Sale of Special Obligation Bonds – East Carolina 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.

East Carolina University requests that the Board issue special obligation bonds for the purpose of (1) refinancing of ECU indebtedness and refunding all or a portion of prior revenue bonds or special obligation bonds issued for the benefit of ECU that result in sufficient savings, 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 ECU, determine to be in the best interest of the University.

The issuance of bonds to refund all or a portion of prior revenue bonds or special obligation bonds issued on behalf of ECU will not exceed $11,000,000. It is possible that no bonds will be refunded with this transaction.

ECU is currently rated Aa2 and AA- by Moody's Investor Service and Standard & Poors, respectively. After issuance of these bonds, it is expected ECU would maintain its Aa2/AA- rating.

Parker Poe is bond counsel and First Southwest is the financial advisor.

It is recommended that the President of the University, or his designee, be authorized to sell the special obligation bonds.

RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION BONDS TO FUND AND REFINANCE SPECIAL OBLIGATION BOND PROJECTS FOR EAST CAROLINA UNIVERSITY