

June 28, 2005

MEMORANDUM

TO: The Executive Committee:

Gordon F. Rainey, Jr., Chair
Thomas F. Farrell, II
W. Heywood Fralin
Glynn D. Key
Mark J. Kington
Warren M. Thompson

and

The Remaining Members of the Board:

A. Macdonald Caputo	Lewis F. Payne
Alan A. Diamonstein	Don R. Pippin
Susan Y. Dorsey	E. Darracott Vaughan, Jr., M.D.
G. Slaughter Fitz-Hugh, Jr.	Georgia M. Willis
Vincent J. Mastracco, Jr.	John O. Wynne
Catherine S. Neale	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Executive Committee Meeting on June 28, 2005

The Executive Committee of the Board of Visitors of the University of Virginia met, by telephone, at 3:00 p.m., Tuesday, June 28, 2005, in Open Session; Gordon F. Rainey, Jr., Rector, presided. W. Heywood Fralin, Ms. Glynn D. Key, Mark J. Kington, and Warren M. Thompson participated.

Present at Madison Hall, to which the meeting was connected by speakerphone, were Leonard W. Sandridge, Alexander G. Gilliam, Jr., and Ms. Yoke San L. Reynolds.

Members of the press were present in Madison Hall.

Mr. David Richardson and Ms. Renee Fain of McGuire Woods, the University's Bond Counsel on the proposed issue, also participated by telephone, as did Mr. Chris Cowen of Praeger, Sealy & Co, the University's Bond Agent.

The Rector asked Mr. Sandridge, Executive Vice President and Chief Operating Officer, to present the principal item on the Agenda, the proposed bond issue.

Mr. Sandridge reminded the Committee that Board had approved the intent to issue revenue bonds at its meeting on June 11th. He then asked Ms. Reynolds, Vice President for Finance, to discuss briefly the financing, the prices having been established earlier in the day to reflect the current bond market.

Ms. Reynolds told the Committee that the prices fixed were extremely favorable to the University, in every instance having come in below the limits set by the Board.

The Committee then adopted the following resolution, which will be reported to the Board, as a matter of record, at the next meeting of the full Board.

AMENDING AND AUTHORIZING COMMERCIAL PAPER GENERAL REVENUE PLEDGE NOTES AND AUTHORIZING GENERAL REVENUE PLEDGE BONDS

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, Chapter 3, Title 23 of the *Code of Virginia* classifies the University of Virginia as an educational institution, declares it to be a public body and constitutes it a governmental instrumentality for the dissemination of education; and

WHEREAS, this Act empowers the University of Virginia, with the consent and approval of the General Assembly of the Commonwealth of Virginia and the Governor of the Commonwealth to build, construct, reconstruct, erect, extend, better, equip and improve any building, facility, addition, extension, or improvement of a capital nature required by or convenient for the purposes of the University of Virginia and to borrow money and make, issue, and sell bonds of the University of Virginia for any such purposes, including the refinancing of any such facilities; and

WHEREAS, this Act further authorizes the University of Virginia to pledge to the payment of the principal of and the interest on such bonds any monies available for the use of the University of Virginia including, but not limited to, and subject to guidelines promulgated by the Secretary of Finance of the Commonwealth of Virginia, monies appropriated to the University of Virginia from the general funds of the Commonwealth of

Virginia or from non-general funds, without regard to the source of such monies, and which are not required by law or by previous binding contract to be devoted to some other purpose; and

WHEREAS, pursuant to a resolution adopted on June 11, 2005, by the Board of Visitors that the aggregate outstanding principal amount of the existing short-term commercial paper program at any time should not exceed \$175,000,000; and

WHEREAS, pursuant to the same resolution adopted on June 11, 2005, the Board of Visitors determined to finance (i) the construction of a new 15,000-seat Arena and Special Events facility, (ii) the Hospital Expansion Project, which consists of an addition, renovation, fit-out of an additional floor and equipment including an additional chiller, (iii) the construction of a new addition to the Health Science Center South Parking Garage, (iv) the acquisition of a clinics building at the Fontaine Research Park from the University of Virginia Foundation on behalf of the Medical Center; the construction and fit-out of additional space not provided by the University of Virginia Foundation; and purchase and installation of equipment; (v) the construction of a new building on behalf of the National Radio Astronomy Observatory, (vi) the construction of a new 120-bed residential dormitory facility at The University of Virginia's College at Wise, (vii) the installation of environmental upgrades and the performance of other mandated maintenance work at the University of Virginia's Main Heating Plant; (viii) the renovation to the existing Rouss Hall Building and the construction of additional space, and (ix) the refunding of all or a portion of the outstanding principal amount of the University of Virginia's general revenue pledge bonds, Series 1998A; and

WHEREAS, the Board of Visitors anticipates that the bonds will be secured by a general revenue pledge of the University of Virginia and not be in any way a debt of the Commonwealth of Virginia and shall not create or constitute any indebtedness or obligation of the Commonwealth of Virginia, either legal, moral or otherwise; and

WHEREAS, for the purpose of providing funds to finance or refinance the acquisition, construction and equipping of these projects, the Executive Committee of the Board of Visitors, pursuant to the powers granted it under Section 23-75 of the Code of Virginia, has determined to adopt the attached Resolution (the "Series 2005 Resolution") authorizing the issuance of general revenue pledge bonds of the University of Virginia as Series 2005 Bonds (the "Series 2005 Bonds"); and,

WHEREAS, for the purpose of providing funds to facilitate the short-term financing of capital projects, the Executive Committee of the Board of Visitors, pursuant to the powers granted it under Section 23-75 of the Code of Virginia, has determined to adopt a resolution (the "Commercial Paper Series 2003A and 2003B Resolution") amending and authorizing the issuance of general revenue pledge notes of the University of Virginia as Commercial Paper Series 2003A and 2003B notes (the "Commercial Paper Series 2003A and 2003B Notes").

RESOLVED, the Executive Committee of the University of Virginia on behalf of the Board of Visitors, approves the following: The Series 2005 Resolution, and the Commercial Paper Series 2003A and 2003B Resolution.

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The Rector commended Ms. Reynolds and Mr. Sandridge, Bond Counsel and the Bond Agent, for their collective good work.

The Rector noted three small "housekeeping" matters to be considered by the Committee. He asked the Secretary to present the first.

The Secretary explained that a resolution adopted by the Audit & Compliance Committee on June 10th, and requiring approval by the full Board, inadvertently had been left off the Docket of the full Board meeting on June 11th. He asked that the Committee approve it.

On motion, the Committee approved the following resolution:

APPROVAL OF THE COMPLIANCE SCHEDULE

RESOLVED that the Compliance Schedule for the period July 1, 2005, through June 30, 2006, as presented by the Corporate Compliance Officer, is approved as recommended by the Audit & Compliance Committee.

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At the Rector's request, Mr. Sandridge proposed resolutions appointing in one case a member of the Board of Directors of the University of Virginia Investment Management Company, and in the other, an appointment to the Medical Center Operating Board.

The Board of Visitors, he reminded the Committee, appoints three Board Members to the Board of Directors of the University of Virginia Investment Management Company; the UVIMCO Board

appoints the remainder of the members of its Board, none of them Members of the Board of Visitors. Mr. Caputo has been a "public" member of the UVIMCO Board for some years, but since March has been a Member of the Board of Visitors. Mr. Saunders, until March a Member of the Board of Visitors, has been a member of the UVIMCO Board as a Board of Visitors appointee. Mr. Sandridge proposed the following resolution appointing Mr. Caputo as a Board of Visitors member of the UVIMCO Board; he said the UVIMCO Board intends at its next meeting to appoint Mr. Saunders a public member.

RESOLVED that A. Macdonald Caputo of Greenwich, Connecticut, is appointed to the Board of Directors of the University of Virginia Investment Management Company. Mr. Caputo's appointment is effective July 1, 2005, and he shall serve in this capacity until June 30, 2008.

On motion, the Committee approved the proposed resolution.

Mr. Sandridge explained that the Board of Visitors appoints the public members of the Medical Center Operating Board, who serve four year terms. Dr. Katherine Smallwood's term expires June 30th, and Mr. Sandridge proposed the appointment of Dr. Sam D. Graham, Jr. of Richmond as her replacement.

RESOLVED that Sam D. Graham, Jr., M.D., of Richmond is appointed a public, non-voting member of the Medical Center Operating Board, effective July 1, 2005. Dr. Graham's term will expire on June 30, 2009.

On motion, the Committee approved the proposed resolution.

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On further motion, the meeting was adjourned at 3:15 p.m.

AGG:jb
These minutes have been posted to the University of Virginia Board of Visitors website.
<http://www.virginia.edu/bov/executivecommitteeminutes.html>