Resolution

FINANCING AND PROJECT AUTHORIZATION

WHEREAS, the Board of Trustees (the “Board”) of the University of Maine System (the “System”) desires to authorize the System to finance all or a portion of the costs of, and to undertake, the projects which are more particularly described in the Addendum attached hereto and incorporated herein by reference and any other capital improvement for the benefit of the System which has been or is hereafter approved by the Board (the “Projects”); and

WHEREAS, the Board desires to authorize the issuance of University of Maine System Revenue Bonds (the “Project Bonds”) and the sale of the Project Bonds for the purposes of financing all or a portion of the costs of the Projects and providing for any necessary capitalized interest, reserves and costs of issuance; and

WHEREAS, the Board desires to authorize the issuance and sale of University of Maine System Notes or other evidences of indebtedness in anticipation of Project Bonds (the “Project Notes”); and

WHEREAS, it may be advantageous to refund certain of the University of Maine System Revenue Bonds which were issued prior to the date of this resolution, including without limitation Revenue Bonds issued in 2004, 2005 and 2007 (the “Prior Bonds”); and

WHEREAS, the Board desires to authorize the issuance of University of Maine System Revenue Bonds (the “Refunding Bonds” and, collectively with the Project Bonds and the Project Notes, the “Bonds”) and the sale of the Refunding Bonds for purposes of refunding the Prior Bonds, including payment of or provision for any redemption premium, and providing for any necessary reserves, capitalized interest and costs of issuance; and

WHEREAS, the System is authorized to issue the Bonds pursuant to the provisions of 20-A MRSA §§10952, 10953 and 10959 and other provisions of the Maine Revised Statutes Annotated, Chapters 411 and 412, as amended (the “Act”); and

WHEREAS, the Board finds that the financing of all or a portion of the costs of the Projects and the refunding of the Prior Bonds constitute “assured revenue financing transactions” pursuant to the provisions of 20-A MRSA §10953, as amended; and

WHEREAS, pursuant to 20-A MRSA §10952(8), as amended, the System, as authorized by the Board, is authorized to make, enter into, execute, deliver and amend any and all contracts, agreements, leases, instruments and documents and perform all acts and do all things necessary or convenient to acquire, construct, reconstruct, improve, equip, finance, maintain and operate projects and to carry out the powers granted pursuant to the Act, or reasonably implied from those powers;
NOW, THEREFORE, be it hereby voted and resolved by the Board as follows:

RESOLVED, That pursuant to the provisions of 20-A MRSA §§10952, 10953, 10955 and 10959, as amended, and all other authority thereto enabling, and to provide funds for (a) the planning, design, acquisition, construction, reconstruction, improvement, renovation, rehabilitation and equipping of the Projects, (b) the refunding of the Prior Bonds, including payment of the principal and redemption price of and interest on the Prior Bonds, (c) paying and discharging any Project Notes, or Project Notes in renewal thereof, issued for authorized purposes, up to an aggregate amount not to exceed $61,000,000, (d) any capitalized interest on, reserves for and costs of issuance of the Bonds and (e) any other purpose authorized by law, the Vice Chancellor for Finance and Administration and Treasurer of the System (the “Treasurer”) is hereby authorized and empowered from time to time and in the name and on behalf of the System to borrow an aggregate amount not to exceed $61,000,000 and the Treasurer be and is hereby authorized and empowered, in the name of and on behalf of the System, to execute and deliver such loan agreements, indentures, pledge agreements, bond purchase contracts, preliminary official statements, official statements, continuing disclosure agreements, remarketing agreements, reimbursement agreements, investment agreements, financial advisory agreements, investment advisory agreements, auction agency agreements, market agent agreements, dealer agreements, standby bond purchase or other liquidity facility agreements, agreements with one or more underwriters, agreements with bond counsel and other agreements, documents and instruments as the Treasurer may deem necessary or convenient or desirable with respect to such borrowing. Such agreements, documents and instruments may (a) contain such terms and provisions, not contrary to the general tenor hereof, as the Treasurer may approve, her approval to be conclusively evidenced by her execution thereof, (b) be delivered under the seal of the System and (c) be attested by the System’s Clerk or University Counsel; and further

RESOLVED, That pursuant to the provisions of 20-A MRSA §10955(3), as amended, and all other authority thereto enabling, and to provide funds for the purposes approved above, the Board hereby approves and authorizes, as evidence of the borrowing approved above, the issuance, sale and delivery of the Bonds in the aggregate principal amount not to exceed $61,000,000, in one or more series as the Treasurer shall determine, the Bonds to mature and be payable at such times and in such amounts, to bear interest at such rates, and to contain such other terms and provisions, not inconsistent herewith, as may be approved by the Treasurer, provided that none of the Bonds shall (i) bear interest at a rate in excess of 7% per annum or (ii) mature after December 31, 2044; the Bonds to be denominated by such denomination of an issue as may be selected by the Treasurer; to be manually signed by the Treasurer, sealed with the seal of the System and attested by its Clerk or University Counsel; and to be in such form and contain such other terms and provisions as the Treasurer may approve, her approval to be conclusively evidenced by her execution thereof; and further
RESOLVED, That the Treasurer is authorized on behalf of the System, from time to time, to acquire, purchase, sell, redeem, liquidate, terminate or transfer securities or other instruments constituting investments of the proceeds of the Prior Bonds and the Bonds and to negotiate, enter into, execute in the name of the System and deliver on behalf of the System all investment, banking, brokerage, financial advisory, investment advisory and other agreements and instruments as are necessary or convenient to investment and financial management of the proceeds of the Bonds, all on such terms and conditions as the Treasurer determines are necessary or convenient for financing of the Projects and refunding of the Prior Bonds, such determination to be conclusively evidenced by execution or acquisition of such agreements and instruments by the Treasurer; and further

RESOLVED, That the Chancellor of the System, the Treasurer, and, with the express written approval of the Treasurer, the Clerk or University Counsel, or any one of them, be and hereby are, authorized and empowered in its name and on its behalf, to do or cause to be done any act or thing, and to negotiate, enter into, execute in the name of the System, deliver on behalf of the System, assign, transfer, modify or terminate any agreement or instrument, which any such officer may determine to be necessary or convenient or desirable with respect to the Bonds, the planning, design, acquisition, construction, reconstruction, improvement, renovation, rehabilitation and equipping of the Projects and the expenditure, investment and management of the proceeds of the Bonds and that all acts and things done by the Treasurer in furtherance of the purposes of this Resolution prior to the date hereof are hereby ratified and confirmed; and further

RESOLVED, That the carrying out of the Projects is hereby approved; and further

RESOLVED, The System covenants that it will, so long as any Bonds are outstanding, establish, impose and collect tuition, fees and charges for its educational services, its auxiliary enterprises, including dormitory housing, food service and sale of textbooks, for use of its plant and for all other services and goods provided by the System, which tuition, fees and charges, together with other available moneys, in each fiscal year of the System, will be sufficient to permit the performance of all the covenants in, and requirements of the System under, the Bonds, including the prompt payment of principal of and interest on the Bonds as and when due, the prompt payment of principal of and interest on the Prior Bonds as and when due and the prompt payment and performance of all other obligations as and when due.

RESOLVED, That the Bonds shall be secured by such assignments, pledges or commitments of funds or revenues, other than appropriations from the State of Maine, as may be approved by the Treasurer; and further

RESOLVED, That the System covenants and certifies that no part of the proceeds of the issuance and sale of the Bonds shall be used, directly or indirectly, to acquire any securities or obligations, the acquisition of which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended; and further
RESOLVED, That the Treasurer be and is hereby authorized to covenant on behalf of the System and for the benefit of the holders of the Bonds that the System will take whatever steps, and refrain from taking any action, that may be necessary or appropriate to assure that the interest on the Bonds will remain exempt from federal and applicable state income taxes; and further

RESOLVED, That the Resolution of the Trustees of the University of Maine System entitled Reimbursement of Project Expenditures attached hereto as an Addendum is hereby approved and adopted; and further

RESOLVED, That the Bonds shall provide that, in accordance with 20-A MRSA §10964, no trustee of the System, while acting within the scope of the authority of the Maine Revised Statutes Annotated, Chapter 412, as amended, may be subject to any personal liability resulting from the exercise or carrying out of any of the System’s purposes or powers.

This Resolution shall take effect immediately.

ADOPTED: July 21, 2014
ADDENDUM

RESOLUTION OF THE TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM

REIMBURSEMENT OF PROJECT EXPENDITURES

Be it resolved that, for purposes of U.S. Treasury Regulation §1.150-2, the University of Maine System reasonably expects (1) to incur debt to reimburse expenditures (including expenditures made within the last 60 days) temporarily advanced from funds currently held in the Plant Fund, such expenditures to be made to pay the cost, or a portion of the cost, of planning, design, acquisition, construction, reconstruction, improvement, renovation, rehabilitation and equipping of the projects described below (the “Projects”) and (2) that the maximum principal amount of debt to be issued by the University of Maine System for the Projects including for reimbursement purposes is Thirteen Million, Seven Hundred Fifty Thousand Dollars ($13,750,000).

PROJECTS

University of Maine at Farmington:
   Central heating plant $11,750,000

University of Maine at Machias:
   Gas pipeline and related infrastructure $2,000,000

This Resolution shall take effect immediately.

ADOPTED: July 21, 2014