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Subject Joint Millennial Campus ground lease

Don, thanks again for talking with Leslie and me yesterday afternoon. We are very grateful for any help you can give us.

You asked for a couple of statutory references, the most current draft of the proposed ground lease, and the establishment documents for the nonprofit management entity UNCG and NCA&T created - the Greensboro Center for Innovative Development (GCID). I will address those requests seriatim.

1. The statute authorizing creation of nonprofit entities is G.S. 116-30.20 It provides that,

"The Board of Governors of The University of North Carolina shall encourage the establishment of private, nonprofit corporations to support the constituent institutions of The University of North Carolina and The University System. The President of The University of North Carolina and the chancellors of the constituent institutions may assign employees to assist with the establishment and operation of a nonprofit corporation and may make available to the corporation office space, equipment, supplies, and other related resources; provided, the sole purpose of the corporation is to support The University of North Carolina or one or more of its constituent institutions.

The board of directors of each such private, nonprofit corporation shall secure and pay for the services of The University System's internal auditors or employ a certified public accountant to conduct an audit of the financial accounts of the corporation. The board of directors shall transmit to the Board of Governors a copy of the annual financial audit report of the private, nonprofit corporation."  
(2005-276, s. 9.22.)

2. The statute providing an exception from Governor and Council of State approval for space leases of 10 years or less is G.S. 116-198.34(5) and it provides that the Board of Governors has authority

"To acquire, hold, lease, and dispose of real and personal property in the exercise of its powers and the performance of its duties hereunder and to lease all or any part of any project or projects and any existing facilities upon such terms and conditions as the Board