

APPENDIX C

RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA AUTHORIZING SPECIAL OBLIGATION BOND PROJECTS FOR THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL AND NORTH CAROLINA STATE UNIVERSITY AT RALEIGH

WHEREAS, by Chapter 116 of the General Statutes of North Carolina (the "*Act*"), the Board of Governors (the "*Board*") of the University of North Carolina (the "*University*") is vested with general control and supervision of Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina School of Arts, North Carolina State University at Raleigh, The University of North Carolina at Asheville, The University of North Carolina at Chapel Hill, The University of North Carolina at Charlotte, The University of North Carolina at Greensboro, The University of North Carolina at Pembroke, The University of North Carolina at Wilmington, Western Carolina University and Winston-Salem State University and other institutions; and

WHEREAS, the Board is authorized by Chapter 116D of the Act to issue, subject to the approval of the Director of the Budget, at one time or from time to time, special obligation bonds of the Board for the purpose of paying all or any part of the cost of acquiring, constructing, or providing a special obligation project and refunding bonds for the purpose of refunding any bonds by the Board under the Article or under any Article of Chapter 116 of the General Statutes, including the payment of any redemption premium on them and any interest accrued or to accrue to the date of redemption of the bonds refunded; and

WHEREAS; the Board has previously issued an aggregate principal amount of \$500,000,000 of the University of North Carolina System Commercial Paper Bonds (UNC at Chapel Hill/NC State) (the "*Commercial Paper*"), \$400,000,000 of the proceeds of which are available to The University of North Carolina at Chapel Hill ("*UNC at Chapel Hill*") in order to finance the costs of certain projects on the campus of UNC at Chapel Hill and \$100,000,000 of the proceeds of which are available to North Carolina State University at Raleigh ("*NC State*") in order to finance the costs certain projects on the campus of NC State;

WHEREAS; the Board has determined to add to the list of projects eligible to be financed with the proceeds of the Commercial Paper and any other special obligation bonds (collectively, the "*Bonds*") issued by the Board on behalf of UNC at Chapel Hill and NC State, respectively, to include the projects listed in Exhibit A to this resolution for UNC at Chapel Hill (the "*UNC at Chapel Hill Projects*") and to include the projects listed in Exhibit B to this resolution for NC State (the "*NC State Projects*" and collectively with the UNC Projects, the "*Special Obligation Bond Projects*"); and

WHEREAS, under the General Trust Indenture dated as of January 15, 2001 (the "*UNC at Chapel Hill General Indenture*") between the Board and The Bank of New York Trust Company, N.A., as trustee ("*BNY*"), special obligation bonds issued under the UNC at Chapel Hill General Indenture are payable solely from any funds of UNC at Chapel Hill or the Board in each Fiscal Year remaining after satisfying obligations of UNC at Chapel Hill or the Board under a trust indenture, trust agreement or bond resolution providing for the issuance of debt as of the date of the UNC at Chapel Hill General Indenture with respect to UNC at Chapel Hill, including Unrestricted General Fund balances and Unrestricted Quasi-Endowment Fund balances shown as such on UNC at Chapel Hill's financial statements, but excluding (1) appropriations by the General Assembly of the State from the State General Fund, (2) tuition payments by UNC at Chapel Hill students, (3) funds whose purpose has been restricted by the gift,

grant or payee thereof and (4) revenues generated by Special Facilities, as defined in the UNC at Chapel Hill General Indenture (the "*UNC at Chapel Hill Available Funds*");

WHEREAS, under the General Trust Indenture dated as of October 1, 2001 (the "*NC State General Indenture*") between the Board and BNY, as trustee, special obligation bonds issued under the NC State General Indenture are payable solely from any funds of NC State or the Board in each Fiscal Year remaining after satisfying obligations of NC State or the Board under a trust indenture, trust agreement or bond resolution providing for the issuance of debt as of the date of the NC State General Indenture with respect to NC State, but excluding (1) appropriations by the General Assembly of the State from the State General Fund, (2) tuition payments by NC State students, (3) funds whose purpose has been restricted by the gift, grant or payee thereof, (4) revenues generated by Special Facilities (as defined in the NC State General Indenture) and (5) funds restricted by law (the "*NC State Available Funds*");

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

Section 1. **Authorization of Special Obligation Bonds Projects.** That the Board hereby approves and ratifies the use of the proceeds of the Bonds for the Special Obligation Bonds Projects listed in Exhibit A and Exhibit B to this resolution.

Section 2. **Sufficiency of Available Funds.** That the Board hereby finds (a) that sufficient UNC at Chapel Hill Available Funds are available to pay the principal of and interest on the Bonds attributable to UNC at Chapel Hill and (b) that sufficient NC State Available Funds are available to pay the principal of and interest on the Bonds attributable to NC State.

Section 3. **Conflicting Provisions.** All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 4. **Effective Date.** This Resolution is effective immediately on the date of its adoption.

The foregoing Resolution was duly adopted by the Board at a regular meeting of the Board held on the 10th day of October, 2008 and that the same was passed and adopted by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

PASSED, ADOPTED, AND APPROVED this 10th day of October, 2008.

APPENDIX C

STATE OF NORTH CAROLINA

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SS:

COUNTY OF ORANGE

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SECRETARY'S CERTIFICATE
OF AUTHENTICATION

I, Bart Corgnati, Secretary of the University of North Carolina, *DO HEREBY CERTIFY* that (1) the foregoing is a full, true and correct copy of the approving resolution adopted by the Board of Governors of the University of North Carolina at its regular meeting on October 10, 2008 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Governors of the University of North Carolina held on October 10, 2008 was sent to each member of the Board, and (3) a quorum was present at the meeting on October 10, 2008 at which time the foregoing Resolution was adopted.

WITNESS, my hand and the seal of the University of North Carolina this 10th day of October, 2008.

[SEAL]

Bart Corgnati, Secretary
The University of North Carolina

EXHIBIT A

UNC AT CHAPEL HILL PROJECTS

The following projects on the campus of UNC at Chapel Hill approved by the North Carolina General Assembly in Chapter 204 of the 2008 North Carolina Session Laws are added to the list of projects eligible to be financed with proceeds of special obligation bonds issued by the Board of Governors on behalf of UNC at Chapel Hill:

Athletic Facilities Renovation and Expansion (\$7,023,000)
Carmichael Auditorium – Supplement (\$9,500,000)
Carmichael Residence Hall – Supplement (\$1,300,000)
Dental Sciences Teaching and Learning Building (\$26,000,000)
Fetzer Gymnasium Expansion (\$2,500,000)
Kenan Stadium Expansion, Phase I (\$50,000,000)
Mary Ellen Jones Animal Facility Renovation (\$10,000,000)
Medical Research Building D Renovation and Expansion (\$5,000,000)
Old East and Old West Residence Halls Improvements – Supplement (\$3,200,000)
Research Resource Facility – Phase III (\$8,600,000)
Woollen Gymnasium (Sports Medicine) – Supplement (\$1,500,000)
Chilled Water Infrastructure (\$6,000,000)
Cogeneration and Steam Infrastructure Improvements and Expansion (\$17,700,000)
Electrical Infrastructure Improvements (\$13,500,000)

APPENDIX C

EXHIBIT B

NC STATE PROJECTS

The following projects on the campus of NC State approved by the North Carolina General Assembly in Chapter 204 of the 2008 North Carolina Session Laws are added to the list of projects eligible to be financed with proceeds of special obligation bonds issued by the Board of Governors on behalf of NC State:

Student Health Center Expansion (\$10,900,000)
Avent Ferry Administration Center Renovation (\$5,200,000)
Centennial Campus Tenant Space Renovations (\$10,000,000)
Collaborative Research Building (\$35,000,000)