

Sale of Special Obligation Bonds – Winston-Salem State 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.

Winston-Salem State University requests that the Board issue special obligation bonds for the purpose of (1) financing (a) the renovation of Hill Hall to a Student Success Center, (b) the construction and equipping of North Campus improvements including a parking deck, (c) the acquisition and construction of a new residence hall known as Martin-Schexnider Residence Hall and (d) the construction and equipping of the Reaves Student Activities Center; (2) refinancing of WSSU indebtedness and refunding all or a portion of prior revenue bonds or special obligation bonds issued for the benefit of WSSU that result in sufficient savings; and (3) financing the costs incurred in connection with the issuance of the 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 WSSU, 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 \$35,000,000.

The issuance of bonds to refund all or a portion of prior revenue bonds or special obligation bonds issued on behalf of Winston-Salem State University will not exceed \$4,000,000. It is possible that no bonds will be refunded with this transaction if market conditions at the time of pricing do not produce sufficient savings.

As part of the issuance process, WSSU has established a credit rating, A3, with Moody's Investor Service. After issuance of these bonds, it is expected that WSSU would maintain its rating.

Parker Poe is bond counsel. PFM, Inc. 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 June 2013 and the August 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 WINSTON-SALEM STATE UNIVERISTY