

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

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.

The University of North Carolina at Charlotte requests that the Board issue special obligation bonds for the purpose of (1) financing the construction and equipping a residence hall on the campus of UNCC, (2) financing the construction of infrastructure projects on the campus of UNCC (3) refinancing of UNCC indebtedness and refunding all or a portion of prior revenue bonds or special obligation bonds issued for the benefit of UNCC that result in sufficient savings, and (4) 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 UNCC, determine to be in the best interest of the University.

The issuance of bonds for the project previously approved by the Board and the General Assembly will not exceed a par amount of \$77 million. The residence hall will be financed with housing receipts and the infrastructure projects will be funded from a \$100 debt service fee previously approved by the Board of Governors.

The issuance of bonds to refund all or a portion of prior revenue bonds or special obligation bonds issued on behalf of UNC Charlotte will not exceed \$32 million. It is possible that no bonds will be refunded with this transaction.

UNC Charlotte is currently rated Aa3 and AA- by Moody's Investor Service and Standard & Poor's, respectively. After issuance of these bonds, it is expected UNCC would maintain its Aa3/AA- rating.

Robinson, Bradshaw and Hinson is bond counsel. RBC Capital Markets 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 February 2013 and the April 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 AND REFINANCE SPECIAL
OBLIGATION BOND PROJECTS FOR THE UNIVERSITY OF NORTH
CAROLINA AT CHARLOTTE