

APPENDIX D

Sale of Special Obligation Bonds – The University of North Carolina at Chapel Hill

The Board of Governors is authorized to issue special obligation bonds for capital improvements projects that have been approved by the General Assembly. Although a specific source of funding is used by a campus when retiring these bonds, special obligation bonds are generally backed by a pledge of all campus revenues excluding tuition and State appropriations.

The University of North Carolina at Chapel Hill requests that the Board issue special obligation bonds not to exceed \$160,000,000 for the purpose of financing (1) the refunding of indebtedness issued consistent with the UNC-CH/NCSU Commercial Paper Program, the proceeds of which were used to pay a portion of the costs of the 2003 projects; (2) the costs of acquiring, constructing, and equipping capital improvement projects previously approved by the Board of Governors and the North Carolina General Assembly; (3) the refunding in advance of their maturities of additional revenue bonds issued for the benefit of the University when net present value savings to the University are achieved; (4) capitalizing interest on a portion of the 2003 Bonds; or (5) providing for the costs incurred in connection with the issuance of the 2003 Bonds.

The 2003 bonds will be issued for the following projects:

Administrative Office Building	\$ 9,500,000
Renovations to Connor, Alexander, Winston Residence Halls	10,500,000
Renovations to McIver, Kenan, Alderman Residence Halls	11,300,000
Public Health Teaching and Research Center	15,598,300
Ramshead Complex for Parking and Student Support	53,536,000
School of Nursing Addition	6,281,900
Sonja H. Stone Black Cultural Center	6,000,000

It is recommended that the following Resolution be adopted and that the Vice President for Finance be authorized to sell the special obligation bonds between the November 2003 and March 2004 meetings of the Board.

RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF
NORTH CAROLINA AUTHORIZING THE ISSUANCE OF SPECIAL
OBLIGATION BONDS TO FUND THE SPECIAL OBLIGATION BOND
PROJECT FOR THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL
HILL