

APPENDIX K

Sale of Special Obligation Bonds – The University of North Carolina at Greensboro

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 payable from all campus revenues excluding tuition, State appropriations, and restricted reserves.

The University of North Carolina at Greensboro requests that the Board issue special obligation bonds for the purpose of (1) refunding a portion of the remaining maturities of 2005A Bonds allocable to UNC Greensboro (the “Refunded 2005A Bonds”), (2) to refund the remaining maturities of the 2012B Bonds (the “Refunded 2012B Bonds”), and (3) to pay the costs incurred in connection with the issuance of the 2015 Bond. The 2015 Bonds may be issued in one or more series of bonds, including any combination of tax-exempt bonds and taxable bonds as the President of the University, or his designee, in consultation with the appropriate officers at UNCG, determine to be in the best interest of the University.

The issuance of debt will not exceed \$11,000,000. These bonds will be used to refinance outstanding indebtedness for savings if interest rates are favorable at the time of the bond sale. If interest rates increase before the bonds are sold and savings will not result from the refinancing, no refunding bonds will be issued.

UNC Greensboro currently has an issuer credit rating of Aa3 with Stable Outlook by Moody’s Investor Service and A with a Stable Outlook by Standard and Poor’s. It is expected that UNCG will maintain its current credit rating after issuance of these bonds. Parker Poe is bond counsel and First Tryon is the financial advisor.

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It is recommended that the President of the University, or his designee, be authorized to sell the special obligation bonds through the attached resolution.

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RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA AUTHORIZING THE ISSUANCE OF A SPECIAL OBLIGATION BOND TO REFUND OBLIGATIONS WITH RESPECT TO SPECIAL OBLIGATION BOND PROJECT FOR THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

WHEREAS, by Chapter 116 of the General Statutes of North Carolina, 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 State University, 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 (“*UNC Greensboro*”), The University of North Carolina at Pembroke, The University of North Carolina at Wilmington, The University of North Carolina School of the Arts, Western Carolina University and Winston-Salem State University and other institutions; and

WHEREAS, the Board is authorized by Chapter 116D of the General Statutes of North Carolina (the “*Act*”) to issue, subject to the approval of the Director of the Budget, at one time or from time to time, (1) special obligation bonds of the Board for the purpose of paying all or any part of the cost of acquiring, constructing, or providing special obligation projects and (2) refunding bonds for the purpose of refunding any bonds by the Board under the Act or under any Article of Chapter 116 of the General Statutes of North Carolina, 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, Board has issued its System Pool Revenue Bonds, Series 2005A (the “*2005A Bonds*”) in the aggregate principal amount of \$56,690,000, a portion of the proceeds of which were loaned to UNC Greensboro to refund The University of North Carolina at Greensboro Student Facility System Revenue Bonds, Series 1997; The University of North Carolina at Greensboro Student Facilities System Revenue Bonds, Series 1997B, The University of North Carolina at Greensboro Student Facilities System Revenue Bonds, Series 1997C; The University of North Carolina at Greensboro Housing and Dining System Revenue Bonds, Series 1997D; and The University of North Carolina at Greensboro Housing and Dining System Revenue Bonds, Series 2000G, proceeds of which were applied to the construction or renovation of facilities on the UNC Greensboro campus;

WHEREAS, Board has issued UNC Greensboro’s Taxable General Revenue Refunding Bonds, Series 2012B (the “*2012B Bonds*”) in the aggregate principal amount of \$7,830,000, of which \$7,445,000 is currently outstanding and a portion of the proceeds of which were used to refinance certain outstanding UNC Greensboro indebtedness which financed (1) construction, installation and equipping of a baseball facility and student recreation area, (2) construction, installation and equipping two parking facilities, (3) renovation of Phillips/Hawkins Residence Hall and (4) installation of data wiring in and completion of electrical renovations to the existing residence hall, all on the UNC Greensboro campus;

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WHEREAS; the Board has determined to issue The University of North Carolina at Greensboro General Revenue Refunding Bond, Series 2015 (the “*2015 Bond*”) in an aggregate principal amount not to exceed \$11,000,000 (1) to refund a portion of the remaining maturities of the 2005A Bonds allocable to UNC Greensboro (the “*Refunded 2005A Bonds*”), (2) to refund the remaining maturities of the 2012B Bonds (the “*Refunded 2012B Bonds*”), and (3) to pay the costs incurred in connection with the issuance of the 2015 Bond;

WHEREAS, the Board will issue the 2015 Bond under a General Trust Indenture dated as of June 1, 2001 (the “*General Indenture*”) between the Board and The Bank of New York, the successor to which is The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”), and Series Indenture, Number 10 dated as of April 15, 2015 (the “*Tenth Series Indenture*”) between the Board and the Trustee;

WHEREAS, the 2015 Bond and other obligations issued under the General Indenture are payable solely from any legally available funds of UNC Greensboro, or of the Board held for UNC Greensboro, in each Fiscal Year, including Unrestricted Fund Balances shown as such on the UNC Greensboro financial statements, but excluding (1) appropriations by the General Assembly of the State from the State General Fund, (2) tuition payments by UNC Greensboro students, (3) funds whose purpose has been restricted by the gift, grant or payee thereof and (4) revenues generated by Special Facilities (the “*Available Funds*”);

WHEREAS, the 2015 Bond will be purchased by a financial institution to be determined by the Vice Chancellor for Business and Finance of UNC Greensboro;

WHEREAS, there have been made available to the Board forms of the following documents (the “*Board Documents*”), which the Board proposes to approve, ratify, execute and deliver, as applicable, to effectuate the financing:

1. the Tenth Series Indenture; and
2. the 2015 Bond in the form set forth in the Tenth Series Indenture;

WHEREAS, the issuance of the 2015 Bond does not directly or indirectly or contingently obligate the State or any agency or political subdivision of the State to levy or to pledge any taxes to pay the cost, in whole or in part, of the Special Obligation Bond Project in compliance with Section 116D-23 of the Act;

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

Section 1. **Authorization of 2015 Bond.** The Board hereby authorizes the issuance of the 2015 Bond in the principal amount not to exceed \$11,000,000 under the General Indenture and the Tenth Series Indenture.

Section 2. **Sufficiency of Available Funds.** The Board hereby finds that sufficient Available Funds are available to pay the principal of and interest on the 2015 Bond.

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Section 3. ***Authorization of Board Documents.*** The form and content of the Board Documents are hereby in all respects authorized, approved and confirmed, and the Chairman of the Board, the President and the Senior Vice President and Chief Operating Officer of the University and the Secretary of the University and the Chancellor and Vice Chancellor for Business and Finance of UNC Greensboro (collectively, the “*Authorized Officers*”) are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Board Documents for and on behalf of the Board, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as any Authorized Officer may deem necessary, desirable or appropriate, the execution thereof by any Authorized Officer to constitute conclusive evidence of the Board’s approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the Board Documents, the Authorized Officers are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Board Documents as executed.

Section 4. ***General Authority.*** From and after the execution and delivery of the documents hereinabove authorized, the Authorized Officers are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed. The Authorized Officers are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary to the issuance and on-going administration of the 2015 Bond.

Section 5. ***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 6. ***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 April, 2015, and that the same was passed and adopted by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

PASSED, ADOPTED, AND APPROVED this 10th day of April, 2015.

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STATE OF NORTH CAROLINA)
)
COUNTY OF ORANGE)

SS:

SECRETARY'S CERTIFICATE
OF AUTHENTICATION

I, ANN LEMMON, 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 April 10, 2015 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 April 10, 2015 was sent to each member of the Board, and (3) a quorum was present at the meeting on April 10, 2015 at which time the foregoing Resolution was adopted.

WITNESS, my hand and the seal of the University of North Carolina this 10th day of April, 2015.

[SEAL]

Ann Lemmon, Secretary
The University of North Carolina