RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO AUTHORIZING CERTAIN AGREEMENTS RELATED TO THE LEASE OF FACILITIES FOR THE RELOCATION OF THE CAMPUS OPERATIONS FROM McIVER BUILDING

WHEREAS, in connection with the construction of a new Nursing/STEM building to be financed by the State of North Carolina (the “State”) that will be constructed on the site of the existing McIver building on the campus of The University of North Carolina at Greensboro (“UNC Greensboro”), the McIver building will be demolished and the current operations and occupants in that building need to be moved elsewhere;

WHEREAS, UNC Greensboro has identified property owned by the State known as the Salvation Army Boys & Girls Club property at 840 Neal Street, Greensboro, North Carolina (the “Site”) as a site on which to relocate certain operations displaced by the demolition of the McIver building;

WHEREAS, the Board of Trustees (the “Board”) of UNC Greensboro has determined to request that the State (the “State”) enter into a ground lease (the “Ground Lease”) between the State, as lessor, and the Capital Facilities Foundation, Inc. (the “Corporation”), as lessee, whereby the Corporation will lease the Site from the State and renovate facilities (the “Facilities”) on the Site to house such operations displaced by the demolition of the McIver building;

WHEREAS, the Board has determined to request that the State, on behalf of UNCG, enter into one or more lease agreements (the “Lease”) between the Corporation, as lessor, and the State, as lessee, whereby the Corporation will lease to the State for a term of approximately thirty years (subject to renewal periods) the improvements located on the Site (collectively, the “Leased Property”);

WHEREAS, the value of the Leased Property being acquired by UNC Greensboro pursuant to the Lease will be less than $5,000,000;

WHEREAS, UNC Greensboro will operate and manage the Facilities under the terms of a Use Agreement (the “Use Agreement”) between UNC Greensboro and the Corporation, whereby UNC Greensboro will agree to operate and manage the Facilities as part of its campus operations and whereby UNC Greensboro will assume the rental payment obligations of the State to the Corporation under the Lease in the form of Base Rentals and any Additional Rentals as described in the Use Agreement, such rental obligations to be paid from legally available sources of funds of UNC Greensboro, subject to appropriation from the State;

WHEREAS, UNC Greensboro will cooperate with the Corporation in the financing and construction of the Facilities that are necessary and appropriate to house the operations of UNC Greensboro to be relocated to the Leased Property;

WHEREAS, as part of the financing of the Facilities by the Corporation, the Corporation will assign substantially all of its rights in the Lease and Use Agreement to the lender pursuant to an Assignment of Base Rentals, Leases and Use Agreement (the “Assignment”);

WHEREAS, to further secure its obligation under the Assignment, the Corporation will execute and deliver a Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing (the “Deed of Trust”) to the deed of trust trustee named therein for the benefit of the lender and the Lease will be subordinate to the lien created by the Deed of Trust;

PPAB 3377513v2
WHEREAS, there has been presented to the Board the Lease, the Use Agreement, the Assignment and the Deed of Trust;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Authorization of Use Agreement and Assignment. That the form and content of the Use Agreement and Assignment be and the same hereby are in all respects authorized, approved and confirmed, and the Chancellor and the Vice Chancellor for Business Affairs of UNC Greensboro, or their designees, individually or collectively (the “Authorized Officers”), be and they hereby are authorized, empowered and directed to execute, approve and deliver the Use Agreement and Assignment, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board’s approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Use Agreement and Assignment, and the Authorized Officers are hereby authorized, empowered and directed 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 Use Agreement and Assignment as executed.

Section 2. Authorization of the Ground Lease, the Lease and Deed of Trust. That the form and content of the Ground Lease, the Lease and the Deed of Trust be and the same hereby are in all respects authorized, approved and confirmed.

Section 3. General Authority. From and after the execution and delivery of the documents hereinabove authorized, the Authorized Officers are hereby authorized, empowered and directed 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, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary to complete the transaction contemplated by the Use Agreement, the Assignment, the Deed of Trust or the Lease.

Section 4. Effective Date. This Resolution is effective on its adoption.

ADOPTED AND APPROVED this 23rd day of September, 2016.

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

By: ______________________________________
Secretary
STATE OF NORTH CAROLINA  )
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 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 23, 2016 and appearing in the minutes of such meeting.

WITNESS, my hand and the seal of The University of North Carolina at Greensboro this ___ day of ________________, 2016.

[SEAL]

______________________________
Secretary