

Authorization to Enter Into Line of Credit Agreements – The University of North Carolina at Chapel Hill

As part of its joint Commercial Paper Program with North Carolina State University, the University of North Carolina at Chapel Hill requests authority from the Board of Governors to execute Line of Credit Agreements in the combined amount of up to \$400,000,000. These Line of Credit Agreements, together with other funds available to UNC-Chapel Hill, would replace existing Line of Credit Agreements in the same amount (\$400M) which are expiring in September and would provide sufficient liquidity to purchase, if necessary (in the event of a failed remarketing or placement by the bond dealers), the outstanding UNC-Chapel Hill variable rate bonds and outstanding Commercial Paper Bonds issued under the joint NCSU and UNC-Chapel Hill Commercial Paper Program. These agreements would not create additional indebtedness for NCSU and UNC-Chapel Hill. As of July 11, 2014, the outstanding balance of UNC-Chapel Hill's variable rate bonds was \$253,910,000 and the outstanding balance of the \$500,000,000 joint Commercial Paper Program was \$23,000,000. After reviewing competitive bids, UNC-Chapel Hill is requesting that the Board extend the existing Line of Credit Agreement with Wells Fargo Bank, N.A. and approve entering into new Line of Credit Agreements with U.S. Bank, N.A. and Royal Bank of Canada (RBC) in a combined amount of \$400,000,000.

It is recommended that the following Resolution be approved authorizing UNC-Chapel Hill to enter into the Line of Credit Agreements.

RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA AUTHORIZING LINE OF CREDIT AGREEMENTS IN CONNECTION WITH THE VARIABLE RATE OBLIGATIONS ISSUED ON BEHALF OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL AND NORTH CAROLINA STATE UNIVERSITY AT RALEIGH