

APPENDIX B

Sale of Revenue Bonds – The University of North Carolina at Asheville

In 1999, with supplemental authority in 2000, the General Assembly, at the request of the Board, authorized a new residence hall capital project at the University of North Carolina at Asheville. The project, estimated to cost \$11,500,000, will be financed through the issuance of special obligation bonds to be repaid from the net revenues of student housing facilities.

In addition, the University of North Carolina at Asheville desires to refund certain of the 1993 series of Dormitory and Dining System Revenue Bonds to take advantage of lower interest rates and to modify the financial covenants for the benefit of the University. The net present value savings are estimated to be between \$300,000 and \$350,000. The University is now ready to proceed with the new issue and the refinancing and has requested authority to issue bonds not to exceed \$19,500,000, of which \$11,500,000 will be used for the new construction and \$8,000,000 will be used to defease certain of the 1993 Bonds.

It is recommended that the following Resolution be adopted and that the Vice President for Finance be authorized to sell special obligation bonds for the new construction between the August and November meetings of the Board and for refinancing when the actual net present value savings equal or exceed 2.00%.

**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 ASHEVILLE**