

DOCKET

BOARD OF VISITORS

University of Virginia

Regular Meeting

June 13, 2008

DOCKET
BOARD OF VISITORS
JUNE 13, 2008

CONSENT ITEMS

1. APPROVAL TO GRANT TEMPORARY AND PERMANENT EASEMENTS
AND TO ENTER INTO PERMANENT RECIPROCAL PARKING
AGREEMENTS FOR IVY ROAD FACILITIES

(approved by the Buildings and Grounds Committee on June 13, 2008)

RESOLVED, the Board of Visitors deems proper and approves the conveyance to public bodies and public service corporations, and others, as applicable, of temporary and permanent easements for utilities (including, without limitation, storm water management easements) on property owned or leased by the Rector and Visitors of the University of Virginia, in connection with the development and redevelopment of certain properties: the Long Term Acute Care Hospital, Moser Radiation Therapy Center, Northridge Medical Office Building and the Sieg warehouse (collectively, the "Ivy Road Facilities"); and

RESOLVED FURTHER, the Board of Visitors deems proper and approves the establishment of reciprocal parking arrangements necessary and appropriate to facilitate the orderly development and redevelopment of the Ivy Road Facilities; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to negotiate, approve and execute agreements and to take such other actions as deemed necessary and appropriate to consummate such transactions.

2. APPROVAL TO RECONSOLIDATE EMINENT SCHOLAR INCOME
STABILIZATION ENDOWMENT WITH ROBERT C. TAYLOR FUND

(approved by the Finance Committee on June 13, 2008)

RESOLVED, the Board of Visitors approves reconsolidating the principal of the Eminent Scholar Income Stabilization Endowment with the principal of the Robert C. Taylor Fund.

3. APPROVAL TO ACCEPT PROPERTY BY THE UNIVERSITY OF VIRGINIA FROM THE CITY OF CHARLOTTESVILLE FOR THE EMILY COURIC CLINICAL CANCER CENTER

(approved by the Finance Committee on June 13, 2008)

RESOLVED, the Board of Visitors approves the acceptance from the City of Charlottesville, at no cost, of 682 square feet of real estate as described in an ordinance adopted by the City Council of the City of Charlottesville on April 21, 2008, for the construction of the Emily Couric Clinical Cancer Center; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to negotiate, approve, and execute agreements and to take such other actions as deemed necessary and appropriate to consummate such transaction.

4. APPROVAL OF AMENDMENTS TO UNIVERSITY BOND RESOLUTIONS

(approved by the Finance Committee on June 13, 2008)

WHEREAS, Chapter 9, Title 23 of the Code of Virginia of 1950, as amended, establishes a public corporation under the name and style of The Rector and Visitors of the University of Virginia which is governed by a Board of Visitors; and

WHEREAS, Title 23 of the Virginia Code classifies the University as an educational institution; and

WHEREAS, the Executive Committee of the Board previously adopted a resolution on March 5, 2003, to provide for the issuance of the University's General Revenue Pledge Bonds, Series 2003A, to finance or refinance capital and other projects of the University; and

WHEREAS, the Board desires to authorize certain revisions to the 2003A Resolution as set forth in the Supplemental Resolution appended as Attachment A to facilitate the University's use of liquidity arrangements and make certain other technical revisions thereto; and

WHEREAS, pursuant to the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10, Title 23 of the Virginia Code, the University has entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 3 of Chapter 933 of the 2006 Virginia Acts of Assembly; and

WHEREAS, the Executive Committee previously adopted resolutions on November 11, 1998, March 5, 2003, and June 28, 2005, to provide for the issuance of the University's General Revenue Bonds, Series 1999A, 2003A, 2003B and 2005 to finance or refinance capital and other projects of the University; and

WHEREAS, the Board desires to amend the provisions of the Outstanding Bond Resolutions as set forth in the Supplemental Resolution appended as Attachment B, in order to, among other things, remove the required consents of and oversight by the State Treasurer, the Treasury Board and the Governor, which will be consistent with modifications in the University's debt issuance procedures effected by the Act and the Management Agreement;

RESOLVED, the Board hereby approves the Supplemental Resolutions appended as Attachments A and B with such amendments, modifications or omissions as may be approved by the University's Chief Operating Officer pursuant thereto; and

RESOLVED FURTHER, all officers of the University are authorized and directed to take all such further actions, including without limitation the execution of liquidity arrangements, obtaining consents if and as needed from bondholders, the Treasury Board, State Treasurer and the Governor of the Commonwealth of Virginia, and giving notices if and as required to bondholders and others, and to execute all such instruments, agreements, documents and certificates as they shall deem necessary or desirable to carry out the terms presented to this meeting.

ACTION ITEMS

5. APPROVAL OF THE AUDIT SCHEDULE

(approved by the Audit and Compliance Committee on June 12, 2008)

RESOLVED, the Audit Schedule for Fiscal Year 2008-2009 is approved as recommended by the Audit and Compliance Committee.

6. APPROVAL TO ADD THE SCOTT STADIUM SCORE/VIDEO BOARD REPLACEMENT TO THE UNIVERSITY'S MAJOR CAPITAL PROJECTS PLAN

(approved by the Buildings and Grounds Committee on June 13, 2008)

WHEREAS, the University proposes that the Scott Stadium Score/Video Board Replacement, budgeted at \$2.4 million, be added to the University's Major Capital Projects Program;

RESOLVED, the Board of Visitors approves the addition of this project to the University's Major Capital Projects Program.

7. APPROVAL TO ESTABLISH A NEW BUSINESS ENTERPRISE IN THE MCINTIRE SCHOOL OF COMMERCE FOUNDATION

(approved by the External Affairs Committee on June 12, 2008)

RESOLVED, the Board approves the establishment of a new business enterprise in the McIntire School of Commerce Foundation, to develop and market the use of a Foundation-developed survey software tool. This approval is for a fixed term of twenty-four months from June 13, 2008, the date of adoption of this resolution by the Board of Visitors.

8. APPROVAL OF ENDOWMENT SPENDING POLICY AND ADMINISTRATIVE FEE

(approved by the Finance Committee on June 13, 2008)

WHEREAS, the Board of Visitors wishes to fund institutional priorities, including the recommendations of the Commission of the Future of the University, from several sources; and

WHEREAS, unusually high investment returns in recent years and a prudent spending policy have resulted in an accumulation of excess appreciation; and

WHEREAS, a modest increase in the endowment distribution for spending can be achieved without affecting the sustainability of future payouts; and

WHEREAS, it is the intent of the Board of Visitors that increases in the spending distribution be used, where possible, to repatriate institutional subsidies from unrestricted sources to release funds for institutional priorities; and

WHEREAS, it is the intent of the Board of Visitors that the University's gift agreement be reviewed and amended as appropriate to facilitate the solicitation and acceptance of unrestricted funds;

RESOLVED, the endowment spending policy, effective July 1, 2008, shall be as follows:

The spending policy calls for a percentage increase in the annual distribution from the endowment, unless such increase causes the distribution to fall outside a range defined as 4.0 percent on the low end and 6.0 percent on the high end of the market value of the Pooled Endowment Fund. If the distribution falls outside of this range, the Finance Committee may recommend either raising or lowering the rate of increase. The first distribution under the new parameters would be made in January 2009; and

RESOLVED FURTHER, the University will reset the fiscal year 2008-2009 spending rate to 5.0 percent of the June 30, 2008, market value; and

RESOLVED FURTHER, the University shall implement an administrative fee on the endowment, effective July 1, 2008, of 0.5 percent of endowment market value, or 50 basis points (bps). Of that fee, 25 bps will be applied to a central pool for University priorities and 25 bps will be distributed to units for departmental support of endowments.

9. APPROVAL OF THE 2008-2009 OPERATING BUDGET AND ANNUAL RENOVATION AND INFRASTRUCTURE PLAN FOR THE ACADEMIC DIVISION

(approved by the Finance Committee on June 13, 2008)

RESOLVED, the 2008-2009 Operating Budget and Annual Renovation and Infrastructure Plan for the Academic Division is approved, as recommended by the President and the Chief Financial Officer.

10. APPROVAL OF THE 2008-2009 OPERATING BUDGET FOR THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE
(approved by the Finance Committee on June 13, 2008)

RESOLVED, the 2008-2009 Operating Budget for The University of Virginia's College at Wise is approved, as recommended by the President and the Chief Financial Officer.

11. APPROVAL OF THE 2008-2009 OPERATING AND CAPITAL BUDGETS AND ANNUAL RENOVATION AND INFRASTRUCTURE PLAN FOR THE UNIVERSITY OF VIRGINIA MEDICAL CENTER
(approved by the Finance Committee on June 13, 2008)

RESOLVED, the 2008-2009 Operating and Capital Budget and the Annual Renovation and Infrastructure Plan for the University of Virginia Medical Center is approved, as recommended by the President, the Chief Financial Officer, and the Medical Center Operating Board; and

RESOLVED FURTHER, the Vice President and Chief Executive Officer of the Medical Center with the concurrence of the Executive Vice President and Chief Operating Officer may substitute a new project costing between \$1 million and \$5 million for a project included in the approved Annual Renovation and Infrastructure Plan in order to respond in a timely manner to new health care requirements, provided the total capital budget as approved by the Board is not exceeded and that a report is provided at each Board meeting listing the changes made to the original project list.

12. APPROVAL OF PRATT FUND DISTRIBUTION FOR 2008-2009
(approved by the Finance Committee on June 13, 2008)

RESOLVED, the budget for the expenditure of funds from the Estate of John Lee Pratt be approved to supplement appropriations made by the Commonwealth of Virginia for the School of Medicine and the Departments of Biology, Chemistry, Mathematics, and Physics in the College of Arts and Sciences. Departmental allocations, not to exceed \$9,335,000 for 2008-2009, are suggested by the department chairs and recommended by the dean of each school. To the extent the annual income from the endowment is not adequate to meet the recommended distribution, the principal of the endowment will be disinvested to provide funds for the approved budgets.

13. APPROVAL OF FUNDING FOR THE IMPLEMENTATION OF COMMISSION ON THE FUTURE OF THE UNIVERSITY'S PRIORITIES

(approved by the Finance Committee on June 13, 2008)

RESOLVED, the 2008-2009 Operating Budget for the Academic Division includes a central reserve of \$8 million, comprised of state and private funding, to be allocated, along with school and departmental resources, to support the highest priorities emanating from the Commission on the Future of the University; and

RESOLVED FURTHER, in October 2008, the Executive Vice President and Provost will present a detailed plan for how the central reserves will be allocated to achieve the goals as set forth by the Commission on the Future of the University, for review and consideration by the Board of Visitors.

14. APPROVAL OF FINANCIAL PLANS FOR CAPITAL PROJECTS TO REPLACE THE SCOTT STADIUM VIDEO/SCORE BOARD, TO CONSTRUCT THE INFORMATION TECHNOLOGY ENGINEERING BUILDING, AND TO CONSTRUCT THE ARTS AND SCIENCES RESEARCH BUILDING

(approved by the Finance Committee on June 13, 2008)

WHEREAS, the University proposes to add a project to replace the Scott Stadium Video/Score Board to the University's Major Capital Projects Program; and

WHEREAS, the University is proceeding with plans to commence construction of a \$76.3 million, 100,000 gross square foot Information Technology Engineering Building and a \$89.3 million, 100,000 gross square foot Arts & Sciences Research Building;

RESOLVED, the Board of Visitors deems the financial plans for these capital outlay projects to be reasonable and complete and approves them.

15. APPROVAL OF POLICY TO COMPLY WITH HOUSE BILL NO. 1005

(approved by the Committee on The University of Virginia's College at Wise)

WHEREAS, House Bill 1005 was passed during the 2008 General Assembly Session to provide notice to the parents of a dependent student receiving mental health treatment at a state college or university student health or counseling center if the student is found by the center to be in a state of psychological emergency; and

WHEREAS, the bill specifically requires a parent of a dependent student to be notified when there exists a substantial likelihood that, as a result of mental illness the student will, in the near future, (i) cause serious physical harm to himself or others as evidenced by recent behavior or any other relevant information or (ii) suffer serious harm due to his lack of capacity to protect himself from harm or to provide for his basic human needs; and

WHEREAS, the bill allows such notification to be withheld if the student's treating physician or treating clinical psychologist has made a part of the student's record a written statement that, in the exercise of his professional judgment, the notification would be reasonably likely to cause substantial harm to the student or another person; and

WHEREAS, the bill requires that the governing boards of each institution shall establish the policies and procedures necessary to comply with the legislation;

RESOLVED, the Board of Visitors approves the relevant policy of The University of Virginia's College at Wise to comply with the legislation beginning July 1, 2008, specifically:

1. The College's Center for Student Development shall notify the Dean of Students or his/her designee whenever the Department treats a student who meets the criteria for parental notification under this legislation; and

2. The Dean of Students or his/her designee shall contact the parent of any such dependent student and document that the notification has been made.

16. RE-APPOINTMENTS TO THE BOARD OF THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

(approved by the Committee on The University of Virginia's College at Wise)

RESOLVED, The Honorable Ford C. Quillen, Mr. Don M. Green, and Ms. Marcia Adams Gilliam are re-appointed to The University of Virginia's College at Wise Board, for four-year terms ending June 30, 2012, in accordance with the terms of the Board's bylaws.

17. MEMORIAL RESOLUTION ON WILLIAM CULLEN BATTLE

WHEREAS, The Honorable William C. Battle was born in Charlottesville in 1920, the son of a lawyer who later was Governor of Virginia; and

WHEREAS, Mr. Battle took his B.A. from the University in 1941 and matriculated in the Law School in the fall of that year; and

WHEREAS, with the coming of the Second World War, Mr. Battle left the University in 1942 to join the Navy, where he became a Boat Captain in a PT squadron and was decorated for his service in the South Pacific; and

WHEREAS, Mr. Battle returned to the Law School after the War and took his LL.B. in 1947 and after several years as a lawyer with a gas company in West Virginia, returned to Charlottesville in 1950 to enter the family law firm; and

WHEREAS, President Kennedy appointed Mr. Battle Ambassador to Australia in 1961; and

WHEREAS, Ambassador Battle ran for Governor of Virginia in 1969; and

WHEREAS, Ambassador Battle became President and CEO of Fieldcrest Mills in 1970, a position he held until his retirement in 1983; and

WHEREAS, Ambassador Battle, who had a life-long passion for golf, having earned, as an undergraduate, one of the first varsity letters given in the sport at the University, served as President of the United States Golf Association in 1988-89 and a member of its Executive Committee for ten years before that; and

WHEREAS, Ambassador Battle was appointed to the Board of Visitors by Governor Godwin in 1976 and served until 1980; and

WHEREAS, Ambassador Battle was a member of the State Council for Higher Education in Virginia for ten years, and Chairman of the W. Alton Jones Cell Science Center, which became the Ivy Foundation, an organization dedicated to the support of medical research, and subsequently, under Ambassador Battle's leadership, a major donor to the University of Virginia Medical Center; and

WHEREAS, Ambassador Battle died in Charlottesville on May 31, 2008;

RESOLVED, the Board of Visitors pays tribute to the life and service to the Board and to the University of Virginia of the Honorable William C. Battle, notes with profound sorrow his passing, and expresses its deepest sympathy to Mrs. Battle and to their children.

18. MEMORIAL RESOLUTION ON T. KEISTER GREER

WHEREAS, Thomas Keister Greer's roots in Franklin County went back to colonial times; and

WHEREAS, Mr. Greer matriculated in the University in 1938 and left in 1942 to enter on active duty in the United States Marine Corps, in which he served with great distinction in the Pacific Theater; and

WHEREAS, Mr. Greer resumed his studies at the University after the War, in November, 1945; and

WHEREAS, Mr. Greer took both the Bachelor of Arts and the Bachelor of Law in 1948 and began his long and distinguished practice of the law, first in Rocky Mount, the seat of Franklin County, and then in Los Angeles and finally in both places, becoming, as he put it, a "bi-coastal lawyer;" and

WHEREAS, Mr. Greer's legal career included complicated cases of great importance; and

WHEREAS, Mr. Greer was not simply a civic leader in Franklin County, but what might truly be called a presence; and

WHEREAS, Mr. Greer was appointed to the Board of Visitors in 1995 and served with distinction until 2003; and

WHEREAS, Mr. Greer, after his retirement from the Board and from the active practice of the law published two historical works and had nearly completed a memoir at the time of his death; and

WHEREAS, Mr. Greer, after the death of his first wife, married Elizabeth Taylor, who survives him; and

WHEREAS, Mr. Greer died on May 23, 2008;

RESOLVED, the Board of Visitors notes with great sorrow the passing of Thomas Keister Greer, remembers his faithful and distinguished service to the Board and to the University, and expresses its deepest sympathy to Mrs. Greer and to his family.

19. REPORT ON THE ACTION OF THE EXECUTIVE COMMITTEE

The Rector will report on the following action taken by the Executive Committee on April 30, 2008:

APPROVAL OF INCREASE IN TUITION, REQUIRED FEES, AND OTHER CHARGES FOR THE ACADEMIC DIVISION

RESOLVED that the tuition and required fees and other charges applicable to the Academic Division be approved as shown below, effective July 1, 2008.

	Virginian				Non-Virginian			
	2007-08 Approved	Amount of Increase	Percent of Increase	2008-09 Proposed	2007-08 Approved	Amount of Increase	Percent of Increase	2008-09 Proposed
REGULAR SESSION:								
Undergraduate School - Tuition and E&G Fees	\$ 6,821	\$ 677	9.9%	\$ 7,498	\$ 26,071	\$ 1,727	6.6%	\$ 27,798
SPECIAL SESSION:								
School of Continuing and Professional Studies Tuition Rates:								
Bachelor of Interdisciplinary Studies (per sem.)	\$ 3,118	\$ 180	5.8%	\$ 3,298	\$ 11,100	\$ 520	4.7%	\$ 11,620
Undergraduate Per Hour	\$ 218	\$ 15	6.9%	\$ 233	\$ 371	\$ 15	4.0%	\$ 386
Undergraduate Distance Learning Per Hour	\$ 267	\$ 15	5.6%	\$ 282	\$ 337	\$ 20	5.9%	\$ 357
Study Abroad (per semester) 3-7 hours	n/a	n/a	n/a	\$ 3,038	n/a	n/a	n/a	\$ 1,970
Study Abroad (per semester) 8-15 hours	n/a	n/a	n/a	\$ 4,653	n/a	n/a	n/a	\$ 4,885
2009 Summer Session and 2009 January Term:								
Undergraduate Per Semester Hour	\$ 218	\$ 15	6.9%	\$ 233	\$ 800	\$ -	0.0%	\$ 800
Other Charge:								
Application Fee - International Studies Programs	\$ -	n/a	n/a	\$ 90	\$ -	n/a	n/a	\$ 90

APPROVAL OF INCREASE IN TUITION, REQUIRED FEES AND OTHER CHARGES FOR THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

RESOLVED that the tuition and required fees and other charges applicable to the University of Virginia's College at Wise be approved as shown below, effective July 1, 2008:

	Virginian				Non-Virginian			
	2007-08 Approved	Amount of Increase	Percent of Increase	2008-09 Proposed	2007-08 Approved	Amount of Increase	Percent of Increase	2008-09 Proposed
Full-time Students (12 hrs or more per semester)								
Tuition and Required E&G Fees	\$ 3,485	\$ 104	3.0%	\$ 3,589	\$ 15,149	\$ 314	2.1%	\$ 15,463
Auxiliary Fees	\$ 2,666	\$ 184	6.9%	\$ 2,850	\$ 2,666	\$ 184	6.9%	\$ 2,850
Total Tuition and Required Fees	\$ 6,151	\$ 288	4.7%	\$ 6,439	\$ 17,815	\$ 498	2.8%	\$ 18,313
Students taking more than 18 credit hours per semester must pay for the additional hours at the tuition rates listed below:								
Other Charges								
Off-Campus Instruction per hour	\$ 141	\$ 3	2.1%	\$ 144	\$ 618	\$ 11	1.8%	\$ 629
Non-Credit Courses per unit	\$ 62	\$ -	0.0%	\$ 62	\$ 188	\$ -	0.0%	\$ 188
Application Fee	\$ 25	\$ -	0.0%	\$ 25	\$ 25	\$ -	0.0%	\$ 25
Graduation Fee	\$ 100	\$ -	0.0%	\$ 100	\$ 100	\$ -	0.0%	\$ 100

Registration Fee for part-time students will be \$5 per semester hour.

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to approve reduced tuition rates for residents of Kentucky and Tennessee who live in counties that are within a 50-mile radius of The University of Virginia's College at Wise and who are enrolled at the College in accordance with Section 23-7.4:2.E of the Code of Virginia.

ATTACHMENT A

**(SUPPLEMENTING AND REVISING
GENERAL REVENUE PLEDGE BONDS,
SERIES 2003A)**

THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA

SUPPLEMENTAL RESOLUTION

SUPPLEMENTING AND REVISING
GENERAL REVENUE PLEDGE BONDS,
SERIES 2003A

ADOPTED JUNE 13, 2008

SUPPLEMENTAL RESOLUTION

ADOPTED ON JUNE 13, 2008

**THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA
GENERAL REVENUE PLEDGE BONDS
SERIES 2003A**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	
Section 1.1	Definitions..... 3
Section 1.2	Rules of Construction/Use of Words and Phrases 4
ARTICLE II AMENDMENTS	
Section 2.1	Amendments 4
Section 2.2	Confirmation of Resolution 4
ARTICLE III MISCELLANEOUS	
Section 3.1	Amendments to Supplemental Resolution; Approval, Execution and Delivery of Necessary and Appropriate Documents 5

FORM OF CONSENT OF BONDHOLDER

A RESOLUTION SUPPLEMENTING A RESOLUTION AUTHORIZING THE ISSUANCE OF THE RECTOR AND VISITORS OF THE UNIVERSITY OF VIRGINIA GENERAL REVENUE PLEDGE BONDS, SERIES 2003A.

RECITALS

A. By Chapter 9, Title 23 of the Code of Virginia of 1950, as amended, there is created a corporation under the name and style of The Rector and Visitors of the University of Virginia (the "University"), which is governed by a Board of Visitors (the "Board"), which is vested with the supervision, management and control of the University;

B. Pursuant to Title 23 of the Code of Virginia of 1950, as amended, the University is classified as an educational institution of the Commonwealth of Virginia;

C. Pursuant to the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10, Title 23 at the Virginia Code (the "Act"), the University has entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 3 of Chapter 933 of the 2006 Virginia Acts of Assembly (the "Management Agreement");

D. Pursuant to a resolution adopted March 5, 2003 (the "2003A Resolution"), the Executive Committee of the Board approved the terms of the University's General Revenue Pledge Bonds, Series 2003A (the "Series 2003A Bonds") which were issued on March 19, 2003, and bearing interest at a variable rate;

E. The Board desires to authorize certain revisions to the 2003A Resolution to facilitate the University's use of liquidity arrangements and make certain other technical revisions thereto; and

F. Pursuant to the provisions of Section 9.2 of the Series 2003A Resolution, the University expects to obtain the consent to such amendments by the holders of not less than a majority in aggregate outstanding principal amount of the Series 2003A Bonds outstanding, as well as the approval of the Governor and the Treasury Board of the Commonwealth of Virginia.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. (a) Except as otherwise indicated herein and subject to subsection (b) below, all terms herein shall have the meaning set forth in Section 1.1 of the 2003A Resolution.

(b) Section 1.1 of the 2003A Resolution is amended by adding the terms defined in the recitals hereto and adding the following:

"Chief Operating Officer" means the University's Executive Vice President and Chief Operating Officer or such other officer of the University having similar duties as may be selected by the Board.

Section 1.2 Rules of Construction/Use of Words and Phrases. The rules of construction set forth in Section 1.2 of the 2003A Resolution shall apply to this Supplemental Resolution. All references herein to sections of the 2003A Resolution are to the 2003A Resolution as amended and supplemented by this Supplemental Resolution.

ARTICLE II AMENDMENTS

Section 2.1 Amendments. (a) Section 3.11(b)(i) of the 2003A Resolution shall be amended to read as follows:

(i) The Remarketing Agent or the Broker-Dealer shall notify the Tender Agent and the University by Electronic Means not later than 11:00 a.m. (Eastern Time) on the Purchase Date or Mandatory Purchase Date of the amount of tendered Series 2003A Bonds that were successfully remarketed and the registration instructions (i.e., the names, addresses and taxpayer identification numbers of the purchasers, the desired Authorized Denominations and, in the case of Series 2003A Bonds in Short-Term Mode, any account number for payment of principal and interest furnished by a purchaser to the Remarketing Agent) with respect thereto.

(b) Section 3.11(c)(ii) of the 2003A Resolution shall be amended to read as follows:

(ii) Except in the case of a mandatory purchase of any Series 2003 Bond in an ARS Mode being converted to another Mode, the Tender Agent shall notify the Paying Agent, the University and any Liquidity Facility Issuer as soon as possible but no later than 11:30 a.m. (Eastern Time) on the Purchase Date or Mandatory Purchase Date of the amount equal to the Purchase Price of all Series 2003A Bonds tendered or deemed tendered less the aggregate amount of remarketing proceeds to be transferred to the Tender Agent by the Remarketing Agent pursuant to clause (i) of this Section 3.11(c). By 2:30 p.m. (Eastern Time) on the Purchase Date or Mandatory Purchase Date, as the case may be, the University shall provide to the Tender Agent such amounts or, if a Liquidity Facility is in effect, by 12:30 p.m. (Eastern Time) on such dates the Tender Agent shall draw on the Liquidity Facility in an amount equal to the difference between the Purchase Price of all Series 2003A Bonds tendered or deemed tendered and the aggregate amount of remarketing proceeds transferred to the Tender Agent by the Remarketing Agent pursuant to clause (i) of this Section 3.11(c), for deposit in the Purchase Account created in Section 3.16. If the Tender Agent does not receive notice from the Remarketing Agent pursuant to clause (b)(i) above, the Tender Agent shall notify the University to provide funds, or if a Liquidity Facility is in effect, shall draw on the Liquidity Facility, in an amount equal to the Purchase Price of all Series 2003A Bonds tendered or deemed tendered for purchase.

(c) Section 3.17(g) of the 2003A Resolution is deleted in its entirety.

Section 2.2 Confirmation of Resolution. As supplemented and amended, the 2003A Resolution is in all respects ratified and confirmed, and the 2003A Resolution, including each

amendment, shall be read, taken and construed as one and the same instrument. All covenants, agreements and provisions of, and all security provided under the 2003A Resolution shall apply with full force and effect to the parties thereto.

ARTICLE III MISCELLANEOUS

Section 3.1 Amendments to Supplemental Resolution; Approval, Execution and Delivery of Necessary and Appropriate Documents. Notwithstanding any provisions of the 2003A Resolution to the contrary, the University's Chief Operating Officer may authorize any revisions to this Supplemental Resolution and the 2003A Resolution which are not in conflict with the Board resolutions adopted on February 1, 2003 and June 13, 2008, or any future resolutions by the Board with respect to the Series 2003A Bonds, as shall be necessary to accurately reflect negotiations among the University, the Treasury Board, the Paying Agent, Moody's, S&P, Fitch and the Remarketing Agent, with respect to the Series 2003A Bonds and the financing of the Projects and to make other changes to the form, terms and provisions of the Series 2003A Bonds and 2003A Resolution. The University's Chief Operating Officer is also authorized to negotiate, execute and deliver, in necessary and appropriate form, any offering memoranda, memorandums or remarketing circulars relating to the offering and remarketing of the Series 2003A Bonds for sale or remarketing, and such other documents and instruments as he deems necessary or appropriate in connection with the Series 2003A Bonds, including without limitation any interest rate swaps or other hedge mechanisms and any dedicated lines of credit, standby bond purchase agreements or other liquidity arrangements, including any Liquidity Facility, so long as such documents and instruments do not conflict with the intent of the Board resolutions adopted on February 1, 2003 and June 13, 2008 and the University's debt policy currently in effect.

**FORM OF
CONSENT OF BONDHOLDER**

The undersigned authorized representative of _____ certifies that it is the holder of \$_____ of the aggregate outstanding principal amount of The Rector and Visitors of the University of Virginia (the "University") General Revenue Pledge Bonds, Series 2003A (the "Series 2003A Bonds"). The Series 2003A Bonds were issued pursuant to a resolution of the Executive Committee of the Board of Visitors of the University adopted on March 5, 2003 (the "2003A Resolution"). The University desires to amend certain provisions of the 2003A Resolution to facilitate the University's use of liquidity arrangements and make certain other technical revisions thereto, all as set forth in the University's Supplemental Resolution dated June 13, 2008 (the "Supplemental Resolution"). In accordance with Section 9.2 of the 2003A Resolution, the undersigned hereby consents to the Supplemental Resolution and all revisions, terms, provisions and covenants set forth therein. The undersigned further waives any of its rights to receive notice of the Supplemental Resolution pursuant to Section 9.2 of the 2003A Resolution.

Dated: June __, 2008

By: _____

Its: _____

ATTACHMENT B

**(SUPPLEMENTING AND REVISING
GENERAL REVENUE PLEDGE BONDS,
SERIES 1999A, 2003A, 2003B and 2005)**

**THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA**

SUPPLEMENTAL RESOLUTION

**SUPPLEMENTING AND REVISING
GENERAL REVENUE PLEDGE BONDS,
SERIES 1999A, 2003A, 2003B and 2005**

ADOPTED JUNE 13, 2008

SUPPLEMENTAL RESOLUTION

ADOPTED ON JUNE 13, 2008

**THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA
GENERAL REVENUE PLEDGE BONDS
SERIES 1999A, 2003A, 2003B and 2005**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	
Section 1.1	Definitions..... 3
Section 1.2	Rules of Construction/Use of Words and Phrases 4
ARTICLE II AMENDMENTS	
Section 2.1	Amendments 4
Section 2.2	Confirmation of Resolution 4
ARTICLE III MISCELLANEOUS	
Section 3.1	Amendments to Supplemental Resolution; Approval, Execution and Delivery of Necessary and Appropriate Documents 4

A RESOLUTION SUPPLEMENTING RESOLUTIONS AUTHORIZING THE ISSUANCE OF THE RECTOR AND VISITORS OF THE UNIVERSITY OF VIRGINIA GENERAL REVENUE PLEDGE BONDS, SERIES 1999A, 2003A, 2003B AND 2005.

RECITALS

A. By Chapter 9, Title 23 of the Code of Virginia of 1950, as amended, there is created a corporation under the name and style of The Rector and Visitors of the University of Virginia (the "University"), which is governed by a Board of Visitors (the "Board"), which is vested with the supervision, management and control of the University;

B. Pursuant to Title 23 of the Code of Virginia of 1950, as amended, the University is classified as an educational institution of the Commonwealth of Virginia;

C. Pursuant to the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10, Title 23 at the Virginia Code (the "Act"), the University has entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 3 of Chapter 933 of the 2006 Virginia Acts of Assembly (the "Management Agreement");

D. Pursuant to resolutions adopted November 11, 1998, March 5, 2003 and June 28, 2005 (the "Outstanding Bond Resolutions"), the Executive Committee of the Board approved the terms and issuance of the University's General Revenue Pledge Bonds, Series 1999A, 2003A, 2003B and 2005 (the "Outstanding Bonds");

E. The Board desires to authorize certain revisions to the Outstanding Bond Resolutions in order to, among other things, remove the required consents of and oversight by the State Treasurer, the Treasury Board and the Governor of the Commonwealth of Virginia, which will be consistent with modifications in the University debt issuance procedures effected by the Act and the Management Agreement;

F. Pursuant to the provisions of Sections 9.1 of each of the Outstanding Bond Resolutions, the University expects to obtain the approval of the Governor and the Treasury Board of the Commonwealth of Virginia to such amendments.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD:

ARTICLE IV

DEFINITIONS

Section 4.1 Definitions.

(a) Sections 1.1 of each of the Outstanding Bond Resolutions is amended by adding the terms defined in the recitals hereto and adding the following:

"Chief Operating Officer" means the University's Executive Vice President and Chief Operating Officer or such other officer of the University having similar duties as may be selected by the Board.

Section 4.2 Rules of Construction/Use of Words and Phrases. The rules of construction set forth in Sections 1.2 of each of the Outstanding Bond Resolutions shall apply to this Supplemental Resolution. All references herein to sections of the Outstanding Bond Resolutions are to such Resolutions as amended and supplemented by this Supplemental Resolution.

ARTICLE V AMENDMENTS

Section 5.1 Amendments. The provisions of the Outstanding Bond Resolutions are hereby revised to remove references to the State Treasurer, the Treasury Board and the Governor of the Commonwealth of Virginia, such that the State Treasurer, the Treasury Board and the Governor will not be required to give consents and receive notices thereunder; provided references to the State Treasurer shall not be removed to the extent it is serving as Paying Agent, Registrar, or custodian of any construction or other funds under such Outstanding Bond Resolutions and any provisions which limit the liability of the State Treasurer, the Treasury Board or the Governor of the Commonwealth of Virginia, or any other of their members, directors or representatives, shall not be removed.

Section 5.2 Confirmation of Resolution. As supplemented and amended, the Outstanding Bond Resolutions are in all respects ratified and confirmed, and each Outstanding Bond Resolution, including the respective amendments thereto, shall be read, taken and construed as one and the same instrument. All covenants, agreements and provisions of, and all security provided under the Outstanding Bond Resolutions shall apply with full force and effect to the parties thereto.

ARTICLE VI MISCELLANEOUS

Section 6.1 Amendments to Supplemental Resolution; Approval, Execution and Delivery of Necessary and Appropriate Documents. The University's Chief Operating Officer may authorize any revisions to this Supplemental Resolution which are not in conflict with the Board resolution adopted on June 13, 2008, or any future resolutions by the Board with respect to the Outstanding Bonds, as shall be necessary to accurately reflect negotiations among the University, the Treasury Board, the Paying Agent, Moody's, S&P, Fitch, the Underwriters, the remarketing agent and others, with respect to the Outstanding Bonds and the financing of the Projects and to make other changes to the form, terms and provisions of the Outstanding Bond Resolutions. The University's Chief Operating Officer is also authorized to negotiate, execute and deliver, in necessary and appropriate form, any offering memoranda, memorandums or remarketing circulars relating to the offering of the Outstanding Bonds for sale or remarketing, and such other documents and instruments as he deems necessary or appropriate in connection with this Supplemental Resolution and the Outstanding Bonds, including without limitation any interest rate swaps or other hedge mechanisms and any dedicated lines of credit, standby bond

purchase agreements or other liquidity arrangements, including any Liquidity Facility, so long as such documents and instruments do not conflict with the intent of the Board Resolution adopted on June 13, 2008 and the University's debt policy currently in effect.

ATTACHMENT C

**(2008-2009 PRATT FUND
ALLOCATIONS)**

2008-2009 PRATT FUND ALLOCATIONS

ARTS AND SCIENCES – \$3,400,000

Biology - The department proposes to allocate \$218,520 for graduate fellowships in 2008-2009. Of this amount, \$133,698 will be used to provide full support to two outstanding first year graduate students in Biology, and to augment the fellowship packages of five President's Fellows. The remaining \$84,822 will be allocated to satisfy the department's membership in the Biomedical Sciences Graduate Program, an important interschool collaborative effort. Biology proposes to use \$31,480 in Pratt funds to augment the salaries of the Director and Associate Director of the Mountain Lake Biological Station. The University has made and continues to make significant investments in the instructional and research capacity of this Appalachian mountain field research and teaching facility which provides summer courses, a Research Experiences for Undergraduates (REU) program and hosts researchers from around the world every summer.

Chemistry - The department proposes to allocate \$100,000 for Undergraduate Summer Fellowships. Funds will be used to provide stipends, health insurance and tuition for a selected group of outstanding graduate students. In addition, these funds will help to maintain a strong summer research program for Chemistry undergraduates. This summer research experience is a component of the research program required for the department's Distinguished Majors Program. The department requests that \$60,000 be allocated to provide faculty summer wages to support new faculty (J. Chruma, B. Venton, L. Columbus, C. Mura, and T. Gunnoe) and to support faculty engaged in innovative curriculum development projects. The department proposes to allocate \$90,000 for equipment, both for start ups and for new faculty, retention commitments, and cost share commitments on grants.

Mathematics - The department requests \$118,690 to support its Whyburn Postdoctoral Fellowship program. Internationally recognized for its excellence, this competitive fellowship program brings new Ph.D. recipients in mathematics for three years of teaching and research. The department also requests \$21,310 for summer wages for new Assistant Professors T. Melcher and H. Gromoll. Finally, the department requests that \$10,000 be allocated for equipment purchases.

Physics - The department proposes to allocate \$33,527 to provide summer support for new faculty members K. Paschke, X. Zheng, A. Lamacraft, and D. Vaman. The department proposes to allocate \$216,473 in fellowship support to six outstanding students. Attracting the most highly qualified science graduate students requires that we offer competitive fellowships and the Pratt funds are crucial to the recruitment effort.

New Faculty Start-up Fund - A total of \$2,500,000 is requested by the College to use as components of start-up packages associated with new hires, some of which are still being negotiated, for costs share on grants and other opportunities that may arise in the coming year and for other strategic needs in building the programs in these four departments. It is estimated that this funding will be equally split between equipment, faculty salaries, and fellowships. This \$2,500,000 is comprised of a \$400,000 reserve managed by the dean; a previously approved annual \$500,000 distribution to a New Faculty Start-Up Fund managed by the Executive Vice President and Provost, and an additional \$1,600,000 to this fund. This reserve - which will be carefully allocated in accordance with the terms of Mr. Pratt's will - is critical in the recruitment of faculty members in biology, chemistry, mathematics, and physics.

SCHOOL OF MEDICINE - \$6,435,000

Support and Training of Student Researchers - \$293,175 - Graduate students and post-doctoral fellows are central to a successful biomedical research program. A modest institutional share from the Pratt bequest supplements funds from federal government training programs and charitable foundations to attract superlative students. These individuals are critical to enhancing the quality of research in the Ph.D. and M.D./Ph.D. programs at the University. The success of these programs has a direct impact on the quality of faculty research at the School of Medicine.

Core Facility Support - \$1,039,450 - Core facilities - including, but not limited to, the Small Animal Multimodality Imaging Core, Advanced Microscopy Facility, Tissue Culture Facility, and Biomolecular Research Facility - provide access to large, expensive equipment and techniques that otherwise would not be available or cost-effective to individual investigators. They also offer techniques and technologies allowing investigators to move into new, cutting-edge areas of research. Each core serves investigators from a diverse group of

departments and centers. These facilities operate on a fee-for-service basis, and, after development costs and other expenses, average a cost recovery of 60-80 percent, with the differential funded by Pratt allocations. These resources provide a competitive advantage to the University's research programs, provide flexibility to acquire emerging technologies, and are critical to the School of Medicine's success in recruitment and retention and its ability to continue to grow its externally-funded research programs.

Vivarium Equipment - \$135,000 - A one-time additional allocation to purchase equipment for the vivarium in the newly occupied Sheridan G. Snyder Translational Research Building.

The Decade Plan - \$5,000,000 - The School of Medicine proposes a special distribution to continue implementation of the Decade Plan. The funds will be used to retain and recruit outstanding faculty in the basic medical sciences, through laboratory start-up packages, develop new interdisciplinary research centers, and acquisition of equipment for animal research in two new vivaria.