Board of Trustees
The University of North Carolina at Greensboro
May 7, 2015

Action Item
Reimbursement Resolution – Phase II of Spartan Village

Background Information
In February 2015, the Board of Trustees authorized agreements related to the acquisition and construction of student housing facilities in Phase II of Spartan Village. UNCG has requested the state to enter into a lease agreement with the Capital Facilities Foundation, Inc. (CFF) to construct approximately 330 beds and related common areas and retail facilities (the Project). Construction is planned to begin in early 2016 for completion in the summer of 2017. The intent is to obtain tax-exempt financing for the Project before the start of construction.

The design will begin once the lease is authorized by the state and site work will start in advance of construction. Accordingly, authorization is needed from the Board of Trustees to allow an advance of funds from UNCG to CFF of up to $5,000,000 for costs incurred prior to debt issuance to subsequently be reimbursed from the proceeds. It is requested that the Board of Trustees authorize UNCG provide an advance to CFF and to be reimbursed from the debt proceeds for these advance expenditures incurred for the project.

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:

Charles Maimone
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 THE SECOND PHASE OF SPARTAN VILLAGE HOUSING FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS.

WHEREAS, the Board of Trustees (the “Board”) of The University of North Carolina at Greensboro (“UNC Greensboro”) has determined that it is in the best interests of UNC Greensboro to construct or cause the Capital Facilities Foundation, Inc. (the “Corporation”) to construct a second phase of student housing facilities and other related facilities in Spartan Village (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 UNC Greensboro to be reimbursed for, a portion of the costs of the Project; and

WHEREAS, the Board desires to proceed with the Project and UNC Greensboro 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 UNC Greensboro 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 UNC Greensboro to the Corporation to begin construction of the Project.

Section 2. Official Declaration of Intent. The Board presently intends, and reasonably expects, to cause UNC Greensboro to be reimbursed for the Original Expenditures incurred and paid by UNC Greensboro 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 UNC Greensboro for a portion of the costs of the Project is $5,000,000.

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 UNC Greensboro 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 UNC Greensboro 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 UNC Greensboro 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 7th day of May, 2015.

**The Board of Trustees of The University of North Carolina at Greensboro**

By: __________________________

Secretary