

## APPENDIX F

### Lease of Housing Space – The University of North Carolina at Pembroke

In February 2002, the Board of Governors approved a lease for approximately 12 acres of land to the UNCP Foundation, Inc. for a 30-year term. The Foundation subleased the land to a private developer to finance and construct high-quality apartments to provide up to 360 beds of student housing. With the completion of 216 beds in Fall 2003, UNCP, consistent with the rules and regulations of the Department of Administration's Office of State Property, subleased the apartment complex and rented the apartments as part of its on-campus housing program. The cost to students was consistent with rents charged at other on-campus residence halls. The Foundation plans to provide the 144 additional beds by Fall 2004. On campus, current residence halls exceed 100 percent occupancy for 2002-2003. Leasing student housing will enable the university to meet the current and projected housing demands associated with campus enrollment growth and provide students with the housing options they require.

The Foundation, on advice from its financial advisors and attorneys, has decided to purchase the student housing facility from the private developer and construct the additional 144 beds. The Foundation will use tax-exempt, long-term indebtedness to finance the purchase and the construction. The initial savings from Foundation ownership is projected to be \$300 per bed per year.

As part of the financing package, it is requested that the Board of Governors adopt the following Resolution authorizing the continuation of the ground lease, lease, use agreement, and deed-of-trust related to the housing facilities on the UNCP campus.

A RESOLUTION AUTHORIZING AGREEMENTS RELATED TO THE  
CONSTRUCTION OF PRIVATE HOUSING FACILITIES ON THE  
CAMPUS OF THE UNIVERSITY OF NORTH CAROLINA AT  
PEMBROKE