

**RESOLUTION AUTHORIZING THE PRESIDENT OF THE UNIVERSITY OF NORTH CAROLINA, ACTING IN CONSULTATION WITH THE CHAIR OF THE BOARD OF GOVERNORS AND THE CHAIR OF THE BUDGET AND FINANCE COMMITTEE, TO ENTER INTO AGREEMENTS AND OTHER INSTRUMENTS IN CONNECTION WITH FINANCIAL SERVICE PRODUCTS**

WHEREAS, The Board of Governors (the “Board”) of the University of North Carolina (the “University”) has issued Revenue Bonds and Special Obligation Bonds to finance improvements on the campuses of the constituent institutions comprising the University;

WHEREAS, in connection with such Bond issues, the Board has entered into various agreements with financial institutions, pursuant to which such financial institutions have agreed to provide financial services to the University in connection with such Bond issues, including, but not limited to, Remarketing Agreements, Commercial Paper Dealer Agreements, Standby Bond Purchase Agreements, Letters of Credit Reimbursement Agreements, Interest Rate Swap Agreements and Agreements related to the investment of Bond proceeds or reserves;

WHEREAS, the financial markets are experiencing historic disruptions that are resulting in significant changes in the organizational structure and credit standing of many of the financial institutions with whom the University has entered agreements for financial services, and it has been and will be necessary for the University to enter into amendments to existing agreements, enter new agreements, agree to the assignments of existing agreements and otherwise take actions in response to changes in the financial marketplace; and

WHEREAS, the Board desires to empower the President of the University, acting in consultation with the Chair of the Board and the Chair of the Board’s Budget and Finance Committee, to take such actions as such officers shall deem appropriate and in the best interest of the University and its constituent institutions to respond to changing circumstances on a timely basis;

NOW, THEREFORE, BE IT RESOLVED by the Board of Governors of the University of North Carolina:

Section 1. The President of the University is hereby authorized to enter into such amendments to existing agreements, enter into new agreements, consent to the assignment of existing agreements and enter into other instruments as he shall deem appropriate and in the best interest of the University and its constituent institutions regarding financial services to be provided to the University in connection with its bond issues. Prior to taking such actions, the President shall consult with the Chair of the Board and the Chair of the Budget and Finance Committee regarding the actions to be taken.

Section 2. The President of the University shall report to the Board as to any actions taken with respect to any new agreements or amendments to existing agreements entered into by the University pursuant to the authority granted by this Resolution at the next meeting of the Board following the taking of such actions, or as soon thereafter as shall be practicable. Notwithstanding the foregoing, any failure to report actions as provided by this Section shall not affect the validity of the action so taken.

## APPENDIX B

Section 3. Actions heretofore taken by the President, the Vice President-Finance and various finance officials of the constituent institutions with respect to amending existing agreements, entering new agreements, consenting to assignments and entering into other instruments for the purposes described in Section 1 are hereby ratified, confirmed and approved in all respects.

Section 4. In addition to the President, the Vice President-Finance of the University and the Chairman, Vice-Chairman, Secretary and any Assistant Secretary of the Board are hereby authorized and directed to execute and deliver such instruments as such officers, acting on the advice of counsel, shall deem appropriate to carry out the purposes of this Resolution. This action shall be effective through November 17, 2009.

PASSED AND ADOPTED this 17<sup>th</sup> of October, 2008.