

**DOCKET**

**BOARD OF VISITORS**

**University of Virginia**

**Regular Meeting**

**September 15, 2017**

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**CONSENT ITEMS**

**1. REVISED ENTERPRISE RISK MANAGEMENT CHARTER**

(approved by the Audit, Compliance, and Risk Committee on September 14, 2017 – see also Attachment A)

WHEREAS, the Board of Visitors originally approved the University’s Enterprise Risk Management (“ERM”) charter in February 2016; and

WHEREAS, the ERM charter is periodically reviewed to determine necessary updates; and

WHEREAS, changes and enhancements have been made to the ERM program since the ERM charter was first adopted by the Board in February 2016;

RESOLVED, the Board of Visitors approves the revised ERM Charter as recommended by the Audit, Compliance, and Risk Committee.

**2. ATHLETICS COMPLIANCE CHARTER**

(approved by the Audit, Compliance, and Risk Committee on September 14, 2017 – see also Attachment B)

WHEREAS, the University President is appointed by the Board of Visitors, and through the Board’s delegation of authority, the President has ultimate responsibility and accountability for the Athletics Department; and

WHEREAS, the Athletics Department is responsible for ensuring the intercollegiate athletics program is operated within the rules and regulations of the University, the Atlantic Coast Conference (ACC), and the National Collegiate Athletic Association (NCAA); and

WHEREAS, compliance with these rules and regulations is the shared responsibility of everyone associated with the University, as documented in the Athletics Compliance Charter;

RESOLVED, the Board of Visitors approves the Athletics Compliance Charter as recommended by the Audit, Compliance, and Risk Committee.

**3. NAMING OF THE TOTAL ADVISING CENTER AS DATHEL AND JOHN GEORGES STUDENT CENTER**

(approved by the Buildings and Grounds Committee on September 14, 2017)

WHEREAS, Dathel and John Georges of New Orleans, Louisiana are the parents of a current student and an alumna of the University of Virginia College of Arts & Sciences; and

WHEREAS, Mr. and Mrs. Georges have been active volunteers, serving on the UVA Parents Fund Committee and hosting and sponsoring events for students and families; and

WHEREAS, Mr. and Mrs. Georges are generous donors to the University, and supported in particular the construction of the Total Advising Center in Clemons Library;

RESOLVED, the Board of Visitors names the Total Advising Center in Clemons Library the *Dathel and John Georges Student Center*.

**4. RENAMING LEWIS HOUSE AS YEN HOUSE**

(approved by the Buildings and Grounds Committee on September 14, 2017)

WHEREAS, Yan Huiqing, also known as W.W. Yen, was the first student from China to graduate from the University of Virginia, and the first international student to receive a Bachelor of Arts from the University; and

WHEREAS, Mr. Yen was a highly accomplished diplomat whose exemplary political career included service as China's Minister of Foreign Affairs, first ambassador to the Soviet Union, delegate in the League of Nations, Premier, and acting President; and

WHEREAS, Mr. Yen serves as a distinguished example of a true global scholar committed to cross-cultural exchange, peace, and goodwill;

RESOLVED, the Board of Visitors renames Lewis House as *Yen House*.

**5. DEMOLITION OF 1939 IVY ROAD**

(approved by the Buildings and Grounds Committee on September 14, 2017)

WHEREAS, the redevelopment of property fronting Ivy Road will require the demolition of 1939 Ivy Road (#3480); and

WHEREAS, pursuant to the Management Agreement dated November 15, 2005, by and between the Commonwealth of Virginia and The Rector and Visitors of the University of Virginia, the Board of Visitors is authorized to approve the demolition of buildings, subject to such other laws as may be applicable;

RESOLVED, the demolition of 1939 Ivy Road is approved by the Board of Visitors, pending approval by the Art and Architectural Review Board and the Department of Historic Resources and in compliance with such other laws as may be applicable; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to approve and execute such documents and to take such other actions as deemed necessary and appropriate in connection with the demolition of the building; and

RESOLVED FURTHER, all prior acts performed by the Executive Vice President and Chief Operating Officer, and other officers and agents of the University, in connection with this demolition, are in all respects approved, ratified, and confirmed.

**6. AMENDMENT TO THE CAPITAL PROJECT PROCUREMENT PROCESS**  
(approved by the Buildings and Grounds Committee on September 14, 2017 – see also Attachment C)

WHEREAS, pursuant to § 2.2-4381 of the Code of Virginia, the University amended its capital project procurement process originally required by Item 4-4.01 of the 2016-2018 biennial budget; and

WHEREAS, § 2.2-4381 of the Code of Virginia further provides that the University seek approval of the process by the Board of Visitors after review by the Department of General Services (DGS);

RESOLVED, the Board of Visitors approves the University's Amended Capital Project Procurement Process.

## **ACTION ITEMS**

**7. SIGNATORY AUTHORITY RELATED TO CHANGE IN GROUP PURCHASING ORGANIZATION**  
(approved by the Health System Board on September 13, 2017 and by the Finance Committee on September 14, 2017)

RESOLVED, the Board of Visitors authorizes the Executive Vice President for Health Affairs to execute all contracts as necessary for the Medical Center to transfer contracts in effect under the Vizient group purchasing arrangement to the Premier group purchasing arrangement.

**8. PLAQUE COMMEMORATING THE UNIVERSITY'S BICENTENNIAL**  
(approved by the Buildings and Grounds Committee on September 14, 2017)

WHEREAS, the University of Virginia will mark the 200th anniversary of the laying of the University's cornerstone at Pavilion VII on October 6, 2017; and

WHEREAS, the commemoration will continue through the 200<sup>th</sup> anniversary of the University's charter on January 25, 2019; and

WHEREAS, the Bicentennial will celebrate the achievements of the University's first two centuries while articulating aspirations for its next two centuries;

RESOLVED, the Board of Visitors authorizes the placement of a plaque at Pavilion VII to commemorate the University's Bicentennial.

**9. REVISION TO THE 2017 CAPITAL PLAN – BASEBALL STADIUM EXPANSION, REVISED SCOPE**

(approved by the Buildings and Grounds Committee and the Finance Committee on September 14, 2017)

WHEREAS, the University recommends a revision in the originally approved scope for the Baseball Stadium Expansion to include an administrative office area and pitching development center, planned as part of phase 2, located on the ground floor below the new grandstand at a projected cost of \$2 million;

RESOLVED, the Board of Visitors approves expanding the scope of the Baseball Stadium Expansion by adding 8,820 GSF to the project bringing the total project cost to \$18.16 million.

**10. SIGNATORY AUTHORITY FOR CONTRACTS RELATED TO SECURITY RECOMMENDATIONS**

(approved by the Finance Committee on September 14, 2017)

WHEREAS, the University will negotiate contracts as needed to address identified institutional security recommendations;

RESOLVED, the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer to execute these contracts as needed to address identified institutional security recommendations; and

RESOLVED, the Executive Vice President and Chief Operating Officer will inform the Board of Visitors of any such contracts at its December 2017 meeting.

**11. DISPOSITION OF REAL PROPERTY – DAVIS ESTATE LOCATED AT 700 EDWIN DRIVE, VIRGINIA BEACH, VIRGINIA**

(approved by the Finance Committee on September 14, 2017)

WHEREAS, by Last Will and Testament dated, December 3, 2004, and as amended, Lawrence Davis, Jr. devised to The Rector and Visitors of the University of Virginia real property located at 700 Edwin Drive, Virginia Beach, Virginia (the "Property"); and

WHEREAS, Lawrence Davis, Jr. is now deceased such that title to the Property is vested free and clear in the name of The Rector and Visitors of the University of Virginia; and

WHEREAS, the Board of Visitors finds it to be in the best interest of the University of Virginia to sell the Property, and use the proceeds as agreed in the Lawrence Davis, Jr. and Geraldine M. Davis Scholarship Fund (the "Fund") gift agreement, and to create and administer the Fund;

RESOLVED, the Board of Visitors approves the conveyance of the Property subject to (i) such terms as are approved by the Executive Vice President and Chief Operating Officer and the Chair of the Finance Committee, and (ii) the net proceeds shall be administered in accordance with the instructions contained in the Lawrence Davis, Jr. and Geraldine M. Davis Scholarship Fund agreement; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to approve and execute agreements and related documents, to incur reasonable and customary expenses, and to take such other actions as deemed necessary and appropriate to consummate such property conveyance and to facilitate the maintenance, sale, and marketing activities associated with the Property; and

RESOLVED FURTHER, all prior acts performed by the Executive Vice President and Chief Operating Officer, and other officers and agents of the University, in connection with such property conveyance, are in all respects approved, ratified and confirmed.

**12. 2018-2024 SIX-YEAR INSTITUTIONAL PLANS FOR THE ACADEMIC DIVISION AND THE COLLEGE AT WISE**

(approved by the Finance Committee on September 14, 2017)

WHEREAS, the Virginia Higher Education Opportunity Act of 2011, § 23.1-306 of the Code of Virginia, requires the governing boards of all public institutions of higher education to develop and adopt biennially an institutional six-year plan and submit that plan to the State Council of Higher Education for Virginia (SCHEV); the General Assembly; the Governor; and the Chairs of the House Committee on Appropriations, House Committee on Education, Senate Committee on Education and Health, and Senate Committee on Finance; and

WHEREAS, the University submitted its preliminary plans for the Academic Division and the College at Wise as required on June 30, 2017, outlining general strategies to advance the priorities of the Commonwealth and to enhance teaching, research, and service consistent with the strategies of the Cornerstone Plan and the College at Wise's Strategic Plan, Envisioning 2020; and

WHEREAS, final institutional plans must be approved by the Board of Visitors and submitted to SCHEV, the General Assembly; the Governor; and the Chairs of the House Committee on Appropriations, House Committee on Education, Senate Committee on Education and Health, and Senate Committee on Finance no later than October 1;

RESOLVED, the Board of Visitors approves the 2018-2024 six-year institutional plans for the Academic Division and the College at Wise; and

RESOLVED FURTHER, the President is authorized to transmit the six-year plans as required by § 23.1-306 of the Code of Virginia.

**13. STATE OPERATING BUDGET REQUESTS FOR THE 2018-20 BIENNIUM FOR THE ACADEMIC DIVISION AND THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE**

(approved by the Finance Committee on September 14, 2017)

WHEREAS, the proposed biennial budget requests represent the University's highest priority initiatives and are aligned with the Cornerstone Plan and the Six Year Institutional Plan submitted to the Commonwealth on July 1, 2017;

RESOLVED, the Board of Visitors of the University of Virginia approves the 2018-2020 biennial budget General Fund operating requests; and

RESOLVED FURTHER, the Board of Visitors understands that to the extent these initiatives are not included in the Governor's 2018-2020 biennial budget, the University may want to pursue similar requests to the General Assembly; and

RESOLVED FURTHER, the President or her designee is authorized to transmit to the General Assembly any request not funded by the Governor as long as there are no material differences from the items already endorsed by the Board of Visitors.

**14. ISSUANCE OF GENERAL REVENUE PLEDGE BONDS**

(approved by the Finance Committee on September 14, 2017 – See also Attachment D)

WHEREAS, Chapter 22, Title 23.1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public 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"); and

WHEREAS, Title 23.1 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia; and

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code (the "Act"), the University 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, pursuant to which the University is empowered with the authority to undertake and implement the acquisition of any interest in land, including improvements on the acquired land at the time of acquisition, new construction, improvements or renovations and to borrow money and make, issue and sell bonds of the University for such purposes, including the refinancing of any such facilities; and

WHEREAS, in order for the University to more efficiently access the capital markets, the Board desires to authorize a multi-year capital project financing program (the "Program") that may be used by the University from time to time to finance or refinance the costs of

capital and other projects, including capitalized interest, financing costs, working capital, general corporate purposes and the refunding of prior obligations of the University (collectively, the "Projects"), subject to the limitations and parameters set forth in this resolution; and

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

WHEREAS, on June 9, 2017, the Board provided its initial approval of the Program; and

WHEREAS, the Board desires to authorize the establishment of the Program of up to \$500,000,000 of taxable or tax-exempt bonds (the "Bonds") that may be issued by the University from time to time to finance one or more Projects, all subject to the limitations and parameters described below; and

WHEREAS, the Board desires, that with any taxable proceeds of the Bonds, the University create two new investment accounts, one account to fund the maturity of the taxable Bonds' principal and a second to fund current and future capital expenditures of the University.

RESOLVED, that the Board hereby implements the plan of finance described in the recitals hereto by authorizing the establishment of the Program, by adopting a master program resolution in substantially the form attached as Exhibit A with such amendments, revisions and final terms as provided herein and in Section 11.7 thereof (the "Program Resolution"); and

RESOLVED FURTHER, that as described in Section 11.7 of the Program Resolution, the President of the University or the Executive Vice President and Chief Operating Officer of the University, in consultation with the Chair of the Board's Finance Committee, is authorized to approve the final terms of the Program Resolution; and

RESOLVED FURTHER, the President of the University or the Executive Vice President and Chief Operating Officer of the University are each hereby authorized to negotiate, execute and deliver certain documents related to the Program Resolution as described therein; and

RESOLVED FURTHER, under the Program, the Board hereby authorizes the issuance of the Bonds in one or more series, and for the purpose of providing for the terms thereof, by adopting one or more series resolutions in substantially the form attached as Exhibit B with such amendments, revisions and final terms as provided herein and in Section 7.5 thereof (each a "Series Resolution"); and

RESOLVED FURTHER, that the President of the University or the Executive Vice President and Chief Operating Officer of the University, in consultation with the Chair of the Board's Finance Committee, is authorized to approve the final terms of each series of the Bonds, including, without limitation, their original principal amounts and the specific Projects

to be financed or refinanced, their maturity dates and amounts, redemption provisions and prices and interest rates, and tax status of interest on each series of the Bonds, provided that (i) the maximum aggregate principal amount of the Bonds to be issued hereunder shall not exceed \$500,000,000; (ii) the Bonds shall be issued at fixed or variable rates with a maximum yield on any fixed rate series, and the maximum initial yield on any variable rate series, not to exceed five and one-half percent (5.50%) per annum; (iii) the final maturity of each series of Bonds shall not exceed 101 years beyond their respective issuance dates; and (iv) the Bonds shall be issued within one year from the date of this Resolution; and

RESOLVED FURTHER, that with any taxable proceeds of the Bonds, the President of the University or the Executive Vice President and Chief Operating Officer of the University are each hereby authorized to create two new investment accounts, one account to be funded and invested in a manner that provides sufficient funds to pay the principal of the taxable Bonds' upon their maturity, and a second account to fund current and future capital expenditures; and

RESOLVED FURTHER, that President of the University or the Executive Vice President and Chief Operating Officer of the University are each hereby authorized to negotiate, execute and deliver all documents related to the Series Resolution and the Bonds; and

RESOLVED FURTHER, that, as provided in the Program Resolution, no bonds other than the Bonds shall be issued under the Program Resolution unless the Board adopts a subsequent resolution authorizing those subsequent bonds; and

RESOLVED FURTHER, that all officers of the University are authorized and directed to take all such further actions, including without limitation the designation of underwriters, paying agents, remarketing agents, trustees and liquidity providers for the Bonds, and to execute all such instruments, agreements, documents, and certificates as they shall deem necessary or desirable to carry out the terms of the financing plans presented to this meeting, including without limitation any liquidity facilities, swap or other interest rate management agreements associated with the Bonds; and

RESOLVED FURTHER, pursuant to the Section 147(f) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, the University designates the Executive Vice President and Chief Operating Officer of the University as the public hearing officer to hold any public hearings required in order to ensure the tax-exempt status of interest on all or a portion of the Bonds; and

RESOLVED FURTHER that all acts of all officers of the University which are in conformity with the purposes and intent of this Resolution and in carrying out the financing plans presented to this meeting are ratified, approved and affirmed; and

RESOLVED FURTHER that, upon approval, this action shall take effect immediately.

**15. ESTABLISHMENT OF THE KENNETH G. ELZINGA PROFESSORSHIP IN ECONOMICS AND THE LAW**

(approved by the Academic and Student Life Committee on September 15, 2017)

WHEREAS, Professor Kenneth G. Elzinga, Robert C. Taylor Professor of Economics, has been a member of the faculty since 1967; and

WHEREAS, Mr. Elzinga has taught more than 45,000 students and has been honored many times as an excellent teacher and engaged member of the faculty, including receiving the Thomas Jefferson Award in 1992, the highest honor bestowed by the University; and

WHEREAS, more than 500 alumni, students, parents, and friends contributed to a fund to establish a professorship in honor of Professor Elzinga;

RESOLVED, the Board of Visitors establishes the Kenneth G. Elzinga Professorship in Economics and the Law in the Department of Economics of the College and Graduate School of Arts & Sciences to enhance the Department of Economics; and

RESOLVED FURTHER, the Board thanks the many donors for their generosity to the Department of Economics and the University, and congratulates Professor Elzinga on a long and distinguished academic career.

**16. ESTABLISHMENT OF A SECOND JAMES R. SCHLESINGER DISTINGUISHED PROFESSORSHIP AT THE MILLER CENTER OF PUBLIC AFFAIRS**

(approved by the Academic and Student Life Committee on September 15, 2017)

WHEREAS, James R. Schlesinger was a member of the faculty of the Economics Department from 1955 to 1963, first as an Assistant Professor and then as an Associate Professor; and

WHEREAS, Mr. Schlesinger was a distinguished figure in American life, having been Chairman of the Atomic Energy Commission, Director of the Central Intelligence Agency, Secretary of Defense, and the first Secretary of Energy, as well as having been an advisor to a number of government agencies; and

WHEREAS, Mr. Schlesinger's career embodied the ideals of public service in this country; and

WHEREAS, Mr. Schlesinger made a generous gift to establish a professorship at the Miller Center, whose occupant should offer expertise in foreign policy or national security;

RESOLVED, the Board of Visitors establishes a second James R. Schlesinger Distinguished Professorship at the Miller Center and pays tribute to Mr. Schlesinger's exemplary public service.

**17. POLICY ON THE ADMINISTRATION OF ATHLETICS AND THE ATHLETICS ADVISORY COUNCIL**

(approved by the Academic and Student Life Committee on September 15, 2017)

WHEREAS, the Board of Visitors approved a revised "Standing Policy on Administration of Athletics and the Advisory Council on Athletics" on June 13, 1997; and

WHEREAS, current administrative practices and terms are not consistent with those outlined in the June 13, 1997 policy;

RESOLVED, the policy of June 13, 1997 is hereby rescinded and replaced by the following policy:

**Policy on the Administration of Athletics and the Athletics Advisory Council**

The responsibility for administration of the Department of Athletics shall be placed on a Director of Intercollegiate-Athletics Programs, who shall be appointed by the President of the University, subject to the approval of the Board of Visitors.

The faculty shall, as heretofore, have the responsibility of setting the standards required for the maintenance of acceptable academic standing for students in general. That students who maintain such standards shall be eligible to represent the University in athletic competition, subject to such regulations as may be established by the administrative authorities of the University, including the Board of Visitors, regarding eligibility in respects other than that of acceptable academic standing. The policy of the University concerning scholarships which may be awarded to students who participate in intercollegiate athletics is reserved for decision by the Board of Visitors, which may act with the benefit of recommendations from the administration and the Athletics Advisory Council hereinafter mentioned.

An Athletics Advisory Council is established, consisting of representatives selected by the President of the University from the faculty, the Alumni Association, the Virginia Athletics Foundation, administration, and student body. The Chair of the Athletics Advisory Council shall be designated by the President of the University. At least one of the members should be a student-athlete.

# **ATTACHMENTS**

**UNIVERSITY OF VIRGINIA**  
**ENTERPRISE RISK MANAGEMENT CHARTER**

I. Mission

The purpose of the University of Virginia's Enterprise Risk Management ("ERM") program is to strengthen the University's ability to achieve its mission and strategic objectives. This is done by effectively managing key risks and seizing opportunities related to the achievement of our strategic objectives. In this context, risk encompasses both negative events ("downside risk") and opportunities ("upside risk"). An effective ERM program helps the University effectively deploy its resources in pursuit of its objectives.

II. Scope

The scope of the program includes ERM activities at the Academic Division, Health System, and College at Wise. The ERM function will work closely with the Audit and Compliance functions. Efficiencies are gained through collaboration among the three functions, including:

- Linking work across enterprise risk, audit, and compliance functions
- Sharing available resources and knowledge
- Aligning planning and operational efforts

This collaboration is accomplished while recognizing the distinct roles played by each party. Treasury is responsible for leading ERM within the organization. Compliance is responsible for monitoring and promoting adherence to laws and regulations. Internal Audit is responsible, in part, for examining and evaluating the adequacy and effectiveness of the University's governance, risk management, and internal controls.

III. Objectives

In support of the ERM program's purpose, the objectives of the program include:

- Creating a framework to effectively identify, assess, and manage risk
- Ensuring appropriate ownership and accountability of risks
- Promoting communication and collaboration among risk management activities
- Providing senior leaders with key information to make risk-informed decisions and to effectively allocate resources
- Incorporating risk in strategic decision making

IV. Roles and Organization

The President of the University is the owner of the ERM program. Responsibility for administering the program is delegated to the University's Treasurer. ERM is effected by the University's Board and leadership and is a collaborative effort at various levels of the organization, including:

#### Risk Management Networks

Risk Management Networks ("RMN's") exist for both the Academic Division and the Health System. Membership consists of higher-level individuals who can (1) provide perspective on industry trends, and (2) have a deep understanding of University operations. Their role is to help identify emerging risks and cascade ERM initiatives into the University's departments.

#### Risk Management Council

The Risk Management Council ("RMC") is comprised of representatives from the major functional areas of the University, including the Health System. The RMC's objectives are to provide guidance and expertise in helping steer the efforts of the ERM program.

#### University Executive Leadership

The RMC will review key risks and mitigation strategies with the University's executive leadership. Executive leadership will help set the University's risk appetite, contribute to the assessment of risks, and provide guidance on how to report key risks to the ACR.

#### The Board of Visitors' Audit, Compliance, and Risk ("ACR") Committee

The ACR Committee will:

- Approve the Enterprise Risk Management Charter
- Understand the University's ERM philosophy and approach
- Provide feedback to improve the effectiveness of the ERM program
- Review the institution's risk governance framework including the risk assessment and mitigation strategies.
- Make appropriate inquiries of management and the Treasurer to determine whether all ERM efforts have the necessary resources and direction to be as effective as possible.

The Treasurer will communicate and interact directly with the Chair of the ACR committee, including in executive sessions and between ACR committee meetings as appropriate.

#### V. Charter Review

The ERM Charter should be annually reviewed and, if necessary, updated to determine if the charter continues to reflect the institution's risk management priorities.

**UNIVERSITY OF VIRGINIA ATHLETICS COMPLIANCE CHARTER**

The University of Virginia (the “University”) Athletics Compliance Office is designed to ensure that the intercollegiate athletics program is operated within the rules and regulations of the University, the Atlantic Coast Conference (ACC), and the National Collegiate Athletic Association (NCAA). Compliance with these rules and regulations is the shared responsibility of everyone associated with the University. In order for institutional control to be maintained, the NCAA Committee on Infractions developed principles with the idea of assisting institutions to better understand the efforts and attitudes needed in order to create an atmosphere of compliance and institutional control.

As stipulated by NCAA Bylaw 6.1.1 and requirement for participation within the ACC as indicated in Article XI, Section XI-2 of the ACC Bylaws, the ultimate authority and accountability for the University athletics program rests with the University President. The President is appointed by the University Board of Visitors, and through the Board’s delegation of authority the President has ultimate responsibility for the Athletics Department. To share in the responsibilities of NCAA and ACC oversight, the University President delegates day-to-day administration of the University Athletics Department to the Director of Athletics, who in-turn shares that responsibility with the Athletics Compliance Office. In fulfilling the obligation to exercise institutional control, the Athletics Compliance Office has a direct reporting line to the Director of Athletics and to the University President. The University Athletics Compliance Program will interface with student-athletes, coaches, athletic staff members, other University personnel, as well as the University’s alumni and friends. The Athletics Compliance Office will assist coaches and staff by developing and maintaining a compliance program that will educate, monitor, interpret, and report rules violations, if they occur.

As mentioned above, Compliance is a shared responsibility within the University. To ensure the University maintains institutional control and full compliance with applicable rules, departments outside of the Athletics Department have responsibility for certain NCAA, ACC, and University compliance functions, as outlined below:

Faculty Athletics Representative (FAR): The FAR serves as a liaison for the President between the University Faculty and the Athletics Department; reviews student-athlete grade distribution at the end of each academic term; reviews and approves student-athlete grade changes; serves as the ACC’s voting representative for institutional positioning on NCAA/ACC legislation, and may serve the same role for the NCAA’s voting representative if need be as directed by the President; and assists in review of potential academic misconduct/impermissible academic assistance allegations/violations.

Admissions: The Office of Undergraduate Admission has ultimate responsibility to determine which prospective student-athletes are admitted to the University. The Athletics Department

will have designated liaisons who may speak with Admission regarding a prospective student-athlete's admission.

University Registrar (UREG): The University Registrar is the certifying officer for all student-athlete academic eligibility, including initial, continuing, and transfer eligibility certification; full-time enrollment; and NCAA Academic Performance Review cohort review.

Student Financial Services (SFS): The SFS office is the certifying officer for student-athlete financial aid; responsible for squad list production/completion; outside award certification; and athletic aid renewal/non-renewal notifications.

Athletic Academic Affairs: The Athletic Academic Affairs office collaboratively works with UREG and the Athletics Compliance Office to monitor student-athlete eligibility; and communicates with faculty and staff regarding student-athletes' academic requirements for NCAA academic purposes since only academic advisors within the University departments can add student-athletes to courses.

Institutional Assessment and Studies: The Office of Institutional Assessment and Studies is responsible for tracking and reporting graduation rate and Graduation Success Rate cohort review.

Executive Vice President and Chief Operating Officer and Assistant Vice President for Institutional Compliance: During quarterly meetings with the Executive Vice President and Chief Operating Officer, the Assistant Vice President for Institutional Compliance, and the University President's Chief of Staff, the Athletics Compliance Office reviews any compliance concerns, reporting requirements, potential violations, and the results of any external compliance reviews. In addition, the Athletics Compliance Office meets bimonthly with the University's Compliance Network to share compliance-related concerns, trends, and best-practices.

### AMENDED CAPITAL PROJECT PROCUREMENT PROCESS

#### Executive Summary

**Purpose:** Pursuant to Chapters 699 and 704 of the 2017 Acts of Assembly, the following updated process is provided to the University's Board of Visitors for approval. Any subsequent changes to these procedures will be submitted to the Department of General Services (DGS) for review and comment, and to the Board of Visitors for approval.

**Procedure:** In accordance with Chapters 699 and 704 of the 2017 Acts of Assembly, and subject to Subchapter 3 of the Restructuring Act and the associated Management Agreement between the Commonwealth of Virginia and the University of Virginia, the University shall have and shall exercise all authority relating to the procurement of construction. Documentation adopted by the University and approved by the Board of Visitors identifies procurement procedures for capital construction.

The University of Virginia Associate Vice President and Chief Facilities Officer (AVP & CFO) shall approve construction delivery methods, and any exceptions, in writing on a project specific basis.

A written recommendation for the construction delivery method will be provided to the AVP & CFO through the Director of Facilities Planning & Construction (FP&C) in consultation with the University management team comprised of the University Project Manager, the FP&C Division Director, and the Construction Services and Contract Administration Director. FP&C completes a risk analysis for each project, and if competitive sealed bidding is not selected, the written recommendation will justify why sealed bidding is not practicable and/or fiscally advantageous to the University. Written documentation will be in a Determination and Findings (D&F) format.

**Risk Analysis:** The following critical components will be considered in recommending the appropriate construction delivery method for each project:

- Risk management and overall benefit to the University
- Technical complexity and building use
- Required experience with specialty systems or equipment/prequalification
- Schedule, schedule challenges, schedule efficiencies, and critical completion dates
- Coordination of phased or fast-track construction to expedite overall project completion
- Early procurement of long lead time materials or equipment
- Continuity of University operations and utility systems
- Ability to manage impact to patient care
- Minimizing disruption to academic and research programs
- Campus security and limited access to restricted areas

- Cost and cost efficiencies
- Cost estimating during design
- Cost control during design and construction
- Design phase constructability analysis for improved quality, safety, cost savings, and quality control
- Continuous value management to balance value, cost, quality, and schedule during design and construction
- Project staffing requirements by contractor and the University
- Single point of responsibility

FP&C will submit documentation for the construction delivery method for each project to DGS for a five-day review. Upon receipt of DGS recommendations, UVA will make any amendments to address DGS' comments, document UVA action in the project file, and submit to DGS.

**Related Requirements of Chapter 699 and 704 of the 2017 Acts of Assembly:**

- Licensed Architect or Engineer employed or under contract to advise in use of construction management (CM) and design/build (D/B).
- Cost is critical component of the D/B selection process.
- CM contracts shall be entered into no later than the completion of the schematic phase of design unless prohibited by authorization of funding restrictions.
- Two step Request for Qualifications (RFQ)/Request for Proposals (RFP) process allowed.
- Written justification that sealed bidding is not practicable and/or fiscally advantageous shall be stated in the RFQ used to procure CM and D/B services.
- Criteria for evaluation included in RFQ & RFP.
- Prior CM, D/B, and/or DGS Bureau of Capital Outlay Management (BCOM) experience not a prerequisite for award.
- RFQ shall be posted in accordance with current Code of Virginia requirements for a minimum of 30 days.
- Two to five offerors in short list.
- D/B cost proposals remain sealed until ranking of technical proposals is complete.
- Ninety percent of CM construction work subcontracted through publicly advertised competitive sealed bidding to maximum extent practicable.
- CM fixed price for construction established at construction drawings.
- Interim fixed prices for early packages permitted.

**Reporting:** The University will report on completed capital projects in excess of \$2 million in construction cost annually as requested by DGS.

**References:**

- University of Virginia Management Agreement
- University of Virginia Higher Education Capital Outlay Manual
- Chapter 780, § 4-4.01 (2016-18 Biennial Budget)
- Chapters 699 and 704 (2017 Session)

## **Approval and Revisions:**

- July 2016: UVA construction method selection process submitted to DGS.
- August 2016: DGS comments provided to UVA and recommendations incorporated into the selection process.
- December 2016: Approved by the Board of Visitors.
- August 2017: Revised to include language pursuant to Chapters 699 and 704 of the 2017 Acts of Assembly, and Revised UVA Capital Construction Management and Design-Build Process Requirements submitted to DGS.
- September 14, 2017: Review by the Board of Visitors.

## **UVA Policy for Construction Management at Risk (CM at Risk)**

In accordance with the provisions of §§ 2.2-4378, 2.2-4379, and 2.2-4381 of the Code of Virginia, UVA has adopted the following Policy for the use of CM at Risk. For convenience of use, UVA will replace SECTION 11.3 of the UVA Higher Education Capital Outlay Manual with this new policy. However, this is a stand-alone policy, approved and recorded by the Board of Visitors, and will not be modified without Board of Visitors' approval.

### 1. Criteria for Use:

- a. Provide a written determination that competitive sealed bidding is not practicable or fiscally advantageous (§ 2.2-4381.C.1). The AVP & CFO is the approving authority for requests to use CM at Risk.
- b. Written determination shall include the basis of determination including one or more of the following:
  - i. Construction Cost (§§ 2.2-4381.B.1 and 2.2-4381.D.3)
  - ii. Project Complexity (§§ 2.2-4381.B.1 and 2.2-4381.D.4)
  - iii. Building Use (§§ 2.2-4381.B.1 and 2.2-4381.D.3)
  - iv. Project Timeline (§§ 2.2-4381.B.1 and 2.2-4381.D.3)
  - v. Project Phasing (§ 2.2-4381.D.5)
  - vi. Necessity of Value Management and/or Constructability Analysis Concurrent with Design (§ 2.2-4381.D.5)
  - vii. Quality Control/ Vendor Prequalification Needs (§ 2.2-4381.D.5)
  - viii. Cost/ Design Control Needs (§ 2.2-4381.D.5)
- c. A licensed architect or engineer shall be employed or under contract to advise in use of CM at Risk (§ 2.2-4381.C.2).

### 2. DGS Review of Procurement Method (§§ 2.2-4381.D through 2.2-4381.F):

- a. Submit the following to DGS for review:
  - i. Written determination for each project.
  - ii. Completed DGS CM at Risk Procurement Review Submittal Form identifying project characteristics relevant to CM at Risk procurement.
- b. Upon receipt of DGS Recommendation within 5 working days, UVA shall:
  - i. Address DGS comments as necessary.
  - ii. Document UVA action in project file and submit to DGS.

3. Procurement Procedures:

- a. AVP & CFO shall appoint a selection committee consisting of at least three members from UVA, including a licensed design professional, if possible.
- b. Enter into contract no later than the completion of the schematic phase of design unless prohibited by authorization of funding restrictions (§ 2.2-4381.C.4).
- c. Use a two-step RFQ/RFP process (§ 2.2-4381.C.7).
- d. Prepare a RFQ containing UVA's project overview and justification for use of CM at Risk (§ 2.2-4381.C.1). All offerors shall have a licensed Class "A" Contractor registered in the Commonwealth of Virginia as part of the project team.
- e. RFQ shall include evaluation criteria and be posted in accordance with current Code of Virginia requirements for a minimum of 30 days (§ 2.2-4381.C.3).
- f. Selection committee evaluates the firms' RFQ responses and any other relevant information and recommends those best qualified with respect to criteria established in RFQ. The AVP & CFO shall approve the best qualified CMs to receive an RFP.
- g. RFQ process shall result in short list of 2-5 offerors to receive RFP (§ 2.2-4381.D.5).
- h. RFP shall include evaluation criteria and be posted in accordance with the current requirements in the Code of Virginia.
- i. Offerors who were not selected for the short list shall be provided written notification and the reasons for such decision.
- j. Selection committee shall evaluate and rank the firms' proposals. Prior CM at Risk or BCOM experience shall not be a prerequisite for award (§ 2.2-4381.C.5).
- k. The AVP & CFO shall approve the CM deemed fully qualified and providing best value in response to the RFP, and the contract shall be awarded to that offeror.
- l. UVA shall notify all offerors who submitted proposals which offeror was selected for the project. When so provided in RFP, awards may be made to more than one offeror.
- m. Upon request, a debriefing of the selection process will be made available to any offeror.

4. Contracting Requirements:

- a. CM preconstruction/document review phase services shall be contracted as a non-professional service (§ 2.2-4301).
- b. Fixed price of construction will be established at completion of construction drawings based on actual subcontractor pricing (§ 2.2-4381.A). If UVA and the CM cannot agree on a fixed price, UVA may competitively bid the project with the other prequalified CM offerors or enter into competitive negotiations with the other prequalified CM offerors in accordance with the requirements of the Code of Virginia.
- c. Interim fixed prices for early release packages are permitted.
- d. Ninety percent of construction work must be subcontracted through publicly advertised, competitive sealed bidding to the maximum extent practicable (§ 2.2-4381.C.6).

### **UVA Policy for Design-Build (D/B)**

In accordance with the provisions of §§ 2.2-4378, 2.2-4379, and 2.2-4381 of the Code of Virginia, UVA has adopted the following Policy for the use of Design-Build (D/B). For convenience of use, UVA will replace SECTION 11.2 of the UVA Higher Education Capital Outlay Manual with this new policy. However, this is a stand-alone policy, approved and recorded by the Board of Visitors, and will not be modified without Board of Visitors' approval.

#### 1. Criteria for Use:

- a. Provide a written determination that competitive sealed bidding is not practicable or fiscally advantageous (§ 2.2-4381.C.1). The AVP & CFO is the approving authority for requests to use D/B procedures.
- b. Written determination shall include the basis of determination including one or more of the following:
  - i. Construction Cost (§§ 2.2-4381.B.1 and 2.2-4381.D.3)
  - ii. Project Complexity (§§ 2.2-4381.B.1 and 2.2-4381.D.4)
  - iii. Building Use (§§ 2.2-4381.B.1 and 2.2-4381.D.3)
  - iv. Project Timeline (§§ 2.2-4381.B.1 and 2.2-4381.D.3)
  - v. Need for Single Point of Responsibility
- c. A licensed architect or engineer shall be employed or under contract to advise in use of D/B (§ 2.2-4381.C.2).

#### 2. DGS Review of Procurement Method (§§ 2.2-4381.D through 2.2-4381.F):

- a. Submit the following to DGS for review:
  - i. Written determination for each project.
  - ii. Completed DGS D/B Procurement Review Submittal Form identifying project characteristics relevant to D/B procurement.
- b. Upon receipt of DGS Recommendation within 5 working days, UVA shall:
  - i. Address DGS comments as necessary.
  - ii. Document UVA action in project file and submit to DGS.

#### 3. Procurement Procedures:

- a. AVP & CFO shall appoint a selection committee consisting of at least three members from UVA, including a licensed design professional, if possible.
- b. Use a two-step RFQ/RFP process (§ 2.2-4381.C.7).
- c. Prepare a RFQ containing UVA's project overview and justification for use of D/B (§ 2.2-4381.C.1). All offerors shall have a licensed Class "A" Contractor and an architect or engineer registered in the Commonwealth of Virginia as part of the project team.
- d. RFQ will include evaluation criteria and be posted in accordance with current Code of Virginia requirements for a minimum of 30 days (§ 2.2-4381.C.3).
- e. Selection committee evaluates the firms' RFQ responses and any other relevant information and recommends those best qualified with respect to criteria established for project in RFQ. Prior D/B or BCOM experience shall not be a prerequisite for award (§ 2.2-4381.C.5). The AVP & CFO shall approve the best qualified D/B's to receive an RFP.

- f. RFQ process shall result in short list of 2-5 offerors to receive RFP (§ 2.2-4381.D.5).
- g. RFP shall include evaluation criteria and be posted in accordance with the current requirements in the Code of Virginia. Cost shall be a critical component of selection process.
- h. Offerors who were not selected for the short list shall be provided written notification and the reasons for such decision.
- i. Sealed technical proposals as described in the RFP shall be submitted to the selection committee. Separately sealed cost proposals shall be submitted to UVA's Virginia Construction Contracting Officer (VCCO), and shall be secured and kept sealed until evaluation of the technical proposals is completed (§ 2.2-4381.A).
- j. Selection committee shall evaluate the firms' technical proposals based upon the criteria contained in the RFP. It shall inform each D/B offeror of any adjustments necessary to make its technical proposal fully comply with the requirements of the RFP. In addition, UVA may require that offerors make design adjustments necessary to incorporate project improvements and/or additional detailed information identified by the selection committee during design development (§ 2.2-4381.A).
- k. Based upon any adjustments requested by the selection committee, the offeror shall provide a revised technical proposal and cost proposal as necessary. In addition, an offeror may submit cost modifications to its original sealed cost proposal which are not based upon revisions to the technical proposals (§ 2.2-4381.A).
- l. Selection committee shall evaluate and rank the firms' technical proposals and open any revised cost proposals and apply the criteria for award as specified in the RFP (§ 2.2-4381.A).
- m. After evaluation and ranking, the Committee may conduct additional negotiations with two or more offerors submitting the highest-ranked proposals and provide their recommendation to the AVP & CFO (§ 2.2-4381.A).
- n. Prior D/B or BCOM experience shall not be a prerequisite for award (§ 2.2-4381.C.5).
- o. The AVP & CFO shall approve the D/B deemed fully qualified and providing best value in response to the RFP, and the contract shall be awarded to that offeror.
- p. UVA will notify all offerors who submitted proposals, which offeror was selected for the Project. When so provided in the RFP, awards may be made to more than one offeror.
- q. Upon request, a debriefing of the selection process will be made available to any offeror.

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

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**MASTER BOND RESOLUTION (MULTI-YEAR CAPITAL PROGRAM)**

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**AUTHORIZING AND SECURING  
GENERAL REVENUE PLEDGE BONDS**

**ADOPTED \_\_\_\_\_, 2017**

**MASTER BOND RESOLUTION (MULTI-YEAR CAPITAL PROGRAM)**

ADOPTED ON \_\_\_\_\_, 2017

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

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**TABLE OF CONTENTS**

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	<u>Page</u>
<b>ARTICLE I DEFINITIONS</b>	
Section 1.1	Definitions..... 2
Section 1.2	Rules of Construction/Use of Words and Phrases ..... 7
<b>ARTICLE II AUTHORIZATION, FORM, EXECUTION, DELIVERY, REGISTRATION AND PAYMENT OF THE BONDS</b>	
Section 2.1	Authorization of the Bonds..... 7
Section 2.2	Form and Details of Each Series of Bonds ..... 7
Section 2.3	Changes in Mode ..... 7
Section 2.4	Execution of the Bonds ..... 8
Section 2.5	Transfer of the Bonds..... 8
Section 2.6	Exchange of the Bonds ..... 9
Section 2.7	Bond Register; Notices; Persons Treated as Owners..... 9
Section 2.8	Temporary Bonds..... 9
Section 2.9	Bonds Mutilated, Lost, Destroyed, Stolen or Undelivered..... 10
<b>ARTICLE III REDEMPTION AND PURCHASE OF THE BONDS; LIQUIDITY FACILITY; REMARKETING AGENT; TENDER AGENT</b>	
Section 3.1	Redemption of the Bonds..... 11
Section 3.2	Selection of Bonds for Redemption ..... 11
Section 3.3	Notice of Redemption ..... 11
Section 3.4	Effect of Calling for Redemption ..... 12

Section 3.5	The Bonds Redeemed Not Deemed Outstanding .....	12
Section 3.6	Remarketing Agent .....	12
Section 3.7	Tender Agent .....	13
Section 3.8	Several Capacities .....	13

ARTICLE IV  
ISSUANCE OF BONDS

Section 4.1	Issuance of Bonds .....	13
Section 4.2	Terms and Conditions for Issuance and Delivery of the Bonds .....	14
Section 4.3	Authentication and Delivery .....	15
Section 4.4	Application of Bond Proceeds .....	15
Section 4.5	Items of Cost of the Project .....	15

ARTICLE V  
FUNDS AND REVENUES

Section 5.1	Establishment of Funds .....	16
Section 5.2	Payments to Bondholders .....	16
Section 5.3	Pledge of Funds and Accounts .....	16
Section 5.4	Moneys Held in Trust .....	16
Section 5.5	Cancellation of the Bonds Upon Payment .....	16
Section 5.6	No Risk to Paying Agent Funds .....	17

ARTICLE VI  
PARTICULAR COVENANTS

Section 6.1	Payment of Principal and Interest; Pledge of Pledged Revenues .....	17
Section 6.2	Additional Indebtedness and Encumbrances .....	17
Section 6.3	Disposition of Assets .....	19
Section 6.4	Insurance .....	19
Section 6.5	Rights of Bondholders Not to Be Impaired .....	19
Section 6.6	Further Instruments and Actions .....	20
Section 6.7	Accurate Records and Accounts .....	20
Section 6.8	Recognized Accounting Principles .....	20
Section 6.9	Security for Deposits .....	20
Section 6.10	Permitted Investments .....	20

ARTICLE VII  
EVENTS OF DEFAULT AND REMEDIES

Section 7.1	Events of Default .....	20
-------------	-------------------------	----

Section 7.2	Remedies.....	21
Section 7.3	Pro Rata Application of Funds.....	22
Section 7.4	Effect of Discontinuance of Proceedings.....	23
Section 7.5	Proceedings for Equal Benefit of All Bondholders .....	23
Section 7.6	No Remedy Exclusive.....	23
Section 7.7	No Delay or Omission Construed to Be a Waiver .....	23
<p>ARTICLE VIII  EXECUTION OF INSTRUMENTS BY BONDHOLDERS  AND PROOF OF OWNERSHIP OF THE BONDS</p>		
Section 8.1	Execution of Instruments; Proof of Ownership .....	24
<p>ARTICLE IX  SUPPLEMENTAL RESOLUTIONS</p>		
Section 9.1	Supplemental Resolutions.....	24
Section 9.2	Modification of Resolution with Consent of Bondholders.....	26
Section 9.3	Supplemental Resolutions Part of This Resolution .....	27
<p>ARTICLE X  DEFEASANCE</p>		
Section 10.1	Defeasance .....	27
Section 10.2	Liability of University Not Discharged .....	28
Section 10.3	Provision for Payment of Particular Bonds .....	28
<p>ARTICLE XI  MISCELLANEOUS PROVISIONS</p>		
Section 11.1	Effect of Covenants.....	29
Section 11.2	Successor Paying Agents or Registrars.....	29
Section 11.3	Manner of Giving Notice .....	30
Section 11.4	Alternative Notice .....	30
Section 11.5	Effect of Partial Invalidity .....	30
Section 11.6	Governing Law .....	31
Section 11.7	Completion of and Amendments to Resolution; Approval, Execution and Delivery of Necessary and Appropriate Documents.....	31
Section 11.8	Bond Delivery.....	31
Section 11.9	Repeal of Inconsistent Provisions.....	31
Section 11.10	Paying Agent/Registrar/Custodian Reliance and Other Matters .....	31

A RESOLUTION AUTHORIZING THE ISSUANCE OF THE RECTOR AND VISITORS OF THE UNIVERSITY OF VIRGINIA GENERAL REVENUE PLEDGE BONDS; PLEDGING TO THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH BONDS CERTAIN REVENUES OF THE UNIVERSITY AS PROVIDED HEREIN; AND SETTING FORTH THE RIGHTS AND REMEDIES OF THE BONDHOLDERS OF SUCH BONDS.

#### RECITALS

A. By Chapter 22, Title 23.1 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 23.1 of the Code of Virginia of 1950, as amended, the University is classified as an educational institution of the Commonwealth.

C. By Chapter 10, Title 23.1 of the Code of Virginia of 1950, as amended (the "Act"), the University entered into a management agreement with the Commonwealth which was enacted as Chapter 3 of Chapter 933 of the 2006 Virginia Acts of Assembly, as amended, pursuant to which the University is classified as a public institution of higher education and the University is empowered with the authority to undertake and implement the acquisition of any interest in land, including improvements on the acquired land at the time of acquisition, new construction, improvements or renovations and to borrow money and make, issue and sell bonds of the University for such purposes, including the refinancing of any such facilities.

D. Pursuant to a resolution adopted on September \_\_, 2017 (the "Authorizing Resolution"), the Board determined to finance and refinance the costs of capital and other projects, including capitalized interest, financing costs, working capital, general corporate purposes and the refunding of prior obligations of the University (collectively, the "Projects"), and delegated to certain officers of the University pursuant to the University's Board-approved debt and interest rate risk management policies the power to approve the final terms of such financing, within certain stated parameters.

E. For the purpose of providing funds to finance or refinance the Projects, the Board has determined to adopt this Master Bond Resolution (Multi-Year Capital Program) authorizing the issuance of general revenue pledge bonds of the University, at one time or on more than one occasion (the "Bonds").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD:

## DEFINITIONS

**Definitions.** In addition to words and terms elsewhere defined in this Program Resolution, the following words and terms as used in this Program Resolution shall have the following meanings, unless some other meaning is plainly intended:

"Account" means any account established in a Fund with respect to any Series of Bonds or otherwise pursuant to the terms of this Program Resolution or any Supplemental Resolution.

"Act" has the meaning given to it in the Recitals to this Program Resolution.

"Authorized Officer" means (i) in the case of the University, the President of the University, the Chief Operating Officer, or the Chief Financial Officer and, when used with reference to any act or document also means any other person authorized by appropriate action of the Board to perform such act or execute such document on behalf of the University; and (ii) in the case of the Paying Agent or the Custodian, the President, any Vice-President, any Assistant Vice-President, any Corporate Trust Officer or any Assistant Corporate Trust Officer of the Paying Agent or the Custodian, and when used with reference to any act or document also means any other person authorized to perform such act or execute such document by or pursuant to a resolution of the governing body of the Paying Agent or the Custodian.

"Authorizing Resolution" means the resolution of the Board adopted September \_\_, 2017, authorizing general revenue pledge bonds in one or more series and establishing certain other parameters related to such bonds.

"Board" means the Board of Visitors of the University or, if such Board is abolished, the board or body succeeding to the principal functions thereof.

"Bond Counsel" means any firm of attorneys selected by the University and experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for federal income tax purposes, which may be an attorney or firm regularly providing services to the University.

"Bondholder" or "Holder" means the registered owner of any Bond and shall mean any Related Liquidity Facility Issuer or its assignee, if appropriate.

"Bonds" means the general revenue pledge bonds of the University issued pursuant to this Program Resolution and one or more Series Resolutions.

"Business Day" except as may be otherwise defined in a Series Resolution, means a day other than (i) a Saturday, Sunday or other day on which banking institutions in the Commonwealth of Virginia or the city in which the Designated Office of the Paying Agent is located are authorized or required by law to close or (ii) a day on which the New York Stock Exchange is closed.

"Chief Financial Officer" means the University's chief financial officer or such other officer of the University having similar duties as may be selected by the Board.

"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.

"Code" means the Internal Revenue Code of 1986, as amended. Each citation to a Code section shall include the applicable temporary and permanent regulations (and including only such proposed regulations which have proposed effective dates prior to the date the applicable opinion or determination is to be made), revenue rulings and revenue procedures.

"Commercial Paper Rate" means, with respect to any Bonds, an interest rate determined for Interest Periods between 1 and 270 days in duration, as specified in the Related Series Resolution.

"Commercial Paper Rate Bond" means any Bond while in a Commercial Paper Rate Mode.

"Commercial Paper Rate Mode" means the mode during which Bonds bear interest at a Commercial Paper Rate.

"Commonwealth" means the Commonwealth of Virginia.

"Credit Obligation" of the University means any indebtedness incurred or assumed by the University for borrowed money and any other financing obligation of the University that, in accordance with generally accepted accounting principles consistently applied, is shown on the liability side of a balance sheet; provided, however, that Credit Obligation shall not include any portion of any capitalized lease payment directly appropriated from general funds of the Commonwealth or reasonably expected to be so appropriated as certified by an Authorized Officer, but only to the extent such appropriation is restricted by the Commonwealth to the payment of such capitalized lease obligation.

"Custodian" means The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States of America, and its successors, or such other bank or financial institution designated by the University to hold funds under this Program Resolution and each Series Resolution.

"Designated Office" means, when used in reference to the Paying Agent, the corporate trust office of the Paying Agent designated as such, which shall initially be Pittsburgh, Pennsylvania.

"Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Paying Agent, or another method or system specified by the Paying Agent as available for use in connection with its services hereunder.

"Event of Default" has the meaning set forth in Section 7.1.

"Fiscal Year" means the period commencing on the first day of July in any year and ending on the last day of June of the following year.

"Fitch" means Fitch Ratings, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency selected by the University.

"Fixed Rate" means, with respect to any Bonds, an interest rate fixed to the maturity date of such Bonds.

"Fixed Rate Bonds" means any Bond while in a Fixed Rate Mode.

"Fixed Rate Mode" means the mode during which the Bonds bear interest at a Fixed Rate.

"Fund" means any fund established pursuant to the terms of this Program Resolution or any Supplemental Resolution.

"Government Obligations" means:

Certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest, and

Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (i) debentures of the Federal Housing Administration, (ii) certificates of beneficial interest of the Farmers Home Administration or (iii) project notes and local authority bonds of the Department of Housing and Urban Development.

"Index Rate" means, with respect to any Bonds, an interest rate determined pursuant to an index or indexes as specified in the Related Series Resolution.

"Index Rate Bond" means any Bond while in an Index Rate Mode.

"Index Rate Mode" means the mode during which Bonds bear interest at an Index Rate.

"Interest Payment Date" for a given Series of Bonds has the meaning given to it in the Related Series Resolution.

"Interest Period" means, with respect to any Bonds, the period of time that any interest rate remains in effect as specified in the Related Series Resolution.

"Liquidity Facility" except as may be otherwise defined in a Related Series Resolution, means any standby bond purchase agreement, letter of credit or other liquidity enhancement (or replacement or substitution thereof) delivered on or after issuance of a Series of Bonds for the purpose of making payment on such Series of Bonds.

"Liquidity Facility Issuer" except as may be otherwise defined in the Related Series Resolution, means any bank or banks, insurance company or companies, or other financial institution or institutions, or any combination of the foregoing, which is the issuer of a Liquidity Facility.

"Mode" means each of the Commercial Paper Rate Mode, the Index Rate Mode, the Term Rate Mode and the Fixed Rate Mode.

"Mode Change Date" means, with respect to Bonds, the date one Mode ends and with another mode beginning on the next day.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the University.

"Parity Credit Obligation" means any Credit Obligation of the University which may be incurred in accordance with the terms of this Program Resolution or has been incurred that is secured on a parity with the pledge of Pledged Revenues herein.

"Paying Agent" means initially The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States of America, and its successors and any other corporation that may at any time be substituted in its place in accordance with Section 11.2 of this Program Resolution.

"Pledged Revenues" means any or all of the revenues now or hereafter available to the University which are not required by law, by binding contract entered into prior to the date of this Program Resolution or by the provisions of any Qualifying Senior Obligation to be devoted to some other purpose, and shall include, without limitation, all revenues pledged to the payment of any Qualifying Senior Obligation net of amounts necessary to pay it or any operating or other expenses, the payment of which is required or permitted to be made with such revenues prior to the payment of such Qualifying Senior Obligation.

"Principal Payment Date" for a given Series of Bonds has the meaning given to it in the Related Series Resolution.

"Projects" has the meaning given to it in the Recitals to this Program Resolution.

"Program Resolution" or the "Resolution" means this Program Resolution, adopted by the Board on \_\_\_\_\_, 2017, with respect to the Bonds, as modified, altered, amended and supplemented as herein permitted.

"Purchase Date" except as may otherwise be defined in the Related Series Resolution, means (i) for a Bond in the Commercial Paper Rate Mode or the Term Rate Mode, the Business Day after the last day of each Interest Period applicable thereto and (ii) for a Bond in the Index Rate Mode, any Business Day upon which such Bond may be tendered or deemed tendered for purchase.

"Qualifying Senior Obligation" means any existing Credit Obligation other than a Parity Credit Obligation secured by a pledge of any portion of the University's revenues, and any additional Credit Obligation issued pursuant to Section 6.3(b) or 6.3(c) or to refund any Qualifying Senior Obligation as described in Section 6.3(e).

"Rating Agency" means Moody's, S&P and/or Fitch, if any or all of such rating agencies have provided a rating for any Series of Bonds. If any such corporation ceases to act as a securities rating agency, the University may, with the approval of any applicable Remarketing Agent, appoint any nationally recognized securities rating agency as a replacement.

"Registrar" means initially The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States of America, and any successor Registrar appointed pursuant to Section 11.2.

"Reimbursement Agreement" means with respect to any Liquidity Facility, the agreement providing for such Liquidity Facility and any and all modifications, alterations, amendments and supplements to such agreement.

"Related" means (i) when used with respect to any Fund, Account or Series of Bonds, the Fund, Account or Series of Bonds so authorized, designated and established by this Program Resolution and the Series Resolution authorizing a particular Series of Bonds, (ii) when used with respect to a Series Resolution or other document associated with a Series of Bonds, such document authorizing or related to a particular Series of Bonds, or Supplemental Resolution related thereto.

"Remarketing Agent" means any remarketing agent engaged for a Series of Bonds.

"Remarketing Agreement" means any agreement between the University and any Remarketing Agent.

"Series" means all of the Bonds of a particular series authenticated and delivered pursuant to this Program Resolution and the Related Series Resolution and identified as such pursuant to such Series Resolution, and any Bonds of such Series thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Program Resolution and such Series Resolution regardless of variations in lien status, maturity, interest rate, sinking fund installments or other provisions.

"Series Resolution" means a Supplemental Resolution providing for the issuance of a Series of Bonds, as such Series Resolution may be modified, altered, amended and supplemented by a Supplemental Resolution in accordance with the provisions of this Program Resolution.

"S&P" means S&P Global Ratings, and its successors and assigns, except that if such division shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the University.

"Short-Term Bond" means any Bond while in a Short-Term Mode.

"Short-Term Mode" means each of the Commercial Paper Rate Mode and the Index Rate Mode.

"State Treasurer" means the State Treasurer of the Commonwealth.

"Supplemental Resolution" means any resolution supplementary to or amendatory of this Program Resolution or any Supplemental Resolution or Series Resolution now or hereafter duly executed and delivered in accordance with the provisions of this Program Resolution, including a Series Resolution.

"Tender Agent" means any Tender Agent engaged for a Series of Bonds.

"Term Rate" means an interest rate fixed to a specified date (other than the final maturity date of the Bond).

"Term Rate Bond" means any Bond while in a Term Rate Mode.

"Term Rate Mode" means the mode during which Bonds bear interest at a Term Rate.

"University" means The Rector and Visitors of the University of Virginia, an educational institution and a public body and governmental instrumentality for the dissemination of education, and its successor or successors.

**Rules of Construction/Use of Words and Phrases.** i. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the word "person" shall include corporations and associations, including public bodies, as well as natural persons. Singular words shall connote the plural number as well as the singular and vice versa.

All references in this Program Resolution to particular Articles or Sections are references to Articles or Sections of this Program Resolution unless otherwise indicated.

The headings and table of contents as used in this Program Resolution are solely for convenience of reference and shall not constitute a part of this Program Resolution nor shall they affect its meaning, construction or effect.

## **AUTHORIZATION, FORM, EXECUTION, DELIVERY, REGISTRATION AND PAYMENT OF THE BONDS**

**Authorization of the Bonds.** For the purpose of providing funds to finance and refinance all or a portion of the costs the Projects, there are hereby authorized to be issued, under the authority of the Act, Bonds of the University. The Bonds shall be designated "The Rector and Visitors of The University of Virginia General Revenue [and Refunding] Pledge Bonds" with an appropriate series designation, as provided in the Related Series Resolution.

**Form and Details of Each Series of Bonds.** The forms, details and terms of each Series of Bonds, the Funds and Accounts to be established with respect to such Series, the Mode of the Bonds, the federal income tax status of interest on the Bonds, and such other matters as the University may deem appropriate shall be set forth in the Related Series Resolution.

**Changes in Mode.** Except as may be otherwise provided in the Related Series Resolution:

At the option of the University, all (and not less than all) of the Bonds in any Mode, other than a Fixed Rate Mode, may be changed to any other Mode at the times and in the manner provided in the Related Series Resolution. Subsequent to such change in Mode, the Bonds may again be changed at the option of the University to a different Mode at the times and in the manner hereinafter provided; provided, however, that any Bonds converted to a Fixed Rate Mode shall not be changed to any other Mode.

The option of the University to change the Mode of the Bonds shall be exercised by written notice from the University stating the University's intention to effect a change in the Mode from the Mode then prevailing to another Mode specified in such written notice, together with the proposed Mode Change Date. Such written notice shall be given in accordance with the Related Series Resolution

The Mode Change Date must be a Business Day.

The Mode Change Date from the Commercial Paper Rate Mode shall be the last Purchase Date for the Commercial Paper Rate Bonds with respect to which a change is to be made.

The Mode Change Date from a Term Rate Mode shall be the Purchase Date of the current Interest Period.

No change in Mode will become effective unless funds sufficient to purchase all of the Bonds subject to such change shall be provided on the Mode Change Date as provided in the Related Series Resolution, and all conditions precedent to such change in Mode under the Related Series Resolution have been met.

**Execution of the Bonds.** ii. Except as may be otherwise provided in the Related Series Resolution, all of the Bonds of each Series shall be executed in the name and on behalf of the University by an Authorized Officer and the official seal of the University shall be impressed, imprinted, reproduced or lithographed on the Bonds. The signatures on the Bonds may be by facsimile. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the University before the Bonds so signed or attested shall have been issued by the University, such Bonds may nevertheless be delivered and issued and, upon such delivery and issue, shall be as binding upon the University as though those who signed and attested the same had continued to be such officers of the University. Any Bonds may be signed and attested on behalf of the University by such persons as at the actual date of execution of such Bonds shall be the proper officers of the University although at the nominal date of such Bonds any such person shall not have been such officer of the University.

Only such of the Bonds as shall bear thereon a certificate of authentication, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Program Resolution, and such certificate of the Registrar shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Program Resolution.

**Transfer of the Bonds.** iii. Except as may be otherwise provided in the Related Series Resolution, any Bonds may be transferred, upon the books required to be kept pursuant to the provisions of Section 2.7, by the person in whose name it is registered, in person or by his duly

authorized attorney, upon surrender of such Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Registrar. The Registrar shall not be required to transfer or exchange any Bond selected or called for redemption pursuant to the provisions therein or from a Record Date through the next succeeding Interest Payment Date.

Whenever any Bonds shall be surrendered for registration of transfer, the University shall execute and the Registrar shall authenticate and deliver a new Bonds, of authorized denominations of the same maturity and interest rate and for a like aggregate principal amount. Such transfer shall be without charge to the Bondholder, except that the Registrar shall require the Bondholder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

**Exchange of the Bonds.** Except as may be otherwise provided in the Related Series Resolution, Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of the Bonds of other authorized denominations of the same maturity and interest rate. Such exchange shall be without charge to the Bondholder, except that the Registrar shall require the Bondholder requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

**Bond Register; Notices; Persons Treated as Owners.** Except as may be otherwise provided in the Related Series Resolution, the Registrar will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times during regular business hours upon reasonable prior written notice be open to inspection by the University; and, upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register or cause to be registered, on such books, the transfer or exchange of the Bonds as hereinbefore provided. Notices sent to Bondholders pursuant to this Program Resolution shall be sent to the addresses shown on the registration books maintained by the Registrar or such other address as may be filed with the Registrar for such purpose. All notices required to be given by mail shall be given by first class mail, postage prepaid.

In addition to the other obligations imposed on the Registrar hereunder, the Registrar shall agree to deliver upon request a list of the names and addresses of the registered owners of the Bonds, as follows:

to any Bondholder, if an Event of Default shall have occurred and be continuing; and

to the Bondholders of 25% or more in aggregate principal amount of the Bonds then outstanding, at any time.

Prior to due presentment for registration of transfer of any Bond, the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the Bondholder, except that interest payments shall be made to the person registered as owner on the registration books of the Registrar on the Record Date.

**Temporary Bonds.** Any Series of Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bond may be printed, lithographed

or typewritten, shall be of such denomination as may be determined by the University and may contain such reference to any of the provisions of this Program Resolution as may be appropriate. A temporary Bond may be in the form of a single Bond payable in installments, each on the date, in the amount and at the rate of interest established for the Bonds maturing on such date. Every temporary Bond shall be executed by the University and be authenticated by the Registrar upon the same conditions and in substantially the same manner as the definitive Bonds. If the University issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Designated Office of the Registrar and the Registrar shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations of the same maturity or maturities and interest rate. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Program Resolution as definitive Bonds authenticated and delivered hereunder.

#### **Bonds Mutilated, Lost, Destroyed, Stolen or Undelivered.**

If any Bond shall become mutilated, the University, at the expense of the Bondholder of such Bond, shall execute, and the Registrar shall thereupon authenticate and deliver, a new Bond of like tenor bearing a different number in exchange and substitution for the Bond so mutilated, but only upon surrender to the Registrar of the Bond so mutilated. Every mutilated Bond so surrendered to the Registrar shall be canceled by it and shall be delivered to, or upon the order of, the University. If any Bond shall be lost, destroyed or stolen, evidence of the ownership thereof and of such loss, destruction or theft may be submitted to the University and the Registrar and, if such evidence be satisfactory to both of them and indemnity satisfactory to them shall be given, the University, at the expense of the Bondholder, shall execute, and the Registrar shall thereupon authenticate and deliver, a new Bond of like tenor bearing a different number in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same without surrender thereof). The University may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the related expenses which may be incurred by the University, the Registrar, the State Treasurer and the Paying Agent. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the University whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Program Resolution and the Related Series Resolution, with all other Bonds secured by this Program Resolution and the Related Series Resolution.

Except as may be otherwise provided in the Related Series Resolution, in the event that any Short-Term Bond or Term Rate Bond purchased pursuant to an optional tender or mandatory repurchase is not delivered by the Bondholder thereof on the date such Short-Term Bond or Term Rate Bond is deemed purchased, the University shall execute (if necessary) and the Paying Agent shall authenticate and deliver a new Short-Term Bond or Term Rate Bond of like aggregate principal amount as the Bond deemed purchased, which Bond shall, for all purposes of this Program Resolution, be deemed to evidence the same debt as the Short-Term Bond or Term Rate Bond deemed purchased and shall be remarketed, delivered and registered in accordance with the Related Series Resolution.

If any Bond is purchased by the Paying Agent with moneys provided by or on behalf of the direction of the University and sufficient for such purchase, the Paying Agent, upon request of the University, shall authenticate a new Bond in any authorized denomination specified by the University and permitted under the Related Series Resolution, registered as the University may direct and deliver it to the University, or to its order, whether or not such Bond is ever delivered.

## **REDEMPTION AND PURCHASE OF THE BONDS; LIQUIDITY FACILITY; REMARKETING AGENT; TENDER AGENT**

**Redemption of the Bonds.** The Bonds of each Series shall be subject to redemption as specified in the Related Series Resolution.

**Selection of Bonds for Redemption.** The University or the Paying Agent (as applicable) shall select which Bonds of any Series to call for redemption in accordance with the Related Series Resolution. The University or the Paying Agent (as applicable) shall treat each Bond of a denomination greater than the minimum denomination authorized in the Related Series Resolution as representing the number of separate Bonds that can be obtained by dividing the Bond's actual principal amount by such authorized denomination.

**Notice of Redemption.** iv. Except as may be otherwise provided in the Related Series Resolution, whenever any Bonds are to be redeemed, the Paying Agent shall, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, mail notice of redemption to all registered owners of all applicable Bonds to be redeemed at their registered addresses. The Paying Agent shall also mail a copy of any such notice of redemption to any Rating Agency. Any such notice of redemption shall identify the Bonds to be redeemed, shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the Designated Office of the Paying Agent and that from that date interest will cease to accrue. The Paying Agent may use "CUSIP" numbers in notices of redemption as a convenience to Bondholders, provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any such notice.

If at the time of mailing of notice of any optional redemption the University shall not have caused to be deposited with the Paying Agent money sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of such moneys with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited. Failure by the Paying Agent to give any notice of redemption or any defect in such notice as to any particular Bonds shall not affect the validity of the call for redemption of any Bonds in respect of which no such failure or defect has occurred. Any notice mailed as provided in accordance with this Program Resolution or any Series Resolution shall be conclusively presumed to have been given whether or not actually received by any Bondholder.

**Effect of Calling for Redemption.** Except as may be otherwise provided in the Related Series Resolution, on the date designated for redemption, notice having been mailed in the manner and under the conditions hereinabove provided and moneys for payment of the redemption price being held in separate accounts by the Paying Agent in trust for the Bondholders of the Bonds to be redeemed, all as provided in this Program Resolution, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, interest on the Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security under this Program Resolution or the Related Series Resolution and the Bondholders of such Bonds shall have no rights with respect thereto except to receive payment of the redemption price.

**The Bonds Redeemed Not Deemed Outstanding.** Except as may be otherwise provided in the Related Series Resolution, the Bonds that have been duly called for redemption under the provisions of this Article, or with respect to which irrevocable instructions to call for redemption have been given by an Authorized Officer to the Paying Agent in form satisfactory to him or her, and for the payment of the redemption price of which moneys shall be held in separate accounts by the Paying Agent in trust for the Bondholders of the Bonds to be redeemed, all as provided in this Program Resolution or the Related Series Resolution, shall not thereafter be deemed to be outstanding under the provisions of this Program Resolution and the Related Series Resolution.

**Remarketing Agent.** v. Except as may be otherwise provided in the Related Series Resolution with respect to any Series of Bonds, each Remarketing Agent shall keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the University, the Paying Agent and any Liquidity Facility Issuer at all reasonable times.

Except as may be otherwise provided in the Related Series Resolution with respect to any Series of Bonds:

The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Program Resolution by giving at least sixty (60) days' notice to the Paying Agent, the University, any Liquidity Facility Issuer and the Tender Agent, or otherwise as provided in the Remarketing Agreement.

The Remarketing Agent may be removed at any time by the University, by an instrument filed with the Paying Agent, the Remarketing Agent and the Tender Agent and upon at least thirty (30) days' notice to the Remarketing Agent. Any successor Remarketing Agent shall be selected by the University with the consent of any Liquidity Facility Issuer, such consent not to be unreasonably withheld or delayed, and shall be a member of the Financial Industry Regulatory Authority, shall have a capitalization of at least fifteen million dollars (\$15,000,000), and shall be authorized by law to perform all the duties set forth in this Program Resolution.

The University's delivery to the Paying Agent and the Tender Agent of a certificate of an Authorized Officer setting forth the effective date of the appointment of a successor Remarketing Agent and the name, address and telephone number of such successor shall be conclusive evidence that (i) if applicable, the predecessor Remarketing

Agent has been removed in accordance with the provisions of this Program Resolution and (ii) such successor has been appointed and is qualified to act as Remarketing Agent under the terms of this Program Resolution.

**Tender Agent.** vi. Except as may be otherwise provided in a Related Series Resolution, each Tender Agent shall hold all Bonds of any Series delivered to it hereunder in trust solely for the benefit of the Related Bondholders which shall have so tendered such Bonds until moneys representing the purchase price of such Bonds shall have been delivered to, or for the account of, or to the order of the Related Bondholders; and hold all moneys delivered to it hereunder for the purchase of Bonds in trust solely for the benefit of the person which shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such person.

Except as otherwise may be provided in the Related Series Resolution with respect to any Series of Bonds:

The Tender Agent may at any time resign and be discharged of the duties and obligations set forth herein by giving at least sixty (60) days' notice to the University, each Remarketing Agent, any Liquidity Facility Issuer and the Paying Agent.

The Tender Agent may be removed at any time, by the University, by an instrument filed with the Tender Agent and the Paying Agent. Any successor Tender Agent shall be a commercial bank with trust powers, national banking association with trust powers or trust company doing business and having an office in New York, New York, and shall be appointed by the University with the consent of any Liquidity Facility Issuer, such consent not to be unreasonably withheld or delayed.

In the event of the resignation or removal of the Tender Agent, the Tender Agent shall deliver any Bonds and moneys held by it in such capacity to its successor.

No resignation or removal of the Tender Agent shall be effective unless the rights and obligations of the Tender Agent have been transferred to its successor or the Paying Agent.

**Several Capacities.** Anything in this Program Resolution to the contrary notwithstanding, the same entity may serve hereunder as the Paying Agent, the Registrar, the Tender Agent and the Remarketing Agent and in any other combination of such capacities, to the extent permitted by law.

## **ISSUANCE OF BONDS**

**Issuance of Bonds.** The University may issue Bonds, subject to the terms and conditions contained in this Program Resolution, for the financing and refinancing of the costs of the Projects, including the refunding of any previously issued and outstanding University obligations. Such Bonds may be issued in any form permitted by law and in any Mode authorized under this Program Resolution or any combination thereof.

**Terms and Conditions for Issuance and Delivery of the Bonds.** The Bonds authorized by this Program Resolution shall be deposited with the Registrar for delivery as provided in the Related Series Resolution upon delivery to the Registrar the following:

In the case of the initial Series of Bonds issued under this Program Resolution:

a copy, certified by the Secretary of the Board, of this Program Resolution;

an opinion of Bond Counsel (upon which the Registrar can rely) stating that the Program Resolution has been duly adopted and that this Program Resolution constitutes a valid and binding limited obligation of the University.

A copy, certified by the Secretary of the Board, of the Related Series Resolution which may include:

provisions authorizing the issuance, fixing the principal amount and setting forth the details of the Bonds of the Series then to be issued, the interest rate or rates and the manner in which the Bonds are to bear interest, the Principal Payment Dates and Interest Payment Dates,

the purposes for which the Bonds are being issued, the date and the manner of numbering the Bonds, the series designation, the denominations, the maturity dates and amounts, provisions for redemption before maturity;

provisions for Liquidity Facilities for the Series and for the Funds and Accounts to be established with respect to the Series of Bonds as required or authorized under this Program Resolution;

provisions for the application of the proceeds of the Bonds of the Series;

any term or condition necessary or expedient for the issuance of Bonds constituting Commercial Paper Rate Bonds or Index Rate Bonds, including without limitation, tender and remarketing provisions, liquidity facility provisions and provisions for establishing the variable rate and changing Modes; and

such other provisions as the University may deem appropriate.

A certified copy of each resolution adopted by the University authorizing the execution and delivery of any Related Liquidity Facility.

Original executed counterparts of any Related Liquidity Facility.

If the Bonds of the Series then to be issued are to be issued to refund Bonds issued and outstanding under this Program Resolution or other obligations of the University evidence that the University has made provision for the payment or redemption of all of the obligations to be refunded as required by the Series Resolution Related to the Bonds to be issued and (if applicable) the Bonds to be refunded.

An opinion of Bond Counsel (upon which the Registrar can rely) stating that the Bonds have been duly authorized, executed and delivered in accordance with the Act, and this Program Resolution and the Related Series Resolution, that the Bonds and this Program Resolution and the Related Series Resolution constitute valid and binding limited obligations of the University, payable solely from the Pledged Revenues and other property pledged therefor under this Program Resolution.

Any additional document or instrument specified in the Related Series Resolution.

**Authentication and Delivery.** When the documents mentioned in Section 4.2 shall have been filed with the Registrar and when the Bonds shall have been executed as required by this Program Resolution and the Related Series Resolution, the Registrar shall authenticate and deliver such Bonds as directed in the Related Series Resolution.

**Application of Bond Proceeds.** The University shall apply the proceeds of any Series of Bonds as provided in the Related Series Resolution.

**Items of Cost of the Project.** Except as may otherwise be provided in a Related Series Resolution, the costs of the Projects shall include, without intending thereby to limit or restrict or to extend any proper definition of such costs under the Act or this Program Resolution, any or all of the following:

obligations incurred for labor and materials and to contractors, builders and materialmen in connection with the Projects;

the cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any award or final judgment in or any settlement or compromise of any proceeding to acquire by condemnation, such lands, property, rights, rights of way, franchises, easements and other interests as may be deemed necessary or convenient by the Board for the construction and operation of the Projects, options and partial payments thereon, and the amount of any damages incident to or consequent upon such construction and operation;

the cost of furnishing and equipping the Projects;

interest on the Bonds, prior to and during construction of the Projects and for up to one (1) year thereafter;

taxes or other municipal or governmental charges lawfully levied or assessed during construction upon the Projects or any property acquired therefor, and premiums on insurance, if any, in connection with the Projects during construction; fees and expenses of engineers and architects for surveys and estimates and other preliminary investigations, preparation of plans, drawings and specifications and supervising construction, as well as for the performance of all other duties of engineers and architects in relation to the planning and construction of the Projects or the issuance of Bonds therefor;

expenses of administration properly chargeable to the Projects, legal expense and fees, fees and expenses of consultants, financing charges, cost of audits and of preparing and issuing the Bonds, and all other items of expense not elsewhere in this Section specified incident

to the planning, construction, development and equipping of the Projects and the placing of the Projects in operation; and

any obligation or expenses heretofore or hereafter incurred by the University, any agent of the University or by any other agency of the Commonwealth of Virginia in connection with the Projects for any of the foregoing purposes.

## **FUNDS AND REVENUES**

**Establishment of Funds.** One or more of the Funds listed below may be established for a Series of Bonds, as provided in the Related Series Resolution:

Construction Fund;

Cost of Issuance Fund; and

Debt Service Fund.

**Payments to Bondholders.** The Paying Agent shall, at appropriate times on or before each Interest Payment Date and Principal Payment Date (as applicable), withdraw from the Related Debt Service Fund the amounts needed on such date to pay the principal of and premium, if any, and interest on the Related Bonds and shall pay or cause the same to be paid to the Related Bondholders as such principal, premium and interest become due and payable.

**Pledge of Funds and Accounts.** The moneys in each Fund shall be held in trust and applied as provided herein and in the Released Series Resolution and, pending such application, shall be pledged to, and subject to a lien and charge in favor, of the Bondholders of the Related Bonds and for the further security of such Bondholders until paid out or transferred as provided herein and in the Released Series Resolution.

**Moneys Held in Trust.** All moneys from the funds of the University or that the University shall have received from any other source and set aside or deposited with any Paying Agent for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, shall be held in trust for the Bondholders of the Related Bonds. Any moneys which shall be so set aside or deposited and which shall remain unclaimed by the Bondholders of the Related Bonds for the period of five (5) years after the date on which the Related Bonds shall have become due and payable shall be disposed of by the University and the Paying Agent in accordance with The Uniform Disposition of Unclaimed Property Act, Chapter 11.1, Title 55, Code of Virginia of 1950, as amended (the "Unclaimed Property Act"). The Paying Agent shall be entitled to act in good faith in reliance on written direction from the University or its counsel in complying with the Unclaimed Property Act, absent the Paying Agent's negligence or willful misconduct.

**Cancellation of the Bonds Upon Payment.** All Bonds paid, redeemed or purchased by the University, either at or before maturity, shall be canceled upon the payment, redemption or purchase of such Bonds and shall be delivered to the University when such payment, redemption

or purchase is made. All Bonds canceled under any of the provisions of this Program Resolution may be cremated or otherwise destroyed by the University or its designee.

**No Risk to Paying Agent Funds.** No provision herein shall require the Paying Agent to expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers unless the Paying Agent shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is reasonably assured to it.

## PARTICULAR COVENANTS

**Payment of Principal and Interest; Pledge of Pledged Revenues.** The University covenants that it will promptly pay or cause to be paid from the sources described herein the principal of and the interest on every Bond issued under the provisions of this Program Resolution at the place or places, on the dates and in the manner provided herein and in such Bonds, and any premium required for the retirement of such Bonds by purchase or redemption, according to the true intent and meaning thereof. Except as otherwise provided in this Program Resolution, such principal, interest and premium are payable solely from Pledged Revenues, which Pledged Revenues are hereby pledged to the payment thereof and to the payment of any Parity Credit Obligations issued by the University, which may include any interest rate swaps or other hedge mechanisms and any dedicated line of credit, standby bond purchase agreement or other liquidity facility related to the Bonds, including any Liquidity Facility.

THE UNIVERSITY SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS EXCEPT FROM THE SOURCES NOTED HEREIN AS PLEDGED THEREFOR. THE BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE COMMONWEALTH, LEGAL, MORAL OR OTHERWISE. NEITHER THE COMMONWEALTH NOR THE UNIVERSITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE SOURCES NOTED HEREIN AS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO.

**Additional Indebtedness and Encumbrances.** Except as otherwise provided in this Section, nothing in this Program Resolution shall be construed as prohibiting or limiting in any way the right of the University to incur other Credit Obligations. Notwithstanding the foregoing, however, the University may only incur the following types of Credit Obligations in the event the conditions set forth below are met in each instance:

**Limitation on Parity Credit Obligations.** The University may incur, assume, guarantee or otherwise become liable on any Parity Credit Obligation, but only if, prior to the incurrence of each such Parity Credit Obligation, an Authorized Officer certifies in writing that (1) taking into account the incurrence of such proposed Parity Credit Obligation (i) the University

will have sufficient funds to meet all of its financial obligations, including its obligations to pay principal of and interest on all Credit Obligations, for all Fiscal Years to and including the second full Fiscal Year after the later of (A) the issuance of such Parity Credit Obligation and (B) the completion of any facility financed with the proceeds of such Parity Credit Obligation, and (ii) such Authorized Officer has no reason to believe that the University will not have sufficient funds to pay all amounts due under all indebtedness of the University during the term of such proposed Parity Credit Obligation, and (2) to the best of his or her knowledge, the University is not in default in the performance and observance of any of the provisions of this Program Resolution. Any such Parity Credit Obligation shall be secured by a pledge of Pledged Revenues on a parity with the pledge of Pledged Revenues herein, unless expressly subordinated to the pledge hereof.

Limitation on Section 9(c) Credit Obligations. The University may incur, assume, guarantee or otherwise become liable on any Credit Obligation pursuant to the provisions of Article X, Section 9(c) of the Constitution of Virginia, as such section may be amended from time to time, and may pledge and apply such portion of the Pledged Revenues as may be necessary to provide for the payment of any such Credit Obligation, the funding of reasonable reserves therefor, or the payment of operating and other reasonable expenses of the facilities financed in whole or in part with the proceeds of such Credit Obligation or facilities reasonably related to such facilities, and such pledge shall be senior and superior in all respects to the pledge of Pledged Revenues securing the Bonds and any other Parity Credit Obligations, but only if, prior to the incurrence of each such Credit Obligation, an Authorized Officer of the University certifies in writing that (1) taking into account the incurrence of such proposed Credit Obligation (i) the University will have sufficient funds to meet all of its financial obligations, including its obligations to pay principal of and interest on all Credit Obligations, for all Fiscal Years to and including the second full Fiscal Year after the later of (A) the issuance of such proposed Credit Obligation and (B) the completion of any facility financed with the proceeds of such proposed Credit Obligation, and (ii) such Authorized Officer has no reason to believe that the University will not have sufficient funds to pay all amounts due under all indebtedness of the University during the term of such proposed Credit Obligation, (2) to the best of his or her knowledge, the University is not in default in the performance and observance of any of the provisions of this Program Resolution, and (3) in connection with the issuance of such proposed Credit Obligation, the University has received an opinion of Bond Counsel to the effect that such proposed Credit Obligation has been validly issued under Article X, Section 9(c) of the Constitution of Virginia.

Limitation on Other Credit Obligations, Including Section 9(d) Credit Obligations. The University may incur, assume, guarantee or otherwise become liable on any Credit Obligation not described elsewhere in this Section 6.2, including any Credit Obligation incurred pursuant to the provisions of Article X, Section 9(d) of the Constitution of Virginia, as such section may be amended from time to time, and may pledge and apply such portion of the Pledged Revenues as may be necessary for the payment of any such Credit Obligation, the funding of reasonable reserves therefor, or the payment of operating and other reasonable expenses of the facilities financed in whole or in part with the proceeds of such Credit Obligation or facilities reasonably related to such facilities and such pledge shall be senior and superior in all respects to the pledge of Pledged Revenues securing the Bonds and any other Parity Credit Obligations, but only if, prior to the incurrence of each such Credit Obligation, an Authorized Officer of the University certifies in writing that (1) taking into account the incurrence of such proposed Credit Obligation (i) the University will have sufficient funds to meet all of its financial obligations, including its

obligations to pay principal of and interest on all Credit Obligations, for all Fiscal Years to and including the second full Fiscal Year after the later of (A) the issuance of such proposed Credit Obligation and (B) the completion of any facility financed with the proceeds of such proposed Credit Obligation, and (ii) such Authorized Officer has no reason to believe that the University will not have sufficient funds to pay all amounts due under all indebtedness of the University during the term of such proposed Credit Obligation, (2) to the best of his or her knowledge, the University is not in default in the performance and observance of any of the provisions of this Program Resolution, and (3) the University has received an opinion of Bond Counsel to the effect that such proposed Credit Obligation has been validly issued under the relevant provisions of the Constitution of Virginia.

**Limitation on Issuance of Indebtedness on a Parity with Qualifying Senior Obligations.** Except for Credit Obligations issued pursuant to subsections (b) or (c) above or to refund any Qualifying Senior Obligation as described in subsection (e) below, no additional bonds or other obligations may be issued or incurred by the University on a parity with any Qualifying Senior Obligation.

**Limitation on Additional Encumbrances.** The University shall not encumber the Pledged Revenues in any manner (except as permitted in connection with Credit Obligations issued pursuant to subsections (a), (b) or (c) above or to refund any Qualifying Senior Obligation as described below), unless any such encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements of this Program Resolution. Notwithstanding anything to the contrary herein, however, the University may issue bonds to refund any Qualifying Senior Obligation and to secure such refunding bonds with the same source of revenues securing the Qualifying Senior Obligation being refunded. Upon the defeasance of the refunded Qualifying Senior Obligation pursuant to any such refunding, the refunding bonds will be considered Qualifying Senior Obligations for all purposes.

**Disposition of Assets.** The University may convey, sell or otherwise dispose of any property of the University as long as (1) such conveyance, sale or encumbrance is in the ordinary course of business, or (2) an Authorized Officer certifies in writing that, taking into account the conveyance, sale or other disposition of such property (i) the University will have sufficient funds to meet all of its financial obligations, including its obligations to pay principal of and interest on all Credit Obligations for all Fiscal Years to and including the second full Fiscal Year after such conveyance, sale or other disposition and (ii) such Authorized Officer has no reason to believe that the University will not have sufficient funds to pay all amounts due under all indebtedness of the University then outstanding.

**Insurance.** The University covenants that it will at all times carry or cause to be carried insurance policies with a responsible insurance company or companies, qualified to assume the risks thereof, or that it will maintain an adequate program of self-insurance, in either case sufficient to provide the University with insurance in such amount and covering such risks as the University shall deem to be reasonable and desirable.

**Rights of Bondholders Not to Be Impaired.** Except as otherwise set forth herein, the University covenants that no contract or contracts will be entered into or any action taken which might impair or diminish the rights of the Bondholders.

**Further Instruments and Actions.** The University covenants that it will, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Program Resolution.

**Accurate Records and Accounts.** The University covenants that it will keep accurate records and accounts of all items of cost and of all expenditures relating to Pledged Revenues collected and the application of such Pledged Revenues.

**Recognized Accounting Principles.** The University covenants that all of the accounts and records of the University will be kept according to generally accepted accounting principles consistently applied.

**Security for Deposits.** [TBD]

**Permitted Investments.** [TBD]

## **EVENTS OF DEFAULT AND REMEDIES**

**Events of Default.** Each of the following events is hereby declared to be an "Event of Default" under this Program Resolution:

due and punctual payment of the principal, purchase price, or redemption premium, if any, of any of the Bonds is not made when the same become due and payable, either at maturity or by proceedings for purchase or redemption or otherwise;

due and punctual payment of any interest on any of the Bonds is not made when the same becomes due and payable;

the University, for any reason, is rendered incapable of fulfilling its obligations hereunder or under any Series Resolution or other Supplemental Resolution;

an order or decree is entered, with the consent or acquiescence of the University, appointing a receiver or receivers of the University or any part thereof or of the revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the University, is not vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof;

any proceeding is instituted, with the consent or acquiescence of the University, for the purpose of effecting a composition between the University and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted; or

the University defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, in this Program Resolution or in any Series Resolution or other Supplemental Resolution on the part of the University to be performed, and such default continues for thirty (30) days after written notice

specifying such default and requiring same to be remedied is given to the Board by any Bondholder, provided that if such default is such that it can be corrected but cannot be corrected within such thirty (30) day period, it shall not constitute an Event of Default if corrective action is instituted by the University within such period and is diligently pursued until the default is corrected.

**Remedies.** (a) Upon the happening and continuance of an Event of Default, hereunder, the Bondholders of not less than 25% in aggregate principal amount of the Bonds then outstanding, by instrument or instruments filed with the University and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the Bondholders of the Bonds for the purposes herein, which trustee may be the State Treasurer and shall be the same trustee so appointed with respect to all other outstanding Parity Credit Obligations. Such trustee may, and upon written request of the Bondholders of not less than 25% aggregate in principal amount of the Bonds then outstanding shall, in its own name:

by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the Bondholders of the Bonds, including the right to require the University and its Board to collect fees, rents, charges or other revenues adequate to carry out an agreement as to, or pledge of, such revenues, and to require the University and Board to carry out any other agreements with the Bondholders of the Bonds and to perform it and their duties under the Act;

bring suit upon the Bonds;

by action or suit in equity, require the University to account as if it were the trustee of an express trust for the Bondholders of the Bonds; or

by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders of the Bonds.

Any such trustee, whether or not all such Bonds have been declared due and payable, shall be entitled as of right to the appointment of a receiver who may enter and take possession of any property of the University any of the revenues from which are pledged for the security of the Bonds and operate and maintain the same and collect and receive all fees, rents, charges and other revenues thereafter arising therefrom in the same manner as the University itself might do and shall deposit all such moneys in a separate account and apply the same in such manner as the court appointing such receiver shall direct. In any suit, action or proceeding by the trustee the fees, counsel fees and expenses of the trustee and of the receiver, if any, shall constitute taxable costs and disbursements and all costs and disbursements allowed by the court shall be a first charge on any fees, rents, charges and other revenues of the University pledged for the security of the Bonds.

Such trustee shall, in addition to the foregoing, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the Bondholders of the Bonds in the enforcement and protection of their rights.

To the extent permitted by law, upon the happening and continuance of any Event of Default, then and in every such case any Bondholder may proceed, subject to the provisions of Section 7.5, to protect and enforce the rights of the Bondholders by a suit, action or special proceeding in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy as such Bondholder shall deem most effectual to protect and enforce such rights.

**Pro Rata Application of Funds.** Anything in this Program Resolution to the contrary notwithstanding, except as otherwise provided in Section 7.2(a), if at any time the moneys available in the Debt Service Funds shall not be sufficient to pay the interest on or the principal of the Bonds as the same shall become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

If the principal of all the Bonds shall not have become due and payable, all such moneys shall be applied first to the payment of any fees and expenses of the Custodian, Paying Agent and Registrar and thereafter shall be applied:

first: to the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Program Resolution), in the order of their due dates, with interest on the principal amount of such Bonds at the respective rates specified therein from the respective dates upon which such Bonds became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference.

If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid on the Bonds, without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal and interest, to the persons entitled thereto, without any discrimination or preference.

Whenever moneys are to be applied by the trustee pursuant to the provisions of this Section, such moneys shall be applied by the trustee at such times, and from time to time, as the trustee in his or her sole discretion shall determine, having due regard to the amount of such moneys

available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with any Paying Agent, or otherwise setting aside such moneys, in trust for the proper purpose shall constitute proper application by the trustee; and the trustee shall incur no liability whatsoever to the Board, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Program Resolution as may be applicable at the time of application by the trustee. Whenever the trustee shall exercise such discretion in applying such moneys, he or she shall fix the date (which shall be an Interest Payment Date unless the trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The trustee shall give such notice (or shall cause the Paying Agent to give such notice) as he or she may deem appropriate of the fixing of any such date and shall not be required to make payment to the Bondholder of any Bond until such Bond shall be surrendered to the trustee or any Paying Agent for appropriate endorsement, or for cancellation if fully paid.

Notwithstanding anything in this Program Resolution to the contrary, this Section 7.3 shall be interpreted so that the term "Bonds" shall include the Bonds and any other Parity Credit Obligations. In each resolution authorizing the issuance of any other Parity Credit Obligation, the University agrees to provide for the trustee or paying agent thereunder to be the same entity as under this Program Resolution, and further agrees to include provisions substantially identical to those contained in this Section 7.3.

**Effect of Discontinuance of Proceedings.** In case any proceeding taken by any Bondholder on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the University and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Bondholders shall continue as though no such proceeding had been taken.

**Proceedings for Equal Benefit of All Bondholders.** No Bondholder shall have any right in any manner whatever to affect, disturb or prejudice the security of this Program Resolution or any Series Resolution or to enforce any right hereunder or thereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Bondholders.

**No Remedy Exclusive.** No remedy herein conferred on the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every remedy conferred shall be cumulative and shall be in addition to every other remedy given hereunder and under the Act or now or hereafter existing at law or in equity or by statute.

**No Delay or Omission Construed to Be a Waiver.** No delay or omission of any Bondholder to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Article to the Bondholders may be exercised from time to time and as often as may be deemed expedient.

## **EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF THE BONDS**

**Execution of Instruments; Proof of Ownership.** Any request, direction, consent or other instrument in writing required or permitted by this Program Resolution or any Series Resolution to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of the Bonds shall be sufficient for any purpose of this Program Resolution or any Series Resolution and shall be conclusive in favor of the University and the Paying Agent with regard to any action taken by them under such instrument if made in the following manner:

The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him or her, or by an affidavit of a witness to such execution. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership such verification or affidavit shall also constitute sufficient proof of his or her authority.

The fact of the holding of the Bonds hereunder by any Bondholder and the amount and the numbers of such Bonds and the date of its holding the same shall be proved by the registration books kept under the provisions of Section 2.7.

## **SUPPLEMENTAL RESOLUTIONS**

**Supplemental Resolutions.** The University may, from time to time and at any time, without the consent of any Bondholders of the Bonds, adopt such resolutions supplemental to this Program Resolution or any Supplemental Resolutions as shall not be inconsistent with the terms and provisions hereof or thereof (which Supplemental Resolutions shall thereafter form a part hereof), as follows:

to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Program Resolution or in any Supplemental Resolutions;

to provide for the issuance of Bonds pursuant to Section 4.2 of this Program Resolution, or to obtain or maintain a rating for the Bonds;

to add Modes for one or more Series of Bonds (other than Bonds already outstanding under this Program Resolution);

to grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security (including liquidity facilities) that may lawfully be granted to or conferred upon the Bondholders;

to add new conditions, limitations and restrictions on the issuance of other Credit Obligations by the University;

to add to the covenants and agreements of the Board in this Program Resolution other covenants and agreements thereafter to be observed by the Board or to surrender any right or power herein reserved to or conferred upon the Board;

to comply with any proposed, temporary or permanent regulations regarding the arbitrage rebate requirements of the Code;

to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Program Resolution or any Supplemental Resolution, if in the opinion of the Paying Agent, who may rely upon an opinion of counsel nationally recognized in matters concerning municipal bonds, such Supplemental Resolution shall not adversely affect or prejudice the interests of the Bondholders;

to amend certain provisions of this Program Resolution or any Series Resolution in any manner consistent with Sections 103 and 141 through 150 of the Code (or such other sections of the Code as may be applicable to the Bonds) as in effect at the time of the amendment;

to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Program Resolution or any Series Resolution of the Pledged Revenues or any other moneys, property or Funds or Accounts;

to modify, amend or supplement this Program Resolution or any Supplemental Resolution as required to permit its qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of any of the Bonds for sale under the securities laws of any of the states of the United States, and, if the University so determines, to add to this Program Resolution or any Supplemental Resolution such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or similar federal statute;

to amend, modify or change the terms of any agreements governing any book-entry-only system for any of the Bonds; and

to restate in one document this Program Resolution and all effective Series Resolutions and other Supplemental Resolutions, which restatement shall then become this Program Resolution for all purposes, effective as of the date of this Program Resolution with respect to matters set forth therein and as of the date of any Supplemental Resolution included in the restatement as to matters set forth in any such Supplemental Resolution – Series Resolutions and the Bonds issued thereunder prior to a restatement shall be deemed to relate to the restated Program Resolution without any further action or amendment.

At least thirty (30) days prior to the adoption of any Supplemental Resolution for any of the purposes of this Section (other than a Supplemental Resolution for the issuance of another Series of Bonds), the Secretary of the Board shall cause a notice of the proposed adoption of such Supplemental Resolution to be posted to the Municipal Securities Rulemaking Board's EMMA website (or its successor system). Such notice shall briefly set forth the nature of the proposed

Supplemental Resolution and shall state that copies thereof are on file at the office of the Secretary of the Board for inspection by all Bondholders. Failure on the part of the Secretary of the Board to mail the notice required by this Section shall not affect the validity of such Supplemental Resolution.

**Modification of Resolution with Consent of Bondholders.** Subject to the terms and provisions contained in this Section, and not otherwise, the Bondholders of not less than a majority in aggregate outstanding principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Program Resolution to the contrary notwithstanding, to consent to and approve the adoption of such resolution or resolutions supplemental to this Program Resolution or any Supplemental Resolution as shall be deemed necessary or desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Program Resolution or in any Supplemental Resolution; provided, however, that nothing herein contained shall permit, or be construed as permitting, (a) without the approval of all of the Bondholders, (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, (iii) except as otherwise provided herein, a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) except as otherwise provided herein, the release of the lien created by this Program Resolution with respect to any Pledged Revenues, or (b) without the approval of all of the Bondholders, a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Resolution as authorized in Section 9.1 of this Article.

If at any time the Board shall determine that it is necessary or desirable to adopt any Supplemental Resolution for any of the purposes of this Section, the Secretary of the Board shall cause notice of the proposed adoption of such Supplemental Resolution to be mailed, not less than thirty (30) nor more than sixty (60) days prior to the date of such adoption, postage prepaid, to all registered owners of the Bonds at their addresses as they appear on the registration books held by Registrar. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the office of the Secretary of the Board for inspection by all Bondholders. The Board shall not, however, be subject to any liability to any Bondholder by reason of a failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section.

Whenever, at any time within one year after the date of such notice, the Board shall deliver to the Paying Agent an instrument or instruments in writing purporting to be executed by the Bondholders of not less than a majority or all, as appropriate, in aggregate principal amount of the Bonds then outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Board may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Bondholder of any Bond, whether or not such Bondholder shall have consented thereto.

If the Bondholders of not less than a majority or all, as appropriate, in aggregate principal amount of the Bonds outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Bondholder shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section, this Program Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Program Resolution of the University, the Board, and all Bondholders of Bonds then outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Program Resolution as so modified and amended.

**Supplemental Resolutions Part of This Resolution.** Any Supplemental Resolution adopted in accordance with the provisions of this Article shall thereafter form a part of this Program Resolution, and all of the terms and conditions contained in any such Supplemental Resolution as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Program Resolution for any and all purposes. In case of the adoption and approval of any Supplemental Resolution, express reference may be made thereto in the text of any Bonds issued thereafter, if deemed necessary or desirable by the Board.

## **DEFEASANCE**

**Defeasance.** If the University shall pay or provide for the payment of the entire indebtedness on all Bonds outstanding in any one or more of the following ways:

by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Bonds outstanding, as and when the same become due and payable;

by depositing with the Paying Agent, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Bonds outstanding (including the payment of premium, if any, and interest payable on such Bonds to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested at the written direction of the University in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds outstanding at or before their respective maturity dates; it being understood that the investment income on such Government Obligations may be used for any other lawful purpose;

by delivering to the Paying Agent, for cancellation by it, all Bonds outstanding; or

by depositing with the Paying Agent, in trust, noncallable Government Obligations in such amounts as will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, and any uninvested cash, be fully sufficient to pay or

redeem (when redeemable) and discharge the indebtedness on all Bonds outstanding at or before their respective maturity dates, as certified to the Paying Agent's satisfaction in a report by an independent certified public accountant;

and if the University shall pay or cause to be paid all other sums payable hereunder by the University, and, if any of the Bonds are to be redeemed before their maturity, notice of such redemption shall have been given as in Section 3.2 provided or provisions satisfactory to the Paying Agent shall have been made for the giving of such notice, this Program Resolution and the estate and rights granted hereunder shall cease, determine, and become null and void, and thereupon the Paying Agent shall, upon written request of the University, and upon receipt by the Paying Agent of a certificate of an Authorized Officer, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of this Program Resolution have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging this Program Resolution and the lien hereof.

The University may at any time surrender to the Paying Agent for cancellation by it any Bonds previously authenticated and delivered, which the University may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

**Liability of University Not Discharged.** Upon the deposit with the Paying Agent, in trust, at or before maturity, of money or Government Obligations in the necessary amount to pay or redeem all Bonds outstanding (whether upon or before their maturity or the redemption date of such Bonds) and compliance with the other payment requirements of Section 10.1, provided that if such Bonds are to be redeemed before their maturity, notice of such redemption shall have been given as in Section 3.2 provided, or provisions satisfactory to the Paying Agent shall have been made for the giving of such notice, this Program Resolution may be discharged in accordance with the provisions hereof but the University's liability in respect of the Bonds shall continue provided that the Bondholders thereof shall thereafter be entitled to payment only out of the moneys or the Government Obligations deposited with the Paying Agent as aforesaid.

**Provision for Payment of Particular Bonds.** If the University shall pay or provide for the payment of the entire indebtedness on particular Bonds in any one or more of the following ways:

by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bonds, as and when the same shall become due and payable;

by depositing with the Paying Agent, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) such Bonds (including the payment of premium, if any, and interest payable on such Bonds to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested at the written direction of the University in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity dates; it being understood that the investment income on such Government Obligations may be used for any lawful purpose;

by delivering to the Paying Agent, for cancellation by it, such Bonds; or

by depositing with the Paying Agent, in trust, noncallable Government Obligations in such amount as will, together with the income or increment to accrue thereon, and any uninvested cash, without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity dates, as an independent certified public accountant shall certify to Paying Agent's satisfaction;

and if the University shall also pay or cause to be paid all other sums payable hereunder by the University with respect to such Bonds, and, if such Bonds are to be redeemed before their maturity, notice of such redemption shall have been given as in Section 3.2 provided or provisions satisfactory to the Paying Agent shall have been made for the giving of such notice, such Bonds shall cease to be entitled to any lien, benefit or security under this Program Resolution. The University's liability in respect of such Bonds, if any, shall continue but the Bondholders thereof shall thereafter be entitled to payment (to the exclusion of all other Bondholders) only out of the moneys or Government Obligations deposited with the Paying Agent as aforesaid.

## **MISCELLANEOUS PROVISIONS**

**Effect of Covenants.** All covenants, stipulations, obligations and agreements of the University and the Board contained in this Program Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the University and the Board to the full extent authorized by the Act or permitted by the Constitution of Virginia. All such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future director, member, agent or employee of the University or the Board in his or her individual capacity, and no agency of the Commonwealth nor any officer thereof or of the University, present or future, executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

**Successor Paying Agents or Registrars.** Any bank or trust company authorized to do business in the Commonwealth may be appointed by the University as successor Paying Agent or Registrar hereunder and under each Series Resolution and immediately upon acceptance of such appointment shall be deemed the successor of the Paying Agent or Registrar for the purposes of this Program Resolution. The University shall give notice to any Rating Agency of its appointment of any successor Paying Agent or Registrar. The reasonable fees and expenses of any such successor Paying Agent or Registrar shall be the sole obligation of the University and shall constitute a pledge of the Pledged Revenues prior to the Bonds, to the extent such fees and expenses are unpaid. Each of the Paying Agent and Registrar may resign and thereby become

discharged from its obligations hereunder, by written notice mailed to the University by registered or certified mail. Such resignation shall take effect upon the appointment of a successor hereunder and acceptance of the successor to the obligations hereunder. Each of the Paying Agent and Registrar shall continue to serve as such until a successor is appointed. Each of the Paying Agent and the Registrar may, after 60 days subsequent to its resignation, petition the Circuit Court of the City of Charlottesville, Virginia, for the appointment of a successor if one has not yet been appointed.

**Manner of Giving Notice.** Any notice, demand, direction, request or other instrument authorized or required by this Program Resolution to be given to or filed with the University, the Paying Agent, the Registrar, the Custodian or the Rating Agencies shall be deemed to have been sufficiently given or filed for all purposes of this Program Resolution if and when sent by registered or certified mail, return receipt requested:

to the University, if addressed to the University of Virginia, P. O. Box 400210, Charlottesville, Virginia 22904-4210 (Attention: Executive Vice President and Chief Operating Officer and Vice President and Chief Financial Officer);

to the Custodian, Paying Agent and/or Registrar, if addressed to The Bank of New York Mellon Trust Company, N.A., 500 Ross Street, 12<sup>th</sup> Floor, AIM 154-1270, Pittsburgh, Pennsylvania 15262, Attention: Corporate Trust Administration;

to Moody's, if addressed to Moody's Investor Services, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Attention: Structured Finance, Telecopier: (212) 298-6442;

to S&P, if addressed to S&P Global Ratings, at 55 Water Street, 38th Floor, New York, New York 10041, Attention: Public Finance Department (Surveillance), Telecopier: (212) 438-2152; and

to Fitch, if addressed to Fitch Ratings, One State Street Plaza, New York, New York 10004, Attention: Municipal Structured Finance Group, Telecopier: (212) 635-0466.

**Alternative Notice.** If, because of the temporary or permanent suspension of publication of any newspaper or financial journal or suspension of the mails or for any other reason, the University, the Board or the Custodian shall be unable to give any notice required to be published or mailed by the provisions of this Program Resolution, the University or the Custodian, as the case may be, shall give such notice in such other manner as in the judgment of the University or the Custodian shall most effectively approximate such publication thereof, and the giving of such notice in such manner shall for all purposes of this Program Resolution be deemed to be in compliance with the requirement for the publication thereof.

**Effect of Partial Invalidity.** In case any one or more of the provisions of this Program Resolution or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Program Resolution or of the Bonds, but this Program Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds or in this Program Resolution shall for any reason

be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the University to the full extent permitted by law.

**Governing Law.** This Program Resolution is adopted with the intent that the laws of the Commonwealth shall govern its construction without regard to conflict of law principles.

**Completion of and Amendments to Resolution; Approval, Execution and Delivery of Necessary and Appropriate Documents.** Prior to the delivery of any Bonds, in accordance with the University's debt policy, each of the President of the University or the Chief Operating Officer, in consultation with the Chair of the Board's Finance Committee, may authorize completion of and any revisions to this Program Resolution which are not in conflict with the Authorizing Resolution or any future resolution by the Board or the Executive Committee of the Board, as shall be necessary to carry out the intent of this Program Resolution. Certification of this Program Resolution by the Secretary of the Board shall be conclusive evidence that the President of the University or the Chief Operating Officer, in consultation with the Chair of the Board's Finance Committee, has finally completed this Program Resolution.

**Bond Delivery.** All directors, officers and employees of the University are hereby authorized to take all actions necessary to accomplish the delivery of the Bonds to purchasers thereof.

**Repeal of Inconsistent Provisions.** Any prior resolutions or provisions of resolutions of the Board inconsistent with any provisions of this Program Resolution are hereby repealed.

**Paying Agent/Registrar/Custodian Reliance and Other Matters.** vii. For purposes of this Section 11.10 only, the term "Paying Agent" shall refer to the Paying Agent, the Registrar and the Custodian. The Paying Agent undertakes to perform only such duties as are expressly set forth herein and in each Series Resolution. The duties and responsibilities of the Paying Agent hereunder shall be determined solely by the express provisions of this Program Resolution and in each Series Resolution, and no further duties or responsibilities shall be implied. The Paying Agent shall not have any liability under, nor duty to inquire into the terms and provisions of, any agreement or instructions, other than as outlined in this Program Resolution and in each Series Resolution. The Paying Agent may consult with counsel and may rely conclusively and shall be protected in acting or refraining from acting upon any written notice, opinion, electronically transmitted communication, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. The Paying Agent shall have no duty to solicit any payments that may be due it hereunder. The Paying Agent shall not be liable for any action taken or omitted by it in good faith unless a court of competent jurisdiction determines that any loss to the University was the result of the Paying Agent's negligent or willful misconduct. The Paying Agent shall not incur any liability for following the instructions herein contained or expressly provided for, or written instructions given by the University. In the administration of its duties under this Program Resolution, the Paying Agent may execute any of its powers and perform its duties hereunder directly or through agents or attorneys and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Paying Agent shall not be liable for anything done,

suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. The Paying Agent may resign and be discharged of its duties and obligations hereunder and under each Series Resolution by giving notice in writing of such resignation specifying a date when such resignation shall take effect. Any corporation or association into which the Paying Agent 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 Paying Agent 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 Paying Agent in its individual capacity may be sold or otherwise transferred, shall be the Paying Agent hereunder without further act. The University covenants and agrees to pay the Paying Agent its fees and expenses (including reasonable attorney's fees, costs and expenses) as agreed upon by the University and the Paying Agent. Furthermore, the University shall pay the Paying Agent for any extraordinary services or expenses performed or incurred by the Paying Agent in connection with its duties under this Program Resolution provided the University consents in writing prior to the performance of such services or the incurring of such expenses.

The Paying Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Program Resolution arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God, earthquakes, fire, flood, hurricanes or other storms; wars, terrorism, similar military disturbances; sabotage; epidemic, riots, interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Paying Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

The Paying Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Program Resolution and delivered using Electronic Means; provided, however, that the University shall provide to the Paying Agent an incumbency certificate listing Authorized Officers and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the University whenever a person is to be added or deleted from the listing. If the University elects to give the Paying Agent Instructions using Electronic Means and the Paying Agent in its discretion elects to act upon such Instructions, the Paying Agent's understanding of such Instructions shall be deemed controlling. The University understands and agrees that the Paying Agent cannot determine the identity of the actual sender of such Instructions and that the Paying Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Paying Agent have been sent by such Authorized Officer. The University shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Paying Agent and that the University and all respective Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the University. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The University agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized

Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Paying Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the University; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Paying Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

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

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**SERIES RESOLUTION – 2017C**

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**AUTHORIZING AND SECURING**

**\$ \_\_\_\_\_**

**GENERAL REVENUE PLEDGE BONDS**

**SERIES 2017C**

**AUTHORIZED SEPTEMBER \_\_, 2017**

**ADOPTED \_\_\_\_\_, 2017**

**SERIES RESOLUTION**

**ADOPTED \_\_\_\_\_, 2017**

**THE RECTOR AND VISITORS OF  
THE UNIVERSITY OF VIRGINIA  
GENERAL REVENUE PLEDGE BONDS  
SERIES 2017C**

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**TABLE OF CONTENTS**

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	<u>Page</u>
<b>ARTICLE I DEFINITIONS</b>	
Section 1.1	Definitions..... 2
Section 1.2	Rules of Construction/Use of Words and Phrases ..... 3
<b>ARTICLE II AUTHORIZATION, FORM, EXECUTION, DELIVERY, REGISTRATION AND PAYMENT OF THE SERIES 2017C BONDS</b>	
Section 2.1	Authorization of the Series 2017C Bonds ..... 3
Section 2.2	Details of the Series 2017C Bonds ..... 3
Section 2.3	Form of the Series 2017C Bonds ..... 4
Section 2.4	Terms and Conditions for Issuance and Delivery of the Series 2017C Bonds ..... 4
Section 2.5	Book Entry Provisions ..... 5
Section 2.6	Series Resolution ..... 6
<b>ARTICLE III REDEMPTION OF THE SERIES 2017C BONDS</b>	
Section 3.1	Redemption of the Series 2017C Bonds ..... 7
Section 3.2	Notice of Redemption ..... 8
Section 3.3	Effect of Calling for Redemption ..... 8
Section 3.4	The Series 2017C Bonds Redeemed Not Deemed Outstanding ..... 8
<b>ARTICLE IV CUSTODY AND APPLICATION OF PROCEEDS OF THE SERIES 2017C BONDS</b>	
Section 4.1	Custody and Application of Proceeds of the Series 2017C Bonds ..... 9

**ARTICLE V  
REVENUES AND FUNDS**

Section 5.1	Funds Established .....	9
Section 5.2	Payments to Bondholders .....	10
Section 5.3	Pledge of Funds and Accounts.....	10
Section 5.4	No Risk to Paying Agent Funds .....	10

**ARTICLE VI  
PARTICULAR COVENANTS**

Section 6.1	Payment of Principal and Interest; Pledge of Pledged Revenues .....	10
Section 6.2	Tax Covenants .....	11

**ARTICLE VII  
MISCELLANEOUS PROVISIONS**

Section 7.1	Effect of Covenants.....	11
Section 7.2	Manner of Giving Notice .....	12
Section 7.3	Effect of Partial Invalidity .....	12
Section 7.4	Governing Law .....	12
Section 7.5	Completion of and Amendments to Series Resolution; Approval, Execution and Delivery of Necessary and Appropriate Documents .....	12
Section 7.6	Bond Delivery.....	13
Section 7.7	Repeal of Inconsistent Provisions.....	13
Section 7.8	Paying Agent/Registrar/Custodian Reliance and Other Matters .....	13

Exhibit A - Form of the Series 2017C Bonds

Exhibit B - Form of Requisition

A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF THE RECTOR AND VISITORS OF THE UNIVERSITY OF VIRGINIA GENERAL REVENUE PLEDGE BONDS, SERIES 2017C; PLEDGING TO THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH BONDS CERTAIN REVENUES OF THE UNIVERSITY AS PROVIDED HEREIN; AND SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS.

#### RECITALS

By Chapter 22, Title 23.1 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.

Pursuant to Title 23.1 of the Code of Virginia of 1950, as amended, the University is classified as an educational institution of the Commonwealth.

By Chapter 10, Title 23.1 of the Code of Virginia of 1950, as amended (the "Act"), the University entered into a management agreement with the Commonwealth which was enacted as Chapter 3 of Chapter 933 of the 2006 Virginia Acts of Assembly, as amended, pursuant to which the University is classified as a public institution of higher education and the University is empowered with the authority to undertake and implement the acquisition of any interest in land, including improvements on the acquired land at the time of acquisition, new construction, improvements or renovations and to borrow money and make, issue and sell bonds of the University for such purposes, including the refinancing of any such facilities.

Pursuant to a resolution adopted on September \_\_, 2017 (the "Authorizing Resolution"), the Board determined to finance and refinance the costs of capital and other projects, including capitalized interest, financing costs, working capital, general corporate purposes and the refunding of prior obligations of the University (collectively, the "Projects"), and delegated to certain officers of the University pursuant to the University's Board-approved debt and interest rate risk management policies the power to approve the final terms of such financing, within certain stated parameters.

On \_\_\_\_\_, 2017, the Board adopted its Master Bond Resolution (Multi-Year Capital Program) (as supplemented and amended from time to time, the "Program Resolution"), under which the University is authorized to issue one or more Series of Bonds (as defined in the Program Resolution).

Pursuant to the Authorizing Resolution, the Board also determined to finance and refinance up to \$\_\_\_\_\_ of the costs of the Projects through the issuance of a Series of Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD:

## ARTICLE I

### DEFINITIONS

**Definitions.** Each capitalized term has the meaning given to it in the Program Resolution, and the following words and terms as used in this Series Resolution have the following meanings, unless some other meaning is plainly intended:

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated as of the date of its execution and delivery, between the University and the Underwriters.

"Debt Service Fund" means The Rector and Visitors of the University of Virginia General Revenue Pledge Bonds, Series 2017C, Debt Service Fund, a special fund created and designated by Section 5.1.

"DTC" means The Depository Trust Company and any successor company.

"Interest Payment Dates" means the dates interest is due on the Series 2017C Bonds as described in Section 2.2.

"Principal Payment Date" means \_\_\_\_\_.

"Record Date" means the 15<sup>th</sup> day of the month preceding the applicable Interest Payment Date.

"Securities Depository" means The Depository Trust Company, a limited purpose trust corporation organized and existing under the laws of the State of New York, and any other securities depository for the Bonds appointed pursuant to Section 2.5.

"Series Resolution" or "Resolution" means this Series Resolution – 2017C adopted by the Board on \_\_\_\_\_, 2017, related to the issuance of the Series 2017C Bonds, as completed and amended pursuant to Section 7.5 hereof.

"Series 2017C Bonds" or "Bonds" means the General Revenue Pledge Bonds of the University issued pursuant to the Series 2017C Resolutions.

"Series 2017C Resolutions" means this Series Resolution, authorized by the Board on September \_\_, 2017, and adopted on \_\_\_\_\_, 2017, with respect to the Series 2017C Bonds, the Authorizing Resolution and any other resolutions supplemental to such resolutions.

"Treasury Rate" means, with respect to any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity excluding inflation indexed securities (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but no more than 45 days, prior to such redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period

from the redemption date to the maturity date of the bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Underwriters" mean Barclays Capital Inc., Goldman, Sachs & Co. and J.P. Morgan Securities LLC

"University" means The Rector and Visitors of the University of Virginia, an educational institution and a public body and governmental instrumentality for the dissemination of education, and its successor or successors.

**Rules of Construction/Use of Words and Phrases.** (a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the word "person" shall include corporations and associations, including public bodies, as well as natural persons. Singular words shall connote the plural number as well as the singular and vice versa.

All references in this Series Resolution to particular Articles or Sections are references to Articles or Sections of this Series Resolution unless otherwise indicated.

The headings and table of contents as used in this Series Resolution are solely for convenience of reference and shall not constitute a part of this Series Resolution nor shall they affect its meaning, construction or effect.

## **AUTHORIZATION, FORM, EXECUTION, DELIVERY, REGISTRATION AND PAYMENT OF THE SERIES 2017C BONDS**

**Authorization of the Series 2017C Bonds.** For the purpose of providing funds, together with other available funds, to finance and refinance all or a portion of the costs of the Projects, there shall be issued, under the authority of the Act and the Program Resolution, Bonds of the University in the aggregate principal amount of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_). The Bonds shall be designated "The Rector and Visitors of The University of Virginia General Revenue Pledge Bonds, Series 2017C."

**Details of the Series 2017C Bonds.** (b) The Series 2017C Bonds authorized in Section 2.1 shall be issued initially in book-entry form only in denominations of \$5,000 or any multiple thereof, shall be dated the date of their delivery, shall be numbered RC-1, and shall have a final Maturity Date of \_\_\_\_\_, \_\_\_\_\_, in the amount of \$\_\_\_\_\_ and shall bear interest at \_\_\_\_\_% per annum, payable on \_\_\_\_\_, 2017 and semi-annually thereafter on \_\_\_\_\_ and \_\_\_\_\_ in each year. [*Insert Principal Payment Dates, if more than one principal payment date*].

The Series 2017C Bonds shall be issued in Fixed Rate Mode and shall bear interest at the Fixed Rate set forth in Section 2.2(a).

All the Series 2017C Bonds shall bear interest (a) from their dated date, if authenticated prior to \_\_\_\_\_, 2017, or (b) otherwise from the \_\_\_\_\_ or \_\_\_\_\_ that is, or that immediately precedes, the date on which such Bond is authenticated (unless payment of interest is in default, in which case such Bond shall bear interest from the date of which interest has been paid).

Both principal of and interest on the Series 2017C Bonds shall be payable in lawful money of the United States of America, but only from the revenues lawfully available therefor pursuant to the Act and pledged to the payment thereof as hereinafter provided. Principal of the Series 2017C Bonds shall be payable upon presentation and surrender of the Series 2017C Bonds as they become due at the Designated Office of the Paying Agent. Interest on the Series 2017C Bonds shall be payable to the registered owners of the Series 2017C Bonds by check or draft mailed on the applicable Interest Payment Date to such owners at their addresses as they appear on the Record Date on registration books kept by the Registrar, or upon the written request of any Holder of at least \$1,000,000 in aggregate principal amount of Series 2017C Bonds by wire transfer in immediately available funds to an account within the United States designated by such Holder at least three business days before the Record Date for the applicable Interest Payment Date.

Nothing herein shall be construed as prohibiting the University from issuing any maturity of the Series 2017C Bonds as one fully registered bond for the purpose of qualifying such Bonds for book entry registration by a Securities Depository or any similar arrangement whereby investors may hold a participation interest in such maturity of the Series 2017C Bonds.

**Form of the Series 2017C Bonds.** The Series 2017C Bonds shall be substantially in the form set forth in Exhibit A, with such appropriate variations, omissions and insertions as permitted or required by this Series Resolution.

**Terms and Conditions for Issuance and Delivery of the Series 2017C Bonds.** The Series 2017C Bonds authorized by this Series Resolution shall be executed in the form and manner hereinabove set forth and shall be deposited with the Registrar for delivery to the Underwriters pursuant to the Bond Purchase Agreement, but before the Series 2017C Bonds shall be delivered by the Registrar, there shall be filed with the Registrar the following:

the items required under Section 4.2 of the Program Resolution;

a copy, certified by the Secretary of the Board, of this Series Resolution;

an opinion of Bond Counsel (upon which the Registrar can rely) stating that the Series 2017C Bonds have been duly authorized, executed and delivered in accordance with the Act and this Resolution, that the Series 2017C Bonds and this Series Resolution constitute valid and binding limited obligations of the University, payable solely from the Pledged Revenues and other property pledged therefor under this Resolution.

When the documents mentioned above in this Section shall have been filed with the Registrar and when the Series 2017C Bonds shall have been executed as required by this Series Resolution, the Registrar shall authenticate and deliver such Bonds to or upon the order of the Underwriters pursuant to the Bond Purchase Agreement, but only upon payment to the Custodian

of the purchase price of such Bonds. The Registrar shall be entitled to rely upon such Bond Purchase Agreement as to the names of the purchasers and the amount of such purchase price.

The proceeds of such Bonds shall be deposited by the Custodian as described in Section 4.1.

**Book Entry Provisions.** The provisions of this Section 2.5 shall apply to the Series 2017C Bonds so long as all of the Series 2017C Bonds shall be maintained in book-entry form with a Securities Depository, any other provisions of this Series Resolution to the contrary notwithstanding.

The principal or redemption price of and interest on the Series 2017C Bonds shall be payable to the Securities Depository, or registered assigns, as the registered owner of the Series 2017C Bonds, in same day funds on each date on which the principal of, and premium, if any, or interest on the Series 2017C Bonds is due as set forth in this Series Resolution and in the Series 2017C Bonds. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the University and Paying Agent in writing. Without notice to or the consent of the beneficial owners of the Series 2017C Bonds, the University and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set out herein. If such different manner of payment is agreed upon, the University shall give the Paying Agent written notice thereof, and the Paying Agent shall make payments as if set forth herein. Neither the University nor the Paying Agent shall have any obligation with respect to the transfer or crediting of the appropriate principal, premium, if any, and interest payments to participants of the Securities Depository or the beneficial owners of the Series 2017C Bonds or their nominees.

The Paying Agent at the written direction of the University may replace any Securities Depository as the depository for the Series 2017C Bonds with another qualified securities depository or discontinue the maintenance of the Series 2017C Bonds in book-entry form at any time if the University determines to do so. Notice of any determination above shall be given to such Securities Depository at least 30 days prior to any such discontinuation (or such fewer number of days as shall be acceptable to such Securities Depository). The University may undertake to locate a qualified replacement Securities Depository and/or may discontinue the book-entry system of evidencing ownership of the Series 2017C Bonds.

If the University discontinues the maintenance of the Series 2017C Bonds in book-entry form, the University will issue replacement Series 2017C Bonds directly to the participants in the former Securities Depository or, to the extent requested by any such participant, to the beneficial owners of the Series 2017C Bonds as further described in this Section. At the written direction of the University, the Paying Agent shall notify participants and the beneficial owners of the Series 2017C Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by either the Securities Depository or the Paying Agent, that the University will issue replacement Series 2017C Bonds directly to the participants shown on the records of the Securities Depository or, to the extent requested by any participant, to beneficial owners of the Series 2017C Bonds shown on the records of such participant, as of a date set forth in such notice, which shall be a date at least 10 days after receipt of such notice by the Securities Depository (or such fewer number of days as shall be acceptable to the Securities Depository).

In the event that replacement Series 2017C Bonds are to be issued to participants in the Securities Depository or to beneficial owners of the Series 2017C Bonds, the University shall promptly have prepared replacement Series 2017C Bonds registered in the names of the participants as shown on the records of the former Securities Depository or, to the extent requested by any participant, in the names of the beneficial owners of Series 2017C Bonds shown on the records of such participant, as of the date set forth in the notice delivered in accordance with the immediately preceding paragraph. Replacement Series 2017C Bonds issued to participants in the Securities Depository or to beneficial owners shall be in fully registered form substantially in the form of Exhibit A. The form set forth in Exhibit A may be modified to include any variations, omissions or insertions that are necessary or desirable in the delivery of replacement certificates in printed form. In delivering replacement certificates, the Paying Agent shall be entitled to rely, without independent investigation, on the records of the former Securities Depository as to its participants and the records of the participants acting on behalf of the beneficial owners. The Series 2017C Bonds will thereafter be registrable and exchangeable as set forth in Sections 2.6 and 2.7 of the Program Resolution.

So long as there is a Securities Depository for the Series 2017C Bonds, (1) such Securities Depository shall be the registered owner of the Series 2017C Bonds, (2) transfers of ownership and exchanges shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by such Securities Depository and its participants, and (3) references in this Series Resolution to Bondholders, Holders or registered owners of the Series 2017C Bonds shall mean the Securities Depository and shall not mean the beneficial owners of the Series 2017C Bonds.

If the University replaces any Securities Depository as the depository for the Series 2017C Bonds with another qualified Securities Depository, replacement Series 2017C Bonds issued to such replacement Securities Depository shall have the same terms, form and content as the Series 2017C Bonds initially registered in the name of the predecessor Securities Depository or its nominee except for the name of the registered owner.

Each Securities Depository and the participants thereof and the beneficial owners of the Series 2017C Bonds, by their acceptance of the Series 2017C Bonds, agree that the University and the Paying Agent shall have no liability or responsibility with respect to (1) the accuracy of any records maintained by such Securities Depository or any Securities Depository participant; (2) the payment by such Securities Depository to any Securities Depository participant or by any Securities Depository participant to any beneficial owner of any amount due in respect of the principal of and premium, if any, and interest on the Series 2017C Bonds; (3) the delivery or timeliness of delivery by such Securities Depository to any Securities Depository participant or by any Securities Depository participant to any beneficial owner of any notice which is given to Bondholders; (4) the selection of the beneficial owners to receive payment in the event of any partial redemption of the Series 2017C Bonds; or (5) any consent given or other action taken by such Securities Depository or any nominee of such Securities Depository, as Bondholder.

**Series Resolution.** (c) This Series Resolution is adopted as a Supplemental Resolution pursuant to Section 4.2 and Section 9.1(b) of the Program Resolution.

The Series 2017C Bonds are hereby found, determined and declared to constitute "Bonds" within the meaning of the Program Resolution. The Series 2017C Bonds are entitled to the benefits, security and protection of the Program Resolution, equally and proportionally with any other Bonds issued under the Program Resolution, shall be payable from the Pledged revenues on a parity with all other Bonds, without priority or distinction by reason of Series, number, date, date of sale, date of issuance, Mode or otherwise.

## **REDEMPTION OF THE SERIES 2017C BONDS**

**Redemption of the Series 2017C Bonds.** (d) The Series 2017C Bonds shall not be subject to prior redemption except as provided in this Article III.

The Series 2017C Bonds are subject to redemption, at the option of the University, in whole or in part on any date, at a redemption price equal to the greater of:

100% of the principal amount of the Series 2017C Bonds to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the Series 2017C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2017C Bonds are to be redeemed, discounted to the date on which the Series 2017C Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus \_\_\_\_ basis points;

plus, in each case, accrued interest on the Series 2017C Bonds to be redeemed to the redemption date.

*Reserved.* – Mandatory Redemption.

[The Series 2017C Bonds shall also be subject to redemption in whole or in part on any date, at the option of the University, from the proceeds of casualty insurance or condemnation awards, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, plus accrued interest to the redemption date, if all or any part of the Project financed with the Series 2017C Bonds is damaged or destroyed or taken through the exercise of the power of eminent domain and the President, Chief Operating Officer or Chief Financial Officer has delivered a certificate to the Custodian to the effect that the University has determined not to use such proceeds to replace or rebuild the damaged, destroyed or taken property. In the event of a redemption in part pursuant to this paragraph, the University shall redeem the Series 2017C Bonds from each maturity then outstanding, to the extent practicable, in the proportion that the principal amount of the Series 2017C Bonds of such maturity bears to the total principal amount of the Series 2017C Bonds then outstanding.] – **TO BE DISCUSSED**

If the Series 2017C Bonds are registered in book-entry only form and so long as a Securities Depository is the sole registered owner of the Series 2017C Bonds, if less than all of the Series 2017C Bonds of a maturity are called for prior redemption, the particular Series 2017C Bonds or portions thereof to be redeemed shall be selected on a pro-rata pass-through distribution of

principal basis in accordance with the procedures of the Securities Depository; provided that, so long as the Series 2017C Bonds are held in book-entry form, the selection for redemption of such Series 2017C Bonds shall be made in accordance with the operational arrangements of the Securities Depository then in effect. If the Securities Depository's operational arrangements do not allow for the redemption of the Series 2017C Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Series 2017C Bonds will be selected for redemption, in accordance with the procedures of the Securities Depository, by lot. If a Securities Depository is no longer the sole registered owner of the Series 2017C Bonds, if less than all of the Series 2017C Bonds are called for redemption, the Paying Agent will select the Series 2017C Bonds to be redeemed on a pro rata basis.

**Notice of Redemption.** (e) Whenever the Series 2017C Bonds are to be redeemed under the provisions of this Series Resolution, the Paying Agent shall, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, mail notice of redemption to all registered owners of all Series 2017C Bonds to be redeemed at their registered addresses. The Paying Agent shall also mail a copy of any such notice of redemption to any Rating Agency. Any such notice of redemption shall identify the Series 2017C Bonds to be redeemed, shall specify the redemption date and the redemption price, and shall state that on the redemption date the Series 2017C Bonds called for redemption will be payable at the Designated Office of the Paying Agent and that from that date interest will cease to accrue. The Paying Agent may use "CUSIP" numbers in notices of redemption as a convenience to Bondholders, provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Series 2017C Bonds or as contained in any such notice.

If at the time of mailing of notice of any optional redemption the University shall not have caused to be deposited with the Paying Agent money sufficient to redeem all the Series 2017C Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of such moneys with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited. Failure by the Paying Agent to give any notice of redemption or any defect in such notice as to any particular Bonds shall not affect the validity of the call for redemption of any Bonds in respect of which no such failure or defect has occurred. Any notice mailed as provided in this Series Resolution shall be conclusively presumed to have been given whether or not actually received by any Holder.

**Effect of Calling for Redemption.** On the date designated for redemption, notice having been mailed in the manner and under the conditions hereinabove provided and moneys for payment of the redemption price being held in separate accounts by the Paying Agent in trust for the Holders of the Series 2017C Bonds to be redeemed, all as provided in this Series Resolution, the Series 2017C Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, interest on the Series 2017C Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security under this Series Resolution and the Holders or registered owners of such Bonds shall have no rights with respect thereto except to receive payment of the redemption price.

**The Series 2017C Bonds Redeemed Not Deemed Outstanding.** The Series 2017C Bonds which have been duly called for redemption under the provisions of this Article, or with respect to which irrevocable instructions to call for redemption have been given by the Board to

the Paying Agent in form satisfactory to him or her, and for the payment of the redemption price of which moneys shall be held in separate accounts by the Paying Agent in trust for the Holders of the Series 2017C Bonds to be redeemed, all as provided in this Series Resolution, shall not thereafter be deemed to be outstanding under the provisions of this Series Resolution.

## **CUSTODY AND APPLICATION OF PROCEEDS OF THE SERIES 2017C BONDS**

**Custody and Application of Proceeds of the Series 2017C Bonds.** The proceeds of the Series 2017C Bonds (par amount (\$\_\_\_\_\_00) plus original issue premium (\$\_\_\_\_\_), less the underwriter's discount (\$\_\_\_\_\_)) shall be applied as follows:

\$\_\_\_\_\_ shall be transferred to Construction Fund to be used to pay a portion of the costs of the Projects; and

\$\_\_\_\_\_ shall be deposited into a special account created with the Custodian for the payment of expenses incident to the issuance of the Series 2017C Bonds. Any amounts remaining in the special account on \_\_\_\_\_, 2017, shall be deposited in the Debt Service Fund and applied to pay interest on such Series 2017C Bonds on the next Interest Payment Date.

## **REVENUES AND FUNDS**

### **Funds Established.**

**Construction Fund.** (i) A special fund is hereby created with the [University / Custodian] as the Construction Fund, to the credit of which there shall be deposited a portion of the proceeds of the Series 2017C Bonds. The moneys in the Construction Fund shall be held in trust and applied to the payment of the cost of the Projects, and, pending such application, shall be subject to a lien and charge in favor of the Bondholders of the Series 2017C Bonds and for the future security of such Bondholders until paid out or transferred as herein provided.

(ii) (A) Payment of the costs of the Projects shall be made from the Construction Fund and other available funds, all as provided by law. All payments from the Construction Fund shall be subject to the provisions and restrictions set forth in this Section, and the Board covenants that it will not cause or permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions.

(B) Moneys in the Construction Fund shall be paid out by in accordance with [requisitions substantially the form of Exhibit B hereto (or in such other form required by the [University / Custodian]) and shall state each amount to be paid, the appropriate Account (if any), the name of the person, firm or corporation to whom each such payment is due and the purpose for which the obligation to be paid was incurred, and shall certify

that the goods or services specified have been received, or performed, payment therefor has not been previously authorized and that the expenditure is a proper charge to the appropriation for the Construction Fund.

(iii) When the Projects shall have been completed and placed in operation, as evidenced by a certificate signed by an Authorized Officer and filed with the Secretary of the Board, any balance in the Construction Fund not deemed by the Board to be necessary to be reserved for the payment of any remaining part of the cost of the Projects shall be deposited to the credit of the Debt Service Fund for the Series 2017C Bonds, and used to pay interest on the Series 2017C Bonds on their next Interest Payment Date.

**Debt Service Fund.** A fund shall be created by the Paying Agent designated "The Rector and Visitors of the University of Virginia General Revenue Pledge Bonds, Series 2017C, Debt Service Fund" (the "Debt Service Fund"). All accrued interest, if any, received from the purchasers of the Series 2017C Bonds, as provided in Section 4.1, shall be transferred to the Paying Agent to the credit of the Debt Service Fund. On or before the day preceding each date on which payments of interest, premium or principal shall be due and payable on the Series 2017C Bonds (a "Payment Date"), the University shall transfer or cause to be transferred to the Paying Agent for deposit an amount of money sufficient to cause the amount held in the Debt Service Fund to be equal to the interest, premium and principal due on the Series 2017C Bonds on such Payment Date. The Paying Agent shall cause payment of the amounts due on the Series 2017C Bonds on each such Payment Date.

**Payments to Bondholders.** The Paying Agent shall, at appropriate times on or before each Payment Date, withdraw from the Debt Service Fund the amounts needed on such date to pay the principal of and premium, if any, and interest on the Series 2017C Bonds and shall pay or cause the same to be paid to the Bondholders as such principal, premium and interest become due and payable.

**Pledge of Funds and Accounts.** The moneys in the Debt Service Fund shall be held in trust and applied as herein provided and, pending such application, shall be pledged to, and subject to a lien and charge in favor, of the Holders of the Series 2017C Bonds issued and outstanding under this Series Resolution and for the further security of such Holders until paid out or transferred as herein provided.

**No Risk to Paying Agent Funds.** No provision herein shall require the Paying Agent to expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers unless the Paying Agent shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is reasonably assured to it.

## PARTICULAR COVENANTS

**Payment of Principal and Interest; Pledge of Pledged Revenues.** The University covenants that it will promptly pay or cause to be paid from the sources described herein the principal of and the interest on every Bond issued under the provisions of this Series Resolution at the place or places, on the dates and in the manner provided herein and in such Bonds, and any premium required for the retirement of such Bonds by purchase or redemption, according to the true intent and meaning thereof. Except as otherwise provided in this Series Resolution, such principal, interest and premium are payable solely from Pledged Revenues, which Pledged Revenues are hereby pledged to the payment thereof and to the payment of any Parity Credit Obligations issued by the University, which may include any interest rate swaps or other hedge mechanisms and any dedicated line of credit, standby bond purchase agreement or other liquidity facility related to the Series 2017C Bonds, including any Liquidity Facility.

THE UNIVERSITY SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017C BONDS EXCEPT FROM THE SOURCES NOTED HEREIN AS PLEDGED THEREFOR. THE SERIES 2017C BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE COMMONWEALTH, LEGAL, MORAL OR OTHERWISE. NEITHER THE COMMONWEALTH NOR THE UNIVERSITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017C BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE SOURCES NOTED HEREIN AS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017C BONDS OR OTHER COSTS INCIDENT THERETO.

**Tax Covenants.** If Needed.

## MISCELLANEOUS PROVISIONS

**Effect of Covenants.** All covenants, stipulations, obligations and agreements of the University and the Board contained in this Series Resolution and the Program Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the University and the Board to the full extent authorized by the Act or permitted by the Constitution of Virginia. All such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future director, member, agent or employee of the University or the Board in his or her individual capacity, and no agency of the Commonwealth nor any officer thereof or of the University, present or future, executing the Series 2017C Bonds shall be liable personally on the Series 2017C Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

**Manner of Giving Notice.** Any notice, demand, direction, request or other instrument authorized or required by this Series Resolution to be given to or filed with the University, the Paying Agent, the Registrar, the Custodian or the Rating Agencies shall be deemed to have been sufficiently given or filed for all purposes of this Series Resolution if and when sent in accordance with the Program Resolution.

**Effect of Partial Invalidity.** In case any one or more of the provisions of this Series Resolution or of the Series 2017C Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Series Resolution or of the Series 2017C Bonds, but this Series Resolution and the Series 2017C Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Series 2017C Bonds or in this Series Resolution shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the University to the full extent permitted by law.

**Governing Law.** This Series Resolution is adopted with the intent that the laws of the Commonwealth shall govern its construction without regard to conflict of law principles.

**Completion of and Amendments to Series Resolution; Approval, Execution and Delivery of Necessary and Appropriate Documents.** (f) Prior to the delivery of the Series 2017C Bonds, in accordance with the University's debt policy, each Authorized Officer, in consultation with the Chair of the Board's Finance Committee, may authorize completion of and any revisions to this Series Resolution which are not in conflict with the Authorizing Resolution or any future resolution by the Board or the Executive Committee of the Board, as shall be necessary to carry out the intent of this Series Resolution. Certification of this Series Resolution by the Secretary of the Board shall be conclusive evidence that an Authorized Officer, in consultation with the Chair of the Board's Finance Committee, has finally completed this Series Resolution.

Each Authorized Officer is authorized to negotiate, execute and deliver, in necessary and appropriate form, the following documents:

one or more Official Statement(s) or Offering Memorandum in preliminary and final forms relating to the offering of the Series 2017C Bonds for sale;

the Bond Purchase Agreement relating to the purchase of the Series 2017C Bonds;  
and

such other documents and instruments as he or she deems necessary or appropriate in connection with the issuance of the Series 2017C Bonds, including without limitation any interest rate swaps or other hedge mechanisms and any dedicated line of credit, standby bond purchase agreement or other liquidity facility related to the Series 2017C Bonds, so long as such documents and instruments do not conflict with the intent of this Series Resolution.

The distribution of any Official Statement or Offering Memorandum, in preliminary and final forms, by the Underwriters is hereby authorized and approved.

**Bond Delivery.** All directors, officers and employees of the University are hereby authorized to take all actions necessary to accomplish the delivery of the Series 2017C Bonds to purchasers thereof.

**Repeal of Inconsistent Provisions.** Any prior resolutions or provisions of resolutions of the Board inconsistent with any provisions of this Series Resolution are hereby repealed.

**Paying Agent/Registrar/Custodian Reliance and Other Matters.** For purposes of this Section 7.8 only, the term "Paying Agent" shall refer to the Paying Agent, the Registrar and the Custodian. The Paying Agent undertakes to perform only such duties as are expressly set forth herein and in the Program Resolution. The duties and responsibilities of the Paying Agent hereunder shall be determined solely by the express provisions of this Series Resolution, and no further duties or responsibilities shall be implied. The Paying Agent shall not have any liability under, nor duty to inquire into the terms and provisions of, any agreement or instructions, other than as outlined in the Series 2017C Resolutions and in the Program Resolution. The Paying Agent may consult with counsel and may rely conclusively and shall be protected in acting or refraining from acting upon any written notice, opinion, electronically transmitted communication, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. The Paying Agent shall have no duty to solicit any payments that may be due it hereunder. The Paying Agent shall not be liable for any action taken or omitted by it in good faith unless a court of competent jurisdiction determines that any loss to the University was the result of the Paying Agent's negligent or willful misconduct. The Paying Agent shall not incur any liability for following the instructions herein contained or expressly provided for, or written instructions given by the University. In the administration of its duties under this Series Resolution, the Paying Agent may execute any of its powers and perform its duties hereunder directly or through agents or attorneys and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Paying Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. The Paying Agent may resign and be discharged of its duties and obligations hereunder and under the Program Resolution by giving notice in writing of such resignation specifying a date when such resignation shall take effect. Any corporation or association into which the Paying Agent 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 Paying Agent 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 Paying Agent in its individual capacity may be sold or otherwise transferred, shall be the Paying Agent hereunder without further act. The University covenants and agrees to pay the Paying Agent its fees and expenses (including reasonable attorney's fees, costs and expenses) as agreed upon by the University and the Paying Agent. Furthermore, the University shall pay the Paying Agent for any extraordinary services or expenses performed or incurred by the Paying Agent in connection with its duties under this Series Resolution provided the University consents in writing prior to the performance of such services or the incurring of such expenses.

The Paying Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Series Resolution arising out of or caused, directly or

indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God, earthquakes, fire, flood, hurricanes or other storms; wars, terrorism, similar military disturbances; sabotage; epidemic, riots, interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Paying Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

The Paying Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Series Resolution and delivered using Electronic Means; provided, however, that the University shall provide to the Paying Agent an incumbency certificate listing Authorized Officers and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the University whenever a person is to be added or deleted from the listing. If the University elects to give the Paying Agent Instructions using Electronic Means and the Paying Agent in its discretion elects to act upon such Instructions, the Paying Agent's understanding of such Instructions shall be deemed controlling. The University understands and agrees that the Paying Agent cannot determine the identity of the actual sender of such Instructions and that the Paying Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Paying Agent have been sent by such Authorized Officer. The University shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Paying Agent and that the University and all respective Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the University. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The University agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Paying Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the University; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Paying Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

[Remainder of Page Intentionally Left Blank]



which case it shall bear interest from such Interest Payment Date; provided, however, that if at the time of authentication of this Series 2017C Bond interest is in default, this Series 2017C Bond shall bear interest from the date to which interest has been paid. Interest on this Series 2017C Bond shall be computed on the basis of a 360-day year of twelve 30-day months.

[Reserved for Change in Mode / Interest Period – TBD].

The University shall not be obligated to pay the principal of or interest on this Series 2017C Bond except from the Pledged Revenues of the University and other legally available moneys, all as provided in the Series 2017C Resolutions and the Program Resolution. "Pledged Revenues" are all of the revenues now or hereafter lawfully available to the University which are not required by law, by binding contract entered into prior to the adoption of the Series 2017C Resolutions or, in certain circumstances described in the Series 2017C Resolutions, by binding contract entered into subsequent to the date of the Series 2017C Resolutions, to be devoted to some other purpose. This Series 2017C Bond and the interest hereon shall not be deemed to constitute a debt or liability of the Commonwealth of Virginia, legal, moral or otherwise. Neither the Commonwealth of Virginia nor the University shall be obligated to pay the principal of or interest on this Series 2017C Bond or other costs incident hereto except from the sources noted above, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia are pledged to the payment of the principal of or interest on this Series 2017C Bond or other costs incident hereto.

This Series 2017C Bond is one of a duly authorized issue of Bonds of the University aggregating \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) in principal amount, known as "General Revenue Pledge Bonds, Series 2017C" (the "Series 2017C Bonds"), issued pursuant to an authorizing resolution adopted by the Board of Visitors of the University (the "Board") on September \_\_, 2017 (the "Series 2017 Authorizing Resolution") and, a Master Bond Resolution (Multi-Year Capital Program) executed on \_\_\_\_\_, 2017 (as supplemented and amended, the "Program Resolution"), as supplemented by a Series Resolution executed on \_\_\_\_\_, 2017 (the "Series 2017 Resolution" and together with the Series 2017 Authorizing Resolution, the "Series 2017C Resolutions"). This Series 2017C Bond is issued and the Program Resolution and the Series 2017C Resolutions were adopted under and pursuant to the Constitution and laws of the Commonwealth of Virginia, particularly Chapter 10, Title 23.1, Code of Virginia of 1950, as amended (the "Act") to finance and refinance the costs of certain projects of the University. Reference is hereby made to the Program Resolution and the Series 2017C Resolutions for the provisions, among others, with respect to the custody and application of the proceeds of bonds issued under the Series 2017C Resolutions, the funds charged with and pledged to the payment of the interest on and the principal of the Series 2017C Bonds, the nature and extent of the security, the terms and conditions on which the Series 2017C Bonds are or may be issued, the rights, duties and obligations of the University and the rights of the holders of the Series 2017C Bonds. Capitalized terms not defined herein shall be as defined in the Program Resolution or the Series 2017C Resolutions (as applicable). By the acceptance of this Series 2017C Bond, the Holder hereof assents to all of the provisions of the Program Resolution and the Series 2017C Resolutions.

The Series 2017C Bonds are subject to redemption, at the option of the University, in whole or in part on any date, at a redemption price equal to the greater of:

(i) 100% of the principal amount of the Series 2017C Bonds to be redeemed;  
or

(ii) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the Series 2017C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2017C Bonds are to be redeemed, discounted to the date on which the Series 2017C Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus \_\_\_\_ basis points;

(iii) plus, in each case, accrued interest on the Series 2017C Bonds to be redeemed to the redemption date.

[The Series 2017C Bonds shall also be subject to redemption in whole or in part on any date, at the option of the University, from the proceeds of casualty insurance or condemnation awards, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, plus accrued interest to the redemption date, if all or any part of the Project financed with the Series 2017C Bonds is damaged or destroyed or taken through the exercise of the power of eminent domain and the President, Chief Operating Officer or Chief Financial Officer has delivered a certificate to the Custodian to the effect that the University has determined not to use such proceeds to replace or rebuild the damaged, destroyed or taken property. In the event of a redemption in part pursuant to this paragraph, the University shall redeem the Series 2017C Bonds from each maturity then outstanding, to the extent practicable, in the proportion that the principal amount of the Series 2017C Bonds of such maturity bears to the total principal amount of the Series 2017C Bonds then outstanding.] – **TO BE DISCUSSED**

Subject to applicable procedures of the Securities Depository while the Series 2017C Bonds are held in book-entry only form by the Securities Depository, if less than all of the Series 2017C Bonds are to be called for redemption, the Series 2017C Bonds to be redeemed shall be selected by the University in such manner as the University in its discretion may determine.

If the Series 2017C Bonds are registered in book-entry only form and so long as a Securities Depository is the sole registered owner of the Series 2017C Bonds, if less than all of the Series 2017C Bonds of a maturity are called for prior redemption, the particular Series 2017C Bonds or portions thereof to be redeemed shall be selected on a pro-rata pass-through distribution of principal basis in accordance with the procedures of the Securities Depository; provided that, so long as the Series 2017C Bonds are held in book-entry form, the selection for redemption of such Series 2017C Bonds shall be made in accordance with the operational arrangements of the Securities Depository then in effect. If the Securities Depository's operational arrangements do not allow for the redemption of the Series 2017C Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Series 2017C Bonds will be selected for redemption, in accordance with the procedures of the Securities Depository, by lot. If a Securities Depository is no longer the sole registered owner of the Series 2017C Bonds, if less than all of the Series 2017C Bonds are called for redemption, the Paying Agent will select the Series 2017C Bonds to be redeemed on a pro rata basis.

This Series 2017C Bond is transferable by the registered owner, in person or by its attorney duly authorized in writing, at the Designated Office of the Registrar, upon presentation of a written instrument of transfer and surrender of this Series 2017C Bond to the Registrar for cancellation. Upon the transfer, a new Series 2017C Bond or Bonds of the same aggregate principal amount, maturity date and interest rate will be issued to the transferee. No transfer will be effective unless represented by such surrender and reissue. This Series 2017C Bond may also be exchanged at the Designated Office of the Registrar for a new Series 2017C Bond or Bonds of the same aggregate principal amount, maturity date and interest rate without transfer to a new registered owner. Exchanges and transfers will be without expense to the holder except for applicable taxes or other governmental charges, if any. The Registrar shall not be required to transfer or exchange any Series 2017C Bond selected or called for redemption pursuant to the provisions hereof or from a Record Date through the next succeeding Interest Payment Date. All Bonds delivered in exchange or transfer shall be dated so that neither gain nor loss results from the transfer or exchange.

The University, the Paying Agent and the Registrar may treat the registered owner as the absolute owner of this Series 2017C Bond for all purposes, notwithstanding any notice to the contrary.

Neither the members of the Board nor any person executing this Series 2017C Bond are liable personally hereon or subject to any personal liability or accountability by reason of the issuance hereof.

This Series 2017C Bond will not be valid until the Certificate of Authentication has been signed by the Registrar.

The holder of this Series 2017C Bond shall have no right to enforce the provisions of the Program Resolution or the Series 2017C Resolutions or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Program Resolution or the Series 2017C Resolutions.

All acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia and by the rules and regulations of the Board to happen, exist and be performed precedent to and in the issuance of this Series 2017C Bond have happened, exist and have been performed as so required.

[Signature Page Follows]

IN WITNESS WHEREOF, The Rector and Visitors of the University of Virginia has caused this Series 2017C Bond to be issued and caused this Series 2017C Bond to bear the manual or facsimile signatures of its Executive Vice President and Chief Operating Officer and its official seal to be impressed, imprinted, reproduced or lithographed hereon, all as of the dated date hereof.

[SEAL]

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[Executive Vice President and  
Chief Operating Officer,]  
University of Virginia

CERTIFICATE OF AUTHENTICATION

This Series 2017C Bond is one of the Bonds described in the within mentioned Series 2017C Resolutions.

Date of Authentication:  
\_\_\_\_\_, 2017

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Registrar

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Authorized Signatory

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Please print or typewrite name and address, including zip code, of Transferee]

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBERS OF TRANSFEREE

\_\_\_\_\_  
\_\_\_\_\_

the within Bond and all rights, thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Registered Owner

The signature above must correspond to the name of the Registered Owner as it appears on the front of this Series 2017C Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
Notice: Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guarantee program

**EXHIBIT B**

**FORM OF REQUISITION**

Requisition No:

This Requisition is submitted in connection with the Series Resolution – 2017C (the "Series 2017C Resolution") adopted on \_\_\_\_\_, 2017, by the Board of Visitors of The Rector and Visitors of the University of Virginia (the "University"). The Series 2017C Resolution authorizes the issuance of general revenue pledge bonds of the University (the "Series 2017C Bonds"). The undersigned requests payment of the following obligation or obligations from the "Construction Fund" pursuant to Section 5.1(a) of the Series 2017C Resolution:

Payee:

Address:

Amount to be Paid:

Paid from the following account and/or subaccount:

Purpose (in reasonable detail) for which the obligations(s) to be paid was incurred:

The undersigned certifies that:

(i) The obligation stated on the requisition has been incurred to pay the cost of the Projects, each item is a proper charge against the appropriate Construction Fund and is a cost permitted under the Act and the obligation has not been the basis for a prior requisition which has been paid; and

(ii) At the date of this certificate, no Event of Default has occurred which has not been cured or waived, and no event exists which, with notice or lapse of time or both, would constitute an Event of Default.

Unless otherwise defined, each capitalized term used in this Requisition shall have the meaning given it in the Series 2017C Resolution.

Date: \_\_\_\_\_

**UNIVERSITY OF VIRGINIA**

By: \_\_\_\_\_

Title: \_\_\_\_\_