ACTION ITEM: Issuance of Special Obligation Bonds to Refinance Existing Debt

BACKGROUND INFORMATION:

The 2000 Session of the North Carolina General Assembly enacted legislation that allows UNC institutions to issue debt under the Board of Governors that is secured by the revenues of the institution except for tuition, state appropriations and restricted funds.

The University has previously issued debt that may now be cost effective to refinance:
- General Revenue Bonds (Series 2001A)

The 2001A bonds were used for the Elliott University Center Renovation and Addition. By authorizing new bonds at this time, the University will have the option to proceed with the refinancing should it continue to be cost effective.

The legislation that allows the Board of Governors to issue Special Obligation Bonds requires the beneficiary institution’s Board of Trustees to approve their issuance.

REQUIREMENT:

In accordance with the legislation contained in North Carolina General Statutes concerning the issuance of Special Obligation Bonds, action is needed by the Board of Trustees to approve the issuance of these bonds.

RECOMMENDED ACTION:

That the Board of Trustees of The University of North Carolina at Greensboro approve the resolution on the following page.

Reade Taylor
Vice Chancellor for Business Affairs

(Continued Next Page)
RESOLUTION OF THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO
APPROVING THE ISSUANCE OF SPECIAL OBLIGATION BONDS

WHEREAS, under Article 3, Section 116D of the General Statutes of North Carolina (the “Act”) the Board of Governors (the “Board of Governors”) of the University of North Carolina (the “University”) may issue special obligation bonds, payable from obligated resources to pay the costs of acquiring, constructing or providing a special obligation project at one of the constituent institutions of the University or refunding any obligations previously issued by the Board of Governors;

WHEREAS, The University of North Carolina at Greensboro (“UNCG”) will request the Board of Governors to issue its special obligation bonds (the “Bonds”), the proceeds of which will be used for the purpose of (1) refinancing the costs of the Elliott University Center Renovation and Addition authorized by Chapter 376 of the 1999 Session Laws of the North Carolina General Assembly (the "Special Obligation Bond Projects) and (2) paying the costs incurred in connection with the issuance of the Bonds; and

WHEREAS, Section 116D-26(b) of the Act requires the Board of Trustees of UNCG to approve the issuance of the Bonds for the Special Obligation Bond Projects;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of UNCG as follows:

Section 1. Approval of Issuance of Bonds. The issuance of the Bonds for the Special Obligation Bond Projects is approved.

Section 2. Effective Date. This Resolution is effective immediately.

ADOPTED AND APPROVED this 19th day of April, 2007.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

By: _________________________________
Assistant Secretary
STATE OF NORTH CAROLINA  )    ss:
COUNTY OF GUILFORD    )

I, Sharlene R. O’Neil, the duly elected Assistant Secretary of the Board of Trustees of The University of North Carolina at Greensboro, DO HEREBY CERTIFY that (1) the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Trustees of The University of North Carolina at Greensboro at its meeting of April 19, 2007 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Trustees of The University of North Carolina at Greensboro held on April 19, 2007 was sent to each member of the Board, and (3) a quorum was present at the meeting on April 19, 2007 at which time the foregoing Resolution was adopted.

WITNESS, my hand and the seal of The University of North Carolina at Greensboro this 19th day of April, 2007.

[SEAL]

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Assistant Secretary