BOARD OF TRUSTEES
THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

September 15, 2011

ACTION ITEM: Reimbursement Resolution - New Mixed-Use Village

BACKGROUND INFORMATION:

In September 2009, the Board of Trustees approved proceeding with the development of a new student residential and recreational neighborhood. The Capital Facilities Foundation, Inc., has acquired and will develop the property south of W. Lee Street and UNCG will pay to the Foundation rent for the facilities.

The acquisition and construction of the facilities will be financed with tax-exempt debt obligations issued by the CFF and secured by a lease between UNCG and CFF. This lease was approved by the UNCG Board of Trustees in May 2011 and by the Council of State in August 2011. Design is underway and other costs are being incurred prior to the debt issuance.

It is requested that the Board of Trustees authorize UNCG to be reimbursed from the debt proceeds for these advance expenditures incurred for the projects.

REQUIREMENT:

In accordance with Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, a declaration of official intent of the Board to cause UNCG to be reimbursed for the Original Expenditures from proceeds of the debt obligations is required.

RECOMMENDED ACTION:

That the Board of Trustees of The University of North Carolina at Greensboro approve the following resolution:

[Signature]

Reade Taylor
Vice Chancellor for Business Affairs

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RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO DECLARING ITS INTENT TO CAUSE THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO TO BE REIMBURSED FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE CONSTRUCTION OF NEW VILLAGE ADJACENT TO THE EXISTING CAMPUS FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS.

WHEREAS, the Board of Trustees (the "Board") of The University of North Carolina at Greensboro ("UNCG") has determined that it is in the best interests of UNCG to construct or cause the Capital Facilities Foundation, Inc. or another related foundation of UNCG, (the "Corporation") to construct a new mixed-use village adjacent to the existing UNCG campus, including student housing facilities, parking facilities, public safety facilities, recreation facilities and other related facilities (the "Project");

WHEREAS, the Board presently intends, at one time or from time to time, to finance a portion of the costs of the Project with proceeds of tax-exempt obligations and reasonably expects to execute and deliver tax-exempt obligations (the "Obligations") to finance, or to cause UNCG to be reimbursed for, a portion of the costs of the Project; and

WHEREAS, the Board desires to proceed with the Project and UNCG or the Corporation will incur and pay certain expenditures in connection with the Project prior to the date of execution and delivery of the Obligations (the "Original Expenditures"), such Original Expenditures to be paid for originally from a source other than the proceeds of the Obligations, and the Board intends, and reasonably expects, to cause UNCG to be reimbursed for such Original Expenditures from a portion of the proceeds of the Obligations to be executed and delivered at a date occurring after the dates of such Original Expenditures;

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

Section 1. Advance to the Corporation. The Board hereby approves the advance of funds from UNCG to the Corporation to begin construction of the project.

Section 2. Official Declaration of Intent. The Board presently intends, and reasonably expects, to cause UNCG to be reimbursed for the Original Expenditures incurred and paid by UNCG on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Obligations. The Board reasonably expects to execute and deliver the Obligations to finance a portion of the costs of the Project and the maximum principal amount of Obligations expected to be issued by the Board to reimburse UNCG for a portion of the costs of the Project is $1,000,000.

Section 3. Compliance with Regulations. This Resolution as a declaration of official intent of the Board under Section 1.150-2 of the Treasury Regulations promulgated under
Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the Board's intent to cause UNCG to be reimbursed for the Original Expenditures from proceeds of the Obligations.

Section 4. **Itemization of Capital Expenditures.** The Vice Chancellor for Business Affairs of UNCG or his designee, with advice from bond counsel, is hereby authorized, directed and designated to act on behalf of the Board in determining and itemizing all of the Original Expenditures incurred and paid by UNCG in connection with the Project during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of the execution and delivery of the Obligations.

Section 5. **Effective Date.** This Resolution is effective immediately on the date of its adoption.

*ADOPTED AND APPROVED* this 15th day of September, 2011.

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

By: ______________________________

Secretary
STATE OF NORTH CAROLINA  
)  
)  SS:
COUNTY OF GUILFORD  
)

I, ______________________, the duly elected 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 September 15, 2011 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 September 15, 2011 was sent to each member of the Board, and (3) a quorum was present at the meeting on September 15, 2011 at which time the foregoing Resolution was adopted.

WITNESS, my hand and the seal of The University of North Carolina at Greensboro this ____ day of September, 2011.

[SEAL]

__________________________
Secretary