Sale of Special Obligation Bonds – The University of North Carolina Asheville

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.

UNC Asheville requests that the Board issue special obligation bonds for the purpose of (1) refinancing of UNCA indebtedness and refunding all or a portion of prior revenue bonds or special obligation bonds issued for the benefit of UNCA that result in sufficient savings, and (2) paying the costs incurred in connection with the issuance of the 2012 Bonds. The 2012 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 UNCA, 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 UNCA will not exceed $6,420,000. It is possible that no bonds will be refunded with this transaction.

UNCA is currently rated A1 by Moody's Investor Service. After issuance of these bonds, it is expected UNCA would maintain its A1 rating.

Parker Poe is bond counsel and Davenport 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 THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE