

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

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 Greensboro requests that the Board issue special obligation bonds for the purpose of financing (1) the costs of constructing the police station; (2) the cost of acquiring Jefferson Suites residence hall from the UNCG Capital Facilities Foundation (3) refunding of all or a portion of prior revenue bonds issued on behalf of UNC Greensboro that result in sufficient savings to UNCG; and (4) providing for 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 or taxable bonds as the President of the University, or his designee, in consultation with the appropriate officers at UNCG 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 \$45,000,000. The issuance of bonds to refund all or a portion of prior revenue bonds issued on behalf of UNC Greensboro to achieve interest rate savings will not exceed \$33,000,000. It is possible that no bonds will be refunded with this transaction.

UNC Greensboro is currently rated Aa3 and A+ by Moody's Investor Service and Standard and Poor's respectively. It is expected that UNCG would maintain its Aa3/A+ credit rating after issuing the bonds.

Parker Poe is bond counsel. PNC is the financial advisor. Wells Fargo, R.W. Baird and Co., and Stephens Inc. will serve as underwriters.

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 THE SPECIAL OBLIGATION BOND
PROJECTS FOR THE UNIVERSITY OF NORTH CAROLINA AT
GREENSBORO