

APPENDIX H

Refunding Bonds – University of North Carolina Hospitals at Chapel Hill

The University of North Carolina Health Care System, on behalf of University of North Carolina Hospitals at Chapel Hill, requests that the Board of Governors issue bonds to refund a portion of the outstanding University of North Carolina at Chapel Hill Revenue Bonds, Series 1996.

At this time, UNC Hospitals would like to issue revenue refunding bonds with a principal amount not to exceed \$33,500,000 for the purpose of refunding the outstanding Series 1996 Bonds. The Series 1996 Bonds were originally issued to finance the cost of constructing and equipping the North Carolina Children's Hospital, the North Carolina Women's Hospital, and Support Services. The proposed refunding bonds would be outstanding for approximately ten years with an average maturity of approximately six years. UNC Hospitals is being represented by the law firm of Womble Carlyle Sandridge & Rice, PLLC, as bond counsel, which has assisted in preparation of the bond documents. Banc of America Securities LLC will serve as the underwriter for the proposed refunding bonds. The trustee, registrar, and paying agent will be Wachovia Bank, National Association.

The refunding plan for the proposed bonds anticipates achieving net present value savings of at least 2.00%, totaling over \$620,000.

It is recommended that the following Resolution be adopted and that the Vice President for Finance be authorized to provide for the sale of the bonds at such time as the actual net present value savings equal or exceeds 2.00%.

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY BY THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA OF NOT TO EXCEED \$33,500,000 AGGREGATE PRINCIPAL AMOUNT OF UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL REVENUE REFUNDING BONDS, SERIES 2005A AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH