

Sale of Special Obligation Bonds – North Carolina Agricultural and Technical State University

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.

North Carolina A&T State University requests that the Board issue special obligation bonds for the purpose of (1) financing the costs of the construction, equipping and furnishing of a new student health facility on the campus of NCA&T and (2) paying the costs incurred in connection with the issuance of the 2013 Bonds. The 2013 Bonds may be issued in one or more series of bonds, including any combination of tax-exempt bonds and taxable bonds as the President of the University, or his designee, in consultation with the appropriate officers at NCA&T, determine to be in the best interest of the University.

The issuance of bonds for the projects previously approved by the Board and the General Assembly will not exceed a par amount of \$10,500,000. The debt service payments on the 2013 Bonds will be funded from an \$85 per student annual debt service fee that has been approved by the Board of Governors.

NCA&T is currently rated A1 by Moody's Investor Service. After issuance of these bonds, it is expected that the university would maintain its A1 rating.

Wells Fargo Securities will be the underwriter for the issue. Parker Poe Adams & Bernstein LLP is bond counsel. Davenport & Company LLC is the financial advisor.

It is recommended that the President of the University, or his designee, be authorized to sell the special obligation bonds between the November 2012 and the January 2013 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 SPECIAL OBLIGATION BOND PROJECT
FOR NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE
UNIVERSITY