

Sale of Special Obligation Bonds – The University of North Carolina at Wilmington

The Board of Governors is authorized to issue special obligation bonds for capital improvements projects that have been approved by the General Assembly. Although a specific source of funding is used by a campus when retiring these bonds, special obligation bonds are generally payable from all campus revenues excluding tuition, State appropriations, and restricted reserves.

UNC Wilmington requests that the Board issue special obligation bonds for the purpose of financing (1) the costs of renovating two university residence halls, Swartz Hall and University Suites, and the Wagoner Hall Dining System facility; and (2) providing for the costs incurred in connection with the issuance of the 2011 Bonds. The 2011 Bonds may be issued in one or more series of bonds, including any combination of tax-exempt bonds or taxable bonds as the President of the University, or his designee, in consultation with the appropriate officers at UNCW determine to be in the best interest of the University.

The issuance of bonds for the new project previously approved by the Board and the General Assembly will not exceed a par amount of \$9,000,000. The proceeds would be used to pay the cost of renovating two residence halls, Swartz Hall and University Suites, and renovating the Wagoner Hall Dining System facility. The improvements to the residence halls would include fire sprinklers and the replacement of the HVAC system. The improvements to the dining facility would include infrastructure, electrical, plumbing, HVAC, and fire suppression. These improvements will be funded from a combination of housing and dining receipts.

UNCW is currently rated A1 by Moody's Investor Service. In May of 2010, Moody's recalibrated their U.S. Municipal Ratings to its Global Scale. The recalibration resulted in

UNCW moving up from a rating of A2 to A1 on the global scale. After issuance of the bonds, it is expected that UNCW would maintain its A1 rating.

Parker Poe is bond counsel. First Southwest is the financial advisor. The bank/underwriter will be determined prior to issuing the bonds.

It is recommended that the President of the University, or his designee, be authorized to sell the special obligation bonds between the February 2011 and the April 2011 meetings of the Board.

RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY
OF NORTH CAROLINA AUTHORIZING THE ISSUANCE OF SPECIAL
OBLIGATION BONDS TO FUND THE SPECIAL OBLIGATION BOND
PROJECTS FOR THE UNIVERSITY OF NORTH CAROLINA AT
WILMINGTON