & Poor's is pleased to be of service to you. For more information please visit our website at www.standardandpoors.com. If we can be of help in any other way, please contact us. Thank you for choosing Standard & Poor's and we look forward to working with you again.

Sincerely yours,

Standard & Poor's Ratings Services
a division of The McGraw-Hill Companies, Inc.



By: Vincent S. Orgo
Administrative Officer

ms



Moody's Investors Service

*99 Church Street
New York, New York 10007*

August 27, 2004

Financial Guaranty Insurance Company
125 Park Avenue, 5th Floor
New York, New York 10017

To Whom It May Concern:

Moody's Investors Service has assigned the rating of Aaa (Financial Guaranty Insurance Company Insured - Policy No. **04010546**) to the **\$167,260,000.00** , **State of West Virginia Higher Education Policy Commission—Revenue Bonds (Higher Education Facilities), 2004 Series B** , dated August 31, 2004 which sold through negotiation on August 18, 2004. The rating is based upon an insurance policy provided by Financial Guaranty Insurance Company.

Should you have any questions regarding the above, please do not hesitate to contact the assigned analyst, Margaret Kessler at (212) 553-7884.

Sincerely yours,

Margaret Kessler

Margaret L. Kessler
Vice President/Senior Analyst

MK:SY

\$167,260,000
STATE OF WEST VIRGINIA
HIGHER EDUCATION POLICY COMMISSION
REVENUE BONDS (HIGHER EDUCATION FACILITIES)
2004 SERIES B

MEMORANDUM OF UNDERSTANDING

The Treasurer hereby agrees, in order to provide security to the holders of revenue bonds (the "Bonds") issued by the Higher Education Policy Commission and the predecessors thereto under the General Resolution adopted September 9, 1992 by the Board of Trustees of the University of West Virginia and the General Resolution adopted September 9, 1992 by the Board of Directors of the State College System (as amended and supplemented from time to time, the "General Resolutions"), and payable from (a) the tuition and registration fees, and (b) educational and general capital fees comprising tuition and registration fees in effect as of March 21, 2004, paid by students at West Virginia State Institutions of Higher Education (each an "Institution") pursuant to West Virginia Code § 18-12B and West Virginia Code § 18B-1, 2, 3 and 10, and pledged to the payment of Bonds pursuant to the General Resolutions (the "Pledged Fees"), to prohibit any withdrawals from the capital improvement funds into which such Pledged Fees are deposited held by the Treasurer on behalf of each Institution after each September 1 and February 1, beginning on September 1, 2004, until the amounts on deposit in such funds on and after each such September 1 and February 1 equal one-half of the debt service on the Bonds for the 12-month period beginning on such September 1 of each year (a "Bond Year") allocable to such Institution and will only release funds for such Institution's use in excess of the Institution's allocable amount of such debt service.

The Director of the State Lottery Commission agrees to commence transferring the excess lottery proceeds allocated to the higher education improvement fund by W.Va. Code Section 29-22-18a (the "Excess Lottery Act") to the aforementioned capital improvement funds held by the Treasurer on a monthly basis on July 28, 2004 (or as soon thereafter as the determination described in the last sentence of the following paragraph has been made) and on the 28th day of each month thereafter until the amount required by the "Excess Lottery Act", to be deposited therein in each fiscal year has been deposited to the capital improvement funds.

The Treasurer agrees to continue to disburse the amounts retained as debt service on the Bonds to the Municipal Bond Commission and the Trustee for the Bonds, as the case may be, at the times heretofore or hereafter provided by the General Resolutions for making such debt service transfers. The Higher Education Policy Commission agrees to furnish the Treasurer with the allocable amount payable by each Institution as debt service on the Bonds for each ensuing Bond Year prior to September 1 of such Bond Year. The Higher Education Policy Commission further agrees to certify annually the amounts required for debt service and coverage requirements on Bonds issued by it on or after July 1, 2004, on or before the April 1 of the year next preceding the Bond Year in which such debt service is to be paid, provided however, that with respect to Bonds issued in the Bond Year ending June 30, 2005, such certification shall be

made immediately upon the determination by the Higher Education Policy Commission of the debt service and coverage requirements on such Bonds.

This Memorandum of Understanding is supplemental to that certain Memorandum of Understanding endorsed by the signatories hereto (other than the Lottery Commission) relating to the 2003 Bonds issued by the Higher Education Policy Commission.

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By: 

Mary Claire Eros, Chairman

STATE OF WEST VIRGINIA

By: 

John Perdue, State Treasurer

MUNICIPAL BOND COMMISSION

By: _____
Sara Boardman Acting Executive Director

WEST VIRGINIA LOTTERY COMMISSION

By: _____
John C. Musgrave, Director

made immediately upon the determination by the Higher Education Policy Commission of the debt service and coverage requirements on such Bonds.

This Memorandum of Understanding is supplemental to that certain Memorandum of Understanding endorsed by the signatories hereto (other than the Lottery Commission) relating to the 2003 Bonds issued by the Higher Education Policy Commission.

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By: _____
Mary Claire Eros, Chairman

STATE OF WEST VIRGINIA

By: _____
John Perdue, State Treasurer

MUNICIPAL BOND COMMISSION

By:  _____
Sara Boardman Acting Executive Director

WEST VIRGINIA LOTTERY COMMISSION

By: _____
John C. Musgrave, Director

made immediately upon the determination by the Higher Education Policy Commission of the debt service and coverage requirements on such Bonds.

This Memorandum of Understanding is supplemental to that certain Memorandum of Understanding endorsed by the signatories hereto (other than the Lottery Commission) relating to the 2003 Bonds issued by the Higher Education Policy Commission.

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION

By: _____
Mary Claire Eros, Chairman

STATE OF WEST VIRGINIA

By: _____
John Perdue, State Treasurer

MUNICIPAL BOND COMMISSION

By: _____
Sara Boardman Acting Executive Director

WEST VIRGINIA LOTTERY COMMISSION

By:  _____
John C. Musgrave, Director

**WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION**

**REVENUE BONDS
(HIGHER EDUCATION FACILITIES)
2004 SERIES B**

CAUSEY DEMGEN & MOORE INC.

Certified Public Accountants and Consultants

Suite 4650
1801 California Street
Denver, Colorado 80202-2681
Telephone: (303) 296-2229
Facsimile: (303) 296-3731
www.cdmcpa.com

August 31, 2004

West Virginia Higher Education Policy
Commission
1018 Kanawha Boulevard, East, Suite 700
Charleston, West Virginia 25301

Spilman Thomas & Battle, PLLC
300 Kanawha Boulevard, East
Charleston, West Virginia 25301

Citigroup Global Markets Inc.
One Liberty Place
1650 Market Street, 45th Floor
Philadelphia, Pennsylvania 19103

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017

We have completed our engagement to verify the mathematical accuracy of (a) the computations relating to the adequacy of cash plus U.S. Treasury Securities to be held in escrow to pay the debt service requirements of the State University System Revenue Bonds, Series 1996 (Marshall University Library/Information Center) (only those bonds maturing on and after April 1, 2007 as shown in Exhibit B-1) (herein referred to as the "Refunded Bonds") issued by the State of West Virginia, University of West Virginia Board of Trustees, (b) the computations supporting the conclusion of Bond Counsel that the Revenue Bonds (Higher Education Facilities), 2004 Series B (herein referred to as the "2004 Bonds") to be issued by the West Virginia Higher Education Policy Commission (herein referred to as the "Commission") are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended and (c) the present value savings associated with this refunding transaction. We express no opinion on the attainability of the assumptions or the tax-exempt status of the 2004 Bonds. Our verification was performed solely on the schedules of proposed transactions, provided by Citigroup Global Markets Inc. (herein referred to as the "Underwriter"), and which are reflected in Exhibits A through E, which were prepared by us in performing the verification of the mathematical accuracy of the computations in the schedules provided.

The scope of our engagement consisted of performing the procedures described herein. These procedures were performed in a manner that we deem to be appropriate.

The accompanying exhibits of proposed transactions were prepared on the basis of assumptions and in accordance with the procedures described herein. We did not independently confirm the information used with outside parties.

OUR UNDERSTANDING OF THE TRANSACTION

The 2004 Bonds are to be issued on August 31, 2004 to advance refund the Refunded Bonds and to finance certain capital improvements. A portion of the proceeds of the 2004-2 Bonds (as described

CDM

herein) will be used to purchase U.S. Treasury Securities and to provide cash which will be placed into an escrow account to advance refund the Refunded Bonds.

For purposes of this report, the 2004 Bonds will be considered to consist of three distinct parts: (1) bonds used to fund capital improvements associated with the Higher Education Facilities (as shown in Exhibit C-1 and herein referred to as the "2004-1 Bonds"), (2) bonds used to advance refund the Refunded Bonds (as shown in Exhibit C-2 and herein referred to as the "2004-2 Bonds"), and (3) bonds used to fund capital improvements associated with the University System (as shown in Exhibit C-3 and herein referred to as the "2004-3 Bonds").

The Escrow Agent will pay the debt service requirements of the Refunded Bonds on each scheduled payment date through and including April 1, 2006 and will redeem the Refunded Bonds, at a redemption price equal to 101% of par, on such date, which is the first optional redemption date.

ESCROW ACCOUNT TRANSACTIONS

We verified the mathematical accuracy of the accompanying calculations of the escrow account transactions proposed to advance refund the Refunded Bonds.

The presently outstanding debt service requirements of the Refunded Bonds will be satisfied by the purchase of U.S. Treasury Securities (as described in Exhibit A-2) plus \$0.23 in cash. The securities and cash will be placed in an irrevocable escrow account and held therein until the Refunded Bonds are redeemed as previously described.

We read a copy of the Official Statement for the Refunded Bonds insofar as such obligations are described with respect to principal outstanding, interest rates, maturity dates, and redemption provisions. We assumed this document to be accurate, and all debt service payments on the Refunded Bonds to be current as of August 31, 2004. We compared the above information set forth in such Official Statement with the related information contained in the schedules provided to us and found the information to be consistent.

We compared the subscribed interest rates of the U.S. Treasury Securities (State and Local Government Series) to be purchased and placed in escrow with the maximum allowable interest rates as published in the Department of the Treasury, Bureau of the Public Debt Form PD 4262 for August 18, 2004 and found the subscribed rates to be less than or equal to the maximum allowable rates that were in effect on the subscription date for each respective maturity date.

Based on the procedures and information set forth above, the computations provided to us and represented in Exhibits A through B, which indicate that the cash and securities proposed to be placed in escrow by the Commission will produce the amounts necessary to provide for the timely payment of the proposed debt payment schedule on the Refunded Bonds, are mathematically correct.

YIELD ON THE 2004 BONDS

We verified the mathematical accuracy of the accompanying computations of the yield on the 2004 Bonds as of August 31, 2004. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the combined payments to be made on the 2004 Bonds to an amount equal to the aggregate target purchase price of the 2004 Bonds. The computations were made using a 360-day year with interest compounded semi-annually and treated \$6,018,720.40 as the net original issue premium and \$681,859.02 as the bond insurance premium (which results in an aggregate target purchase price of \$172,596,861.38).

In conducting our verification, we assumed that the re-offering prices of the 2004 Bonds are as described in Exhibits C-1 through C-3, that the 2004 Bonds stated to mature on or before April 1, 2014 are not optionally callable, and that the 2004 Bonds stated to mature on and after April 1, 2015 are optionally callable at par on and after April 1, 2014. We tested to determine whether any combination of optional redemptions of the 2004 Bonds stated to mature on April 1, 2015 through and including April 1, 2024 (which represent the only callable maturities with reoffering prices in excess of the safe harbor limit of 102.250%) (herein referred to as the "Callable Premium Bonds") would result in a lower yield on the 2004 Bonds than that realized by assuming that such bonds are retired on their stated maturity dates. We assumed that all other maturities of the 2004 Bonds would be retired on the dates and in the amounts set forth in Exhibits C-1 through C-3.

Based upon the procedures and information set forth above, the computations provided to us and represented in Exhibits C through C-3, which indicate that the yield on the 2004 Bonds, assuming the Callable Premium Bonds are redeemed at par on April 1, 2014, is 4.62161% are mathematically correct. It is our opinion that computing the aforementioned yield on the 2004 Bonds by treating the Callable Premium Bonds as redeemed at par on April 1, 2014 results in the lowest yield on the 2004 Bonds of all possible payment permutations thereon.

YIELD ON THE INVESTMENT IN ESCROWED OBLIGATIONS PURCHASED WITH 2004-2 BOND PROCEEDS

We verified the mathematical accuracy of the accompanying computation of the yield on the investment in escrowed U.S. Treasury Securities purchased with 2004-2 Bond proceeds based on an assumed settlement date of August 31, 2004 and a purchase price of \$10,178,618.00. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the cash receipts from the escrowed securities to an amount equal to the purchase price of the escrowed securities. The computations were made using a 360-day year with interest compounded semi-annually and were based on the dates the funds are to be received in the escrow account, and assume that all cash balances are not reinvested.

Based upon the procedures and information set forth above, the computations provided to us and represented in Exhibit D, which indicate that the yield on the escrowed securities purchased with 2004-2 Bond proceeds is 2.15224% (which is less than the yield on the 2004 Bonds), are mathematically correct.

PRESENT VALUE SAVINGS

We verified the mathematical accuracy of the accompanying computation of the present value savings resulting from the refunding of the Refunded Bonds based on an assumed settlement date of August 31, 2004. The computation was made using a 360-day year with interest compounded semi-annually. The computation was based on the assumptions that (1) the debt service requirements of the Refunded Bonds would have been paid on the regularly scheduled payment dates, without optional redemption prior to maturity, (2) the debt service requirements of the 2004-2 Bonds will be paid on the regularly scheduled payment dates, without optional redemption prior to maturity, (3) a shortage in 2004-2 Bond proceeds of \$2,444.49 will be paid by the Commission at closing, and (4) the annual discount rate for purposes of this calculation is 4.62161%.

Based on the procedures and information set forth above, the computations in Exhibit E, which indicate that the present value savings associated with this refunding transaction is \$574,486.40, are mathematically correct.

USE OF THIS REPORT

It is understood that this report is solely for the information of and assistance to the addressees hereof in connection with the offering of the 2004 Bonds and is not to be used, relied upon, circulated, quoted or otherwise referred to for any other purpose without our written consent, except that (i) reference may be made in the Official Statement for the 2004 Bonds in the section captioned "Verification of Mathematical Computations," (ii) reference may be made to the report in the purchase contract or in any closing documents pertaining to the offering of the 2004 Bonds, (iii) the report may be used in its entirety as an exhibit to the escrow agreement for the Refunded Bonds, (iv) the report may be included in the transcripts pertaining to the issuance of the 2004 Bonds, (v) the report may be relied upon by Bond Counsel in connection with its opinions concerning the Refunded Bonds and the 2004 Bonds, (vi) the report may be relied upon by any rating agency or bond insurer that shall have rated or insured or that will rate or insure the Refunded Bonds or the 2004 Bonds, and (vii) the report may be relied upon by the Escrow Agent for the Refunded Bonds.

The scope of our engagement is deemed by the addressees hereto to be sufficient to assist such parties in evaluating the mathematical accuracy of the various computations cited above. The sufficiency of this scope is solely the responsibility of the specified users of this report and should not be taken to supplant any additional inquiries or procedures that the users would undertake in their consideration of the issuance of the bonds related to the transaction described herein. We make no representation regarding the sufficiency of the scope of this engagement. This report should not be used by any party who does not agree to the scope set forth herein and who does not take responsibility for the sufficiency and appropriateness of such scope for their purposes.

West Virginia Higher Education Policy Commission
August 31, 2004
Page 5

We have no obligation to update this report because of events, circumstances, or transactions occurring subsequent to the date of this report.

Very truly yours,

Couray Demgen & Moore Inc.

EXHIBIT A

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B

ESCROW ACCOUNT CASH FLOW
AS OF AUGUST 31, 2004

<u>Date</u>	<u>Total Cash Receipts From U.S. Treasury Securities (Exhibit A-1)</u>	<u>Cash Disbursements From Escrow (Exhibit B)</u>	<u>Cash Balance</u>
Beginning Balance:			\$0.23
01-Oct-04	\$263,592.74	\$263,592.50	0.47
01-Apr-05	263,592.87	263,592.50	0.84
01-Oct-05	263,591.83	263,592.50	0.17
01-Apr-06	9,722,242.33	9,722,242.50	0.00
	<u>\$10,513,019.77</u>	<u>\$10,513,020.00</u>	

**WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B**

**CASH RECEIPTS FROM THE ESCROWED SECURITIES
AS OF AUGUST 31, 2004**

	\$245,460.00	\$156,607.00	\$158,187.00	\$9,618,364.00	
	1.330000%	1.730000%	1.930000%	2.160000%	Total
Payment	SLGS (1)	SLGS (1)	SLGS (2)	SLGS (2)	Cash
Date	01-Oct-04	01-Apr-05	01-Oct-05	01-Apr-06	Receipts
01-Oct-04	\$245,737.27		\$258.59	\$17,596.88	\$263,592.74
01-Apr-05		\$158,188.04	1,526.50	103,878.33	263,592.87
01-Oct-05			159,713.50	103,878.33	263,591.83
01-Apr-06				9,722,242.33	9,722,242.33
	<u>\$245,737.27</u>	<u>\$158,188.04</u>	<u>\$161,498.59</u>	<u>\$9,947,595.87</u>	<u>\$10,513,019.77</u>

- (1) U.S. Treasury Certificate of Indebtedness (State and Local Government Series).
(2) U.S. Treasury Note or Bond (State and Local Government Series).

**WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B**

**DESCRIPTION OF THE ESCROWED SECURITIES
AS OF AUGUST 31, 2004**

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Total Cost
SLGS	31-Aug-04	01-Oct-04	\$245,460.00	1.330%	100.000000%	\$245,460.00
SLGS	31-Aug-04	01-Apr-05	156,607.00	1.730%	100.000000%	156,607.00
SLGS	31-Aug-04	01-Oct-05	158,187.00	1.930%	100.000000%	158,187.00
SLGS	31-Aug-04	01-Apr-06	9,618,364.00	2.160%	100.000000%	9,618,364.00
			<u>\$10,178,618.00</u>			<u>\$10,178,618.00</u>

**WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B**

**ESCROW ACCOUNT DISBURSEMENT REQUIREMENTS FOR THE REFUNDED BONDS
AS OF AUGUST 31, 2004**

Payment Date	Rate	Payment For			Total
		Principal Redeemed	Interest	Premium	
01-Oct-04			\$263,592.50		\$263,592.50
01-Apr-05			263,592.50		263,592.50
01-Oct-05			263,592.50		263,592.50
01-Apr-06	Various	\$9,365,000.00	263,592.50	\$93,650.00	9,722,242.50
		<u>\$9,365,000.00</u>	<u>\$1,054,370.00</u>	<u>\$93,650.00</u>	<u>\$10,513,020.00</u>

**WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B**

**DEBT SERVICE REQUIREMENTS FOR THE REFUNDED BONDS
ASSUMING NO OPTIONAL REDEMPTIONS PRIOR TO MATURITY
AS OF AUGUST 31, 2004**

(FOR INFORMATIONAL PURPOSES ONLY)

Payment Date	Rate	Payment For			Interest	Total Debt Payment
		Principal	Rate	Principal		
01-Oct-04					\$263,592.50	\$263,592.50
01-Apr-05					263,592.50	263,592.50
01-Oct-05					263,592.50	263,592.50
01-Apr-06					263,592.50	263,592.50
01-Oct-06					263,592.50	263,592.50
01-Apr-07	5.200%	\$725,000.00			263,592.50	988,592.50
01-Oct-07					244,742.50	244,742.50
01-Apr-08	5.400%	765,000.00			244,742.50	1,009,742.50
01-Oct-08					224,087.50	224,087.50
01-Apr-09	5.500%	805,000.00			224,087.50	1,029,087.50
01-Oct-09					201,950.00	201,950.00
01-Apr-10	5.600%	500,000.00	5.600%	\$350,000.00	201,950.00	1,051,950.00
01-Oct-10					178,150.00	178,150.00
01-Apr-11			5.600%	900,000.00	178,150.00	1,078,150.00
01-Oct-11					152,950.00	152,950.00
01-Apr-12			5.750%	950,000.00	152,950.00	1,102,950.00
01-Oct-12					125,637.50	125,637.50
01-Apr-13			5.750%	1,005,000.00	125,637.50	1,130,637.50
01-Oct-13					96,743.75	96,743.75
01-Apr-14			5.750%	1,060,000.00	96,743.75	1,156,743.75
01-Oct-14					66,268.75	66,268.75
01-Apr-15			5.750%	1,120,000.00	66,268.75	1,186,268.75
01-Oct-15					34,068.75	34,068.75
01-Apr-16			5.750%	1,185,000.00	34,068.75	1,219,068.75
		<u>\$2,795,000.00</u>		<u>\$6,570,000.00</u>	<u>\$4,230,752.50</u>	<u>\$13,595,752.50</u>

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B

YIELD ON THE 2004 BONDS
AS OF AUGUST 31, 2004

Payment Date	Payment For				Adjusted Debt Payment	Present Value at August 31, 2004 Using a Semi-Annually Compounded Yield of 4.62161%
	2004-1 Bonds (Exhibit C-1)	2004-2 Bonds (Exhibit C-2)	2004-3 Bonds (Exhibit C-3)	Total		
01-Apr-05	\$4,569,195.17	\$473,862.78	\$5,430,498.57	\$10,473,556.52	\$10,473,556.52	\$10,196,801.67
01-Oct-05	2,016,930.00	205,550.00	1,669,917.50	3,892,397.50	3,892,397.50	3,703,953.04
01-Apr-06	3,466,930.00	260,550.00	2,844,917.50	6,572,397.50	6,572,397.50	6,112,946.63
01-Oct-06	1,980,680.00	204,175.00	1,640,542.50	3,825,397.50	3,825,397.50	3,477,617.78
01-Apr-07	3,500,680.00	984,175.00	2,875,542.50	7,360,397.50	7,360,397.50	6,540,109.84
01-Oct-07	1,964,720.00	195,985.00	1,627,575.00	3,788,280.00	3,788,280.00	3,290,063.95
01-Apr-08	3,519,720.00	995,985.00	2,887,575.00	7,403,280.00	7,403,280.00	6,284,416.19
01-Oct-08	1,925,845.00	175,985.00	1,596,075.00	3,697,905.00	3,697,905.00	3,068,138.84
01-Apr-09	3,555,845.00	1,015,985.00	2,921,075.00	7,492,905.00	7,492,905.00	6,076,422.75
01-Oct-09	1,903,025.00	164,225.00	1,577,525.00	3,644,775.00	3,644,775.00	2,888,996.22
01-Apr-10	3,578,025.00	1,029,225.00	2,937,525.00	7,544,775.00	7,544,775.00	5,845,222.38
01-Oct-10	1,877,900.00	151,250.00	1,557,125.00	3,586,275.00	3,586,275.00	2,715,568.97
01-Apr-11	3,607,900.00	1,041,250.00	2,952,125.00	7,601,275.00	7,601,275.00	5,625,979.96
01-Oct-11	1,849,000.00	129,000.00	1,522,250.00	3,500,250.00	3,500,250.00	2,532,149.22
01-Apr-12	3,634,000.00	1,064,000.00	2,992,250.00	7,690,250.00	7,690,250.00	5,437,624.14
01-Oct-12	1,804,375.00	105,625.00	1,485,500.00	3,395,500.00	3,395,500.00	2,346,664.25
01-Apr-13	3,679,375.00	1,085,625.00	3,030,500.00	7,795,500.00	7,795,500.00	5,265,864.66
01-Oct-13	1,757,500.00	81,125.00	1,446,875.00	3,285,500.00	3,285,500.00	2,169,230.41
01-Apr-14	3,727,500.00	1,111,125.00	3,066,875.00	7,905,500.00	\$49,605,000.00	57,510,500.00
01-Oct-14	1,708,250.00	55,375.00	1,406,375.00	3,170,000.00	(1,240,125.00)	1,929,875.00
01-Apr-15	3,773,250.00	1,135,375.00	3,111,375.00	8,020,000.00	(6,090,125.00)	1,929,875.00
01-Oct-15	1,656,625.00	28,375.00	1,363,750.00	3,048,750.00	(1,118,875.00)	1,929,875.00
01-Apr-16	3,826,625.00	1,163,375.00	3,148,750.00	8,138,750.00	(6,208,875.00)	1,929,875.00
01-Oct-16	1,602,375.00		1,319,125.00	2,921,500.00	(991,625.00)	1,929,875.00
01-Apr-17	3,882,375.00		3,194,125.00	7,076,500.00	(5,146,625.00)	1,929,875.00
01-Oct-17	1,545,375.00		1,272,250.00	2,817,625.00	(887,750.00)	1,929,875.00
01-Apr-18	3,940,375.00		3,237,250.00	7,177,625.00	(5,247,750.00)	1,929,875.00
01-Oct-18	1,485,500.00		1,223,125.00	2,708,625.00	(778,750.00)	1,929,875.00
01-Apr-19	3,995,500.00		3,293,125.00	7,288,625.00	(5,358,750.00)	1,929,875.00
01-Oct-19	1,422,750.00		1,171,375.00	2,594,125.00	(664,250.00)	1,929,875.00
01-Apr-20	4,062,750.00		3,341,375.00	7,404,125.00	(5,474,250.00)	1,929,875.00
01-Oct-20	1,356,750.00		1,117,125.00	2,473,875.00	(544,000.00)	1,929,875.00
01-Apr-21	4,126,750.00		3,397,125.00	7,523,875.00	(5,594,000.00)	1,929,875.00
01-Oct-21	1,287,500.00		1,060,125.00	2,347,625.00	(417,750.00)	1,929,875.00
01-Apr-22	4,197,500.00		3,450,125.00	7,647,625.00	(5,717,750.00)	1,929,875.00
01-Oct-22	1,214,750.00		1,000,375.00	2,215,125.00	(285,250.00)	1,929,875.00
01-Apr-23	4,269,750.00		3,510,375.00	7,780,125.00	(5,850,250.00)	1,929,875.00
01-Oct-23	1,138,375.00		937,625.00	2,076,000.00	(146,125.00)	1,929,875.00
01-Apr-24	4,343,375.00		3,577,625.00	7,921,000.00	(5,991,125.00)	1,929,875.00
01-Oct-24	1,058,250.00		871,625.00	1,929,875.00		1,929,875.00
01-Apr-25	4,423,250.00		3,641,625.00	8,064,875.00		8,064,875.00
01-Oct-25	974,125.00		802,375.00	1,776,500.00		1,776,500.00
01-Apr-26	4,509,125.00		3,712,375.00	8,221,500.00		8,221,500.00
01-Oct-26	885,750.00		729,625.00	1,615,375.00		1,615,375.00
01-Apr-27	4,595,750.00		3,784,625.00	8,380,375.00		8,380,375.00
01-Oct-27	793,000.00		653,250.00	1,446,250.00		1,446,250.00
01-Apr-28	4,688,000.00		3,863,250.00	8,551,250.00		8,551,250.00
01-Oct-28	695,625.00		573,000.00	1,268,625.00		1,268,625.00
01-Apr-29	4,785,625.00		3,943,000.00	8,728,625.00		8,728,625.00
01-Oct-29	593,375.00		488,750.00	1,082,125.00		1,082,125.00
01-Apr-30	4,888,375.00		4,028,750.00	8,917,125.00		8,917,125.00
01-Oct-30	486,000.00		400,250.00	886,250.00		886,250.00
01-Apr-31	4,996,000.00		4,115,250.00	9,111,250.00		9,111,250.00
01-Oct-31	373,250.00		307,375.00	680,625.00		680,625.00
01-Apr-32	5,108,250.00		4,207,375.00	9,315,625.00		9,315,625.00
01-Oct-32	254,875.00		209,875.00	464,750.00		464,750.00
01-Apr-33	5,229,875.00		4,304,875.00	9,534,750.00		9,534,750.00
01-Oct-33	130,500.00		107,500.00	238,000.00		238,000.00
01-Apr-34	5,350,500.00		4,407,500.00	9,758,000.00		9,758,000.00
	\$163,575,145.17	\$12,857,202.78	\$136,347,018.57	\$312,779,366.52	(\$14,149,000.00)	\$298,630,366.52
						\$172,596,861.38

Dated Date: 31-Aug-04
Delivery Date: 31-Aug-04

The above aggregate present value of the future payments equals the following:

	2004-1 Bonds	2004-2 Bonds	2004-3 Bonds	Total
Par Value of the Issue	\$85,650,000.00	\$9,615,000.00	\$71,995,000.00	\$167,260,000.00
Net Original Issue Premium	2,845,606.35	654,182.10	2,518,931.95	6,018,720.40
Bond Insurance Premium	(349,164.33)	(39,196.90)	(293,497.79)	(681,859.02)
Proceeds on Delivery Date	\$88,146,442.02	\$10,229,985.20	\$74,220,434.16	\$172,596,861.38

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B

2004-1 BOND DEBT SERVICE REQUIREMENTS AND PRODUCTION
AS OF AUGUST 31, 2004

Payment Date	Rate	Payment For			Total Debt Payment	Reoffering Price	Reoffering Price	Original Issue Premium/ (Discount)	Total Production
		Principal	Rate	Principal					
01-Apr-05	6.000%	\$2,130,000.00			\$2,439,195.17			\$57,701.70	\$2,187,701.70
01-Oct-05					2,016,930.00	102.709%			
01-Apr-06	5.000%	1,450,000.00			2,016,930.00			76,284.50	1,526,284.50
01-Oct-06					1,980,680.00	105.261%			
01-Apr-07	2.100%	1,520,000.00			1,980,680.00			(1,155.20)	1,518,844.80
01-Oct-07					1,964,720.00	99.924%			
01-Apr-08	5.000%	1,555,000.00			1,964,720.00			131,304.20	1,686,304.20
01-Oct-08					1,925,845.00	108.444%			
01-Apr-09	2.800%	1,630,000.00			1,925,845.00			(1,418.10)	1,628,581.90
01-Oct-09					1,903,025.00	99.913%			
01-Apr-10	3.000%	1,675,000.00			1,903,025.00			(3,450.50)	1,671,549.50
01-Oct-10					1,877,900.00	99.794%			
01-Apr-11	5.000%	90,000.00	3.250%	\$1,640,000.00	1,877,900.00			8,207.50	1,738,207.50
01-Oct-11					1,849,000.00	110.231%	99.939%		
01-Apr-12	5.000%	1,785,000.00			1,849,000.00			184,426.20	1,969,426.20
01-Oct-12					1,849,000.00	110.332%			
01-Apr-13	5.000%	1,875,000.00			1,804,375.00			187,931.25	2,062,931.25
01-Oct-13					1,804,375.00	110.023%			
01-Apr-14	5.000%	1,970,000.00			1,757,500.00			198,300.20	2,168,300.20
01-Oct-14					1,757,500.00	110.066%			
01-Apr-15	5.000%	2,065,000.00			1,708,250.00			185,292.45	2,250,292.45
01-Oct-15					1,708,250.00	108.973%			
01-Apr-16	5.000%	2,170,000.00			1,656,625.00			180,240.20	2,350,240.20
01-Oct-16					1,656,625.00	108.306%			
01-Apr-17	5.000%	2,280,000.00			1,602,375.00			174,283.20	2,454,283.20
01-Oct-17					1,602,375.00	107.644%			
01-Apr-18	5.000%	2,395,000.00			1,545,375.00			167,338.65	2,562,338.65
01-Oct-18					1,545,375.00	106.987%			
01-Apr-19	5.000%	2,510,000.00			1,485,500.00			156,975.40	2,666,975.40
01-Oct-19					1,485,500.00	106.254%			
01-Apr-20	5.000%	2,640,000.00			1,422,750.00			148,024.80	2,788,024.80
01-Oct-20					1,422,750.00	105.607%			
01-Apr-21	5.000%	2,770,000.00			1,356,750.00			135,342.20	2,905,342.20
01-Oct-21					1,356,750.00	104.886%			
01-Apr-22	5.000%	2,910,000.00			1,287,500.00			125,944.80	3,035,944.80
01-Oct-22					1,287,500.00	104.328%			
01-Apr-23	5.000%	3,055,000.00			1,214,750.00			112,912.80	3,167,912.80
01-Oct-23					1,214,750.00	103.696%			
01-Apr-24	5.000%	3,205,000.00			1,138,375.00			98,329.40	3,303,329.40
01-Oct-24					1,138,375.00	103.068%			
01-Apr-25	5.000%	3,365,000.00			1,058,250.00			45,898.60	3,410,898.60
01-Oct-25					1,058,250.00	101.364%			
01-Apr-26	5.000%	3,535,000.00			974,125.00			48,217.40	3,583,217.40
01-Oct-26					974,125.00	101.364%			
01-Apr-27	5.000%	3,710,000.00			885,750.00			50,604.40	3,760,604.40
01-Oct-27					885,750.00	101.364%			
01-Apr-28	5.000%	3,895,000.00			793,000.00			53,127.80	3,948,127.80
01-Oct-28					793,000.00	101.364%			
01-Apr-29	5.000%	4,090,000.00			695,625.00			55,787.60	4,145,787.60
01-Oct-29					695,625.00	101.364%			
01-Apr-30	5.000%	4,295,000.00			593,375.00			48,705.30	4,343,705.30
01-Oct-30					593,375.00	101.134%			
01-Apr-31	5.000%	4,510,000.00			486,000.00			51,143.40	4,561,143.40
01-Oct-31					486,000.00	101.134%			
01-Apr-32	5.000%	4,735,000.00			373,250.00			53,694.90	4,788,694.90
01-Oct-32					373,250.00	101.134%			
01-Apr-33	5.000%	4,975,000.00			254,875.00			56,416.50	5,031,416.50
01-Oct-33					254,875.00	101.134%			
01-Apr-34	5.000%	5,220,000.00			130,500.00				
					130,500.00	101.134%			
					5,350,500.00			59,194.80	5,279,194.80
								\$2,845,606.35	\$88,495,606.35
		\$84,010,000.00		\$1,640,000.00	\$77,925,145.17				
					\$163,575,145.17				

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B

2004-2 BOND DEBT SERVICE REQUIREMENTS AND PRODUCTION
AS OF AUGUST 31, 2004

Payment Date	Rate	Payment For		Total Debt Payment	Reoffering Price	Original Issue Premium/ (Discount)	Total Production
		Principal	Interest				
01-Apr-05	6.000%	\$225,000.00	\$248,862.78	\$473,862.78	102.709%	\$6,095.25	\$231,095.25
01-Oct-05			205,550.00	205,550.00			
01-Apr-06	5.000%	55,000.00	205,550.00	260,550.00	105.261%	2,893.55	57,893.55
01-Oct-06			204,175.00	204,175.00			
01-Apr-07	2.100%	780,000.00	204,175.00	984,175.00	99.924%	(592.80)	779,407.20
01-Oct-07			195,985.00	195,985.00			
01-Apr-08	5.000%	800,000.00	195,985.00	995,985.00	108.444%	67,552.00	867,552.00
01-Oct-08			175,985.00	175,985.00			
01-Apr-09	2.800%	840,000.00	175,985.00	1,015,985.00	99.913%	(730.80)	839,269.20
01-Oct-09			164,225.00	164,225.00			
01-Apr-10	3.000%	865,000.00	164,225.00	1,029,225.00	99.794%	(1,781.90)	863,218.10
01-Oct-10			151,250.00	151,250.00			
01-Apr-11	5.000%	890,000.00	151,250.00	1,041,250.00	110.231%	91,055.90	981,055.90
01-Oct-11			129,000.00	129,000.00			
01-Apr-12	5.000%	935,000.00	129,000.00	1,064,000.00	110.332%	96,604.20	1,031,604.20
01-Oct-12			105,625.00	105,625.00			
01-Apr-13	5.000%	980,000.00	105,625.00	1,085,625.00	110.023%	98,225.40	1,078,225.40
01-Oct-13			81,125.00	81,125.00			
01-Apr-14	5.000%	1,030,000.00	81,125.00	1,111,125.00	110.066%	103,679.80	1,133,679.80
01-Oct-14			55,375.00	55,375.00			
01-Apr-15	5.000%	1,080,000.00	55,375.00	1,135,375.00	108.973%	96,908.40	1,176,908.40
01-Oct-15			28,375.00	28,375.00			
01-Apr-16	5.000%	1,135,000.00	28,375.00	1,163,375.00	108.306%	94,273.10	1,229,273.10
		<u>\$9,615,000.00</u>	<u>\$3,242,202.78</u>	<u>\$12,857,202.78</u>		<u>\$654,182.10</u>	<u>\$10,269,182.10</u>

WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B

2004-3 BOND DEBT SERVICE REQUIREMENTS AND PRODUCTION
AS OF AUGUST 31, 2004

Payment Date	Rate	Payment For		Total Debt Payment	Reoffering Price	Original Issue Premium/ (Discount)	Total Production
		Principal	Interest				
01-Apr-05	6.000%	\$3,355,000.00	\$2,075,498.57	\$5,430,498.57	102.709%	\$90,886.95	\$3,445,886.95
01-Oct-05			1,669,917.50	1,669,917.50			
01-Apr-06	5.000%	1,175,000.00	1,669,917.50	2,844,917.50	105.261%	61,816.75	1,236,816.75
01-Oct-06			1,640,542.50	1,640,542.50			
01-Apr-07	2.100%	1,235,000.00	1,640,542.50	2,875,542.50	99.924%	(938.60)	1,234,061.40
01-Oct-07			1,627,575.00	1,627,575.00			
01-Apr-08	5.000%	1,260,000.00	1,627,575.00	2,887,575.00	108.444%	106,394.40	1,366,394.40
01-Oct-08			1,596,075.00	1,596,075.00			
01-Apr-09	2.800%	1,325,000.00	1,596,075.00	2,921,075.00	99.913%	(1,152.75)	1,323,847.25
01-Oct-09			1,577,525.00	1,577,525.00			
01-Apr-10	3.000%	1,360,000.00	1,577,525.00	2,937,525.00	99.794%	(2,801.60)	1,357,198.40
01-Oct-10			1,557,125.00	1,557,125.00			
01-Apr-11	5.000%	1,395,000.00	1,557,125.00	2,952,125.00	110.231%	142,722.45	1,537,722.45
01-Oct-11			1,522,250.00	1,522,250.00			
01-Apr-12	5.000%	1,470,000.00	1,522,250.00	2,992,250.00	110.332%	151,880.40	1,621,880.40
01-Oct-12			1,485,500.00	1,485,500.00			
01-Apr-13	5.000%	1,545,000.00	1,485,500.00	3,030,500.00	110.023%	154,855.35	1,699,855.35
01-Oct-13			1,446,875.00	1,446,875.00			
01-Apr-14	5.000%	1,620,000.00	1,446,875.00	3,066,875.00	110.066%	163,069.20	1,783,069.20
01-Oct-14			1,406,375.00	1,406,375.00			
01-Apr-15	5.000%	1,705,000.00	1,406,375.00	3,111,375.00	108.973%	152,989.65	1,857,989.65
01-Oct-15			1,363,750.00	1,363,750.00			
01-Apr-16	5.000%	1,785,000.00	1,363,750.00	3,148,750.00	108.306%	148,262.10	1,933,262.10
01-Oct-16			1,319,125.00	1,319,125.00			
01-Apr-17	5.000%	1,875,000.00	1,319,125.00	3,194,125.00	107.644%	143,325.00	2,018,325.00
01-Oct-17			1,272,250.00	1,272,250.00			
01-Apr-18	5.000%	1,965,000.00	1,272,250.00	3,237,250.00	106.987%	137,294.55	2,102,294.55
01-Oct-18			1,223,125.00	1,223,125.00			
01-Apr-19	5.000%	2,070,000.00	1,223,125.00	3,293,125.00	106.254%	129,457.80	2,199,457.80
01-Oct-19			1,171,375.00	1,171,375.00			
01-Apr-20	5.000%	2,170,000.00	1,171,375.00	3,341,375.00	105.607%	121,671.90	2,291,671.90
01-Oct-20			1,117,125.00	1,117,125.00			
01-Apr-21	5.000%	2,280,000.00	1,117,125.00	3,397,125.00	104.886%	111,400.80	2,391,400.80
01-Oct-21			1,060,125.00	1,060,125.00			
01-Apr-22	5.000%	2,390,000.00	1,060,125.00	3,450,125.00	104.328%	103,439.20	2,493,439.20
01-Oct-22			1,000,375.00	1,000,375.00			
01-Apr-23	5.000%	2,510,000.00	1,000,375.00	3,510,375.00	103.696%	92,769.60	2,602,769.60
01-Oct-23			937,625.00	937,625.00			
01-Apr-24	5.000%	2,640,000.00	937,625.00	3,577,625.00	103.068%	80,995.20	2,720,995.20
01-Oct-24			871,625.00	871,625.00			
01-Apr-25	5.000%	2,770,000.00	871,625.00	3,641,625.00	101.364%	37,782.80	2,807,782.80
01-Oct-25			802,375.00	802,375.00			
01-Apr-26	5.000%	2,910,000.00	802,375.00	3,712,375.00	101.364%	39,692.40	2,949,692.40
01-Oct-26			729,625.00	729,625.00			
01-Apr-27	5.000%	3,055,000.00	729,625.00	3,784,625.00	101.364%	41,670.20	3,096,670.20
01-Oct-27			653,250.00	653,250.00			
01-Apr-28	5.000%	3,210,000.00	653,250.00	3,863,250.00	101.364%	43,784.40	3,253,784.40
01-Oct-28			573,000.00	573,000.00			
01-Apr-29	5.000%	3,370,000.00	573,000.00	3,943,000.00	101.364%	45,966.80	3,415,966.80
01-Oct-29			488,750.00	488,750.00			
01-Apr-30	5.000%	3,540,000.00	488,750.00	4,028,750.00	101.134%	40,143.60	3,580,143.60
01-Oct-30			400,250.00	400,250.00			
01-Apr-31	5.000%	3,715,000.00	400,250.00	4,115,250.00	101.134%	42,128.10	3,757,128.10
01-Oct-31			307,375.00	307,375.00			
01-Apr-32	5.000%	3,900,000.00	307,375.00	4,207,375.00	101.134%	44,226.00	3,944,226.00
01-Oct-32			209,875.00	209,875.00			
01-Apr-33	5.000%	4,095,000.00	209,875.00	4,304,875.00	101.134%	46,437.30	4,141,437.30
01-Oct-33			107,500.00	107,500.00			
01-Apr-34	5.000%	4,300,000.00	107,500.00	4,407,500.00	101.134%	48,762.00	4,348,762.00
		\$71,995,000.00	\$64,352,018.57	\$136,347,018.57		\$2,518,931.95	\$74,513,931.95

EXHIBIT D**WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B****ESCROW YIELD CALCULATION
AS OF AUGUST 31, 2004**

Date	Total Cash Receipts From U.S. Treasury Securities (Exhibit A)	Present Value at August 31, 2004 Using a Semi-Annually Compounded Yield of 2.15224%
01-Oct-04	\$263,592.74	\$263,107.28
01-Apr-05	263,592.87	260,306.21
01-Oct-05	263,591.83	257,533.82
01-Apr-06	9,722,242.33	9,397,670.69
	<u>\$10,513,019.77</u>	<u>\$10,178,618.00</u>

Total Cost of Securities

\$10,178,618.00

**WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B**

**PRESENT VALUE SAVINGS (COST)
AS OF AUGUST 31, 2004**

Date	2004-2 Bond Debt Service (Exhibit C-2)	Refunded Bond Debt Service (Exhibit B-1)	Savings (Cost)	Annual Savings	Present Value of Savings (Cost) at August 31, 2004 4.62161%
01-Oct-04		\$263,592.50	\$263,592.50		\$262,557.45
01-Apr-05	\$473,862.78	263,592.50	(210,270.28)	\$53,322.22	(204,714.07)
01-Oct-05	205,550.00	263,592.50	58,042.50		55,232.46
01-Apr-06	260,550.00	263,592.50	3,042.50	61,085.00	2,829.81
01-Oct-06	204,175.00	263,592.50	59,417.50		54,015.66
01-Apr-07	984,175.00	988,592.50	4,417.50	63,835.00	3,925.19
01-Oct-07	195,985.00	244,742.50	48,757.50		42,345.15
01-Apr-08	995,985.00	1,009,742.50	13,757.50	62,515.00	11,678.32
01-Oct-08	175,985.00	224,087.50	48,102.50		39,910.48
01-Apr-09	1,015,985.00	1,029,087.50	13,102.50	61,205.00	10,625.56
01-Oct-09	164,225.00	201,950.00	37,725.00		29,902.36
01-Apr-10	1,029,225.00	1,051,950.00	22,725.00	60,450.00	17,605.92
01-Oct-10	151,250.00	178,150.00	26,900.00		20,369.74
01-Apr-11	1,041,250.00	1,078,150.00	36,900.00	63,800.00	27,311.03
01-Oct-11	129,000.00	152,950.00	23,950.00		17,325.90
01-Apr-12	1,064,000.00	1,102,950.00	38,950.00	62,900.00	27,540.78
01-Oct-12	105,625.00	125,637.50	20,012.50		13,830.84
01-Apr-13	1,085,625.00	1,130,637.50	45,012.50	65,025.00	30,405.97
01-Oct-13	81,125.00	96,743.75	15,618.75		10,312.18
01-Apr-14	1,111,125.00	1,156,743.75	45,618.75	61,237.50	29,439.21
01-Oct-14	55,375.00	66,268.75	10,893.75		6,871.30
01-Apr-15	1,135,375.00	1,186,268.75	50,893.75	61,787.50	31,376.47
01-Oct-15	28,375.00	34,068.75	5,693.75		3,430.97
01-Apr-16	1,163,375.00	1,219,068.75	55,693.75	61,387.50	32,802.21
Total	\$12,857,202.78	\$13,595,752.50	738,549.72	738,549.72	576,930.89
Shortage in 2004-2 Bond Proceeds			(2,444.49)	(2,444.49)	(2,444.49)
Net Total			<u>\$736,105.23</u>	<u>\$736,105.23</u>	<u>\$574,486.40</u>

**WEST VIRGINIA HIGHER EDUCATION
POLICY COMMISSION
REVENUE BONDS
(HIGHER EDUCATION FACILITIES), 2004 SERIES B**

**SOURCES AND USES OF FUNDS
AS OF AUGUST 31, 2004**

	2004-1 Bonds	2004-2 Bonds	2004-3 Bonds	Total
Sources of Funds:				
Par Value of Bonds	\$85,650,000.00	\$9,615,000.00	\$71,995,000.00	\$167,260,000.00
Net Original Issue Premium	2,845,606.35	654,182.10	2,518,931.95	6,018,720.40
Total Sources of Funds	<u>\$88,495,606.35</u>	<u>\$10,269,182.10</u>	<u>\$74,513,931.95</u>	<u>\$173,278,720.40</u>
Uses of Funds:				
Beginning Escrow Account Cash Balance		\$0.23		\$0.23
Cost of the Escrowed Securities		10,178,618.00		10,178,618.00
Bond Insurance Premium	\$349,164.33	39,196.90	\$293,497.79	681,859.02
Project Fund Deposit	87,657,500.00		73,817,035.30	161,474,535.30
Underwriter's Discount	373,858.98	41,392.20	308,495.82	723,747.00
Issuance Costs	110,630.35	12,419.26	92,992.79	216,042.40
Contingency	4,452.69	(2,444.49)	1,910.25	3,918.45
Total Uses of Funds	<u>\$88,495,606.35</u>	<u>\$10,269,182.10</u>	<u>\$74,513,931.95</u>	<u>\$173,278,720.40</u>

