DECLARATION OF OFFICIAL INTENT TO REIMBURSE EXPENDITURES WITH PROCEEDS OF A BORROWING

WHEREAS, the University of Virginia (the "University") intends to undertake the project(s) described on Exhibit A hereto (the "Project");

WHEREAS, the University expects to advance its own funds to pay expenditures related to the Project or parts thereof (the "Expenditures") prior to incurring indebtedness for the Project and to receive reimbursement for such Expenditures from the proceeds of tax-exempt or taxable debt or a combination thereof; and

WHEREAS, by resolution adopted by the Board of Visitors of the University on February 20, 2014, the University designated its Executive Vice President and Chief Operating Officer and the Chair of its Finance Committee as persons authorized to declare official intent on behalf of the University pursuant to Treasury Regulations Section 1.150.2 of the United States Department of the Treasury.

NOW THEREFORE, the University's Executive Vice President and Chief Operating Officer and the Chair of the University's Finance Committee both hereby declare as follows:

1. The University intends to utilize the proceeds of tax-exempt bonds or other debt (collectively, "Bonds") to pay the costs of the Project in an amount not currently expected to exceed $40,000,000.

2. The University intends that the proceeds of the Bonds be used to reimburse the University for Expenditures with respect to the Project made on or after the date that is no more than 60 days prior to the date of this Declaration. The University reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

3. Each expenditure was or will be, unless otherwise approved by bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues or (d) a grant to a party that is not related to or an agent of the University so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the University.

4. The University intends to make a reimbursement allocation, which is a written allocation by the University that evidences the University's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of (a) the date on which the Expenditure is paid or (b) the date the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid.

5. The University intends that the making of this declaration confirms the "official intent" of the University within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

6. This declaration shall take effect immediately.
Dated: __________, ____

[Signature]

Patrick D. Hoge
Executive Vice President and
Chief Operating Officer
University of Virginia

[Signature]

Jim Murray
Chair of the Finance Committee
University of Virginia
DESCRIPTION OF PROJECT

Project: Gilmer/Chemistry Project

Amount Requested: $40,000,000

Cumulative Total: $40,000,000

BACKGROUND: In early 2014, the College of Arts & Sciences, the Office of the Architect, and the Provost Office completed an integrated academic and capital planning effort to inform the University’s capital improvement plan for Science, Technology, Engineering, and Math (STEM) facilities. Two key projects identified through this effort are the renovations of Gilmer Hall and the Chemistry Building.

Gilmer Hall (approximately 323,000 GSF, completed in 1963) and the Chemistry Building (approximately 273,000 GSF, completed in 1968) have housed the Biology, Psychology, and Chemistry departments for more than half a century. Today, they continue to house the teaching laboratory functions for these three departments, as well as basic undergraduate and graduate instruction for STEM and other disciplines. Both buildings are “workhorse” research facilities for the College of Arts & Sciences, including chemistry, psychology, and cell molecular biology research laboratories. Over time, changes in teaching and research methods, technological advancements and renovations for new hires have resulted in numerous renovations and reconfigurations.

Additionally, the mechanical, electrical, and plumbing systems in both buildings are deteriorating with energy intensive system stretched past their life cycle. Further, they lack flexibility and are without capacity for increased utilization. These two buildings are due for significant infrastructure upgrades, as well as space renewal that will meet the needs of STEM program growth. This will position Gilmer Hall and the Chemistry Building as important teaching and research resources for the College of Arts & Sciences and the rest of the University.

University Debt $ 40,000,000
Total Project Budget $ 174,474,000