

Authorization to Enter Into Standby Bond Purchase Agreement – North Carolina State University

As part of its 2008A Variable Rate Demand Bonds, North Carolina State University requests authority from the Board of Governors to execute a Standby Bond Purchase Agreement in the amount of up to \$68,000,000. This Standby Bond Purchase Agreement would provide sufficient liquidity to purchase, if necessary (in the event of a failed remarketing or placement by the bond dealers), the outstanding 2008A NCSU Variable Rate Demand Bonds. Therefore, these agreements would not create additional indebtedness for NCSU. As of May 1, 2012, the outstanding principal balance of NCSU's Variable Rate Demand Bonds was \$66,605,000. After reviewing competitive bids, NCSU is requesting that the Board enter into a Standby Bond Purchase Agreement with Wells Fargo Bank, N.A. in an amount of up to \$68,000,000.

It is recommended that the following Resolution be approved authorizing the Vice President for Finance to validate the terms and enter into the Standby Bond Purchase Agreement and to execute future extensions of the Standby Bond Purchase Agreement on substantially the same material terms as the original Standby Bond Purchase Agreement.

RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY
OF NORTH CAROLINA AUTHORIZING A STANDBY BOND PURCHASE
AGREEMENT IN CONNECTION WITH THE VARIABLE RATE
OBLIGATIONS ISSUED ON BEHALF OF NORTH CAROLINA STATE
UNIVERSITY AT RALEIGH