

Approval of Substitute Liquidity Facilities and Successor Remarketing Agent – UNC Hospitals

ISSUE OVERVIEW

The Board of Governors has previously issued on behalf of the University of North Carolina Hospitals at Chapel Hill (“UNC Hospitals”) its University of North Carolina Hospitals at Chapel Hill Revenue Bonds, Series 2001A and Series 2001B (collectively, the “Series 2001A/B Bonds”) and its University of North Carolina Hospitals at Chapel Hill Revenue Refunding Bonds, Series 2003B (the “Series 2003B Bonds”). The original par amounts for the Series 2001A/B Bonds and Series 2003B Bonds are \$110,000,000 (\$55,000,000 per series) and \$34,245,000, respectively. Currently, the outstanding principal amounts are \$82,400,000 (\$41,200,000 per series) and \$22,455,000, amounts for the Series 2001A/B Bonds and Series 2003B Bonds, respectively. The Series 2001A/B Bonds are variable rate demand bonds and currently bear interest at the daily rate as provided in the Series Indenture relating to the Series 2001A/B Bonds. The Series 2003B Bonds are variable rate demand bonds and currently bear interest at the weekly rate as provided in the Series Indenture relating to the Series 2003B Bonds. The Series 2001A/B Bonds and the Series 2003B Bonds are callable at any time without premium and have final maturities of February 15, 2031 and February 1, 2029, respectively.

The Standby Bond Purchase Agreements (“SBPAs”) supporting the Series 2001A/B Bonds are currently provided by Landesbank Hessen-Thüringen Girozentrale, New York Branch, and expire by their terms on September 18, 2020. The SBPA supporting the Series 2003B Bonds is currently provided by Wells Fargo Bank, National Association (“Wells Fargo”) and expires by its terms on July 31, 2020.

UNC Hospitals has undertaken a competitive process to solicit proposals for the replacement of the existing SBPAs supporting the Series 2001A/B Bonds and the Series 2003B Bonds. UNC Hospitals desires to use TD Bank, N.A. (“TD Bank”) as the substitute liquidity facility provider for both the Series 2001A/Bonds and the Series 2003B Bonds. TD Bank has a strong short-term credit rating and has provided a competitive fee structure. Additionally, in connection with the substitution of the liquidity facilities, UNC Hospitals has determined through a competitive proposal process to appoint TD Securities (USA) LLC, an affiliate of TD Bank, to serve as the successor remarketing agent for both the Series 2001A/B and Series 2003B Bonds.

All of the outstanding Series 2001A/B and Series 2003B Bonds will be subject to mandatory tender for purchase on the respective dates of substitution of the liquidity facilities, without the option to retain such bonds. Upon such mandatory tenders for purchase, the tendered bonds will be remarketed by TD Securities (USA) LLC, as the successor remarketing agent. The rate is set by the remarketing agent.

In connection with the consummation of the transactions described above, UNC Hospitals will cause to be distributed to the public remarketing circulars relating to the Series 2001A/B and Series 2003B Bonds.

On July 20, 2020, the Board of Directors of the University of North Carolina Health Care System, as the governing body of UNC Hospitals, approved the transaction and related documents as described above.

As additional background information, the SBPAs provide liquidity support to purchase tendered bonds in the event that such bonds cannot be remarketed. The SBPAs do not constitute additional debt. UNC Hospitals has four series of outstanding variable rate demand bonds (2001A, 2001B, 2003B, 2009A), which are floating rate tax-exempt debt instruments, where the interest rates reset either daily or weekly by the remarketing agent. Furthermore, if such bonds are tendered for purchase and cannot be remarketed, funds to be used to purchase the tendered bonds will be provided by the liquidity facility provider pursuant to the terms of the applicable SBPA. Please note that the par amount of bonds outstanding, CUSIPs, and principal amortization schedules will not change as a result of the upcoming transaction.

APPENDIX E

TD Bank is currently rated “Aa2/VMIG1” with a stable outlook by Moody’s Investors Service, Inc., “AA-/A-1+” with a stable outlook by Standard & Poor’s Global Ratings, and “AA/F1+” with a negative outlook by Fitch Ratings.

UNC Hospitals currently maintains long-term credit ratings of Aa3 with a stable outlook by Moody’s Investors Service, Inc. and AA with a stable outlook by Standard & Poor’s Global Ratings. Fitch does not currently provide a credit rating for UNC Hospitals. The proposed transaction is expected to have no impact on UNC Hospitals’ credit ratings.

Womble Bond Dickinson (US) LLP is serving as bond counsel and Ponder & Co. is the financial advisor for the transaction.

It is recommended that the Board of Governors adopt the two resolutions approving the proposed transaction and authorizing the execution and delivery by the Board of Governors of the related remarketing agreements in connection therewith.

Draft No. 2
July 8, 2020

REMARKETING – NOT A NEW ISSUE
Book-Entry-Only

RATINGS:
Moody's: Aa3/VMIG1
S&P: AA/(Expected) A-1+
See "RATINGS" herein

REMARKETING CIRCULAR
SUPPLEMENTING THE OFFICIAL STATEMENT
Dated February 5, 2003
relating to

\$34,245,000*

Board of Governors of The University of North Carolina
University of North Carolina Hospitals at Chapel Hill Revenue Refunding Bonds
Series 2003B

Dated: Date of Original Delivery

Price: 100%

Due: February 1, 2029

This Remarketing Circular is intended to supplement the Official Statement, dated February 5, 2003 (as supplemented, the "2003 Official Statement"), relating to the issuance by the Board of Governors of The University of North Carolina System (the "Issuer") of the above-referenced bonds (the "Series 2003B Bonds"). The 2003 Official Statement can be accessed at <https://emma.msrb.org/MS203044-MS178352-MD345605.pdf>, and is hereby incorporated herein by reference. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the 2003 Official Statement.

THE SERIES 2003B BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, AND THE ISSUER WILL NOT BE OBLIGATED TO PAY DEBT SERVICE ON THE SERIES 2003B BONDS EXCEPT FROM REVENUES AND OTHER FUNDS PLEDGED OR ASSIGNED THEREFOR UNDER THE TRUST INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NORTH CAROLINA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE SERIES 2003B BONDS. THE ISSUER HAS NO TAXING POWER. See "SECURITY AND SOURCES OF PAYMENT" in the 2003 Official Statement.

As described in the 2003 Official Statement, the payment of the purchase price of the Series 2003B Bonds tendered or deemed tendered for purchase and not remarketed was originally supported pursuant to the terms of a Standby Bond Purchase Agreement, dated as of February 1, 2003, as supplemented and amended from time to time (the "Original Standby Agreement"), between the University of North Carolina Hospitals at Chapel Hill ("UNC Hospitals") and Wachovia Bank, National Association (succeeded by Well Fargo Bank, National Association). On July 24, 2020 (the "Substitution Date"), the Original Standby Agreement will be replaced by a Standby Bond Purchase Agreement, dated as of the date of delivery thereof (the "Standby Agreement"), between UNC Hospitals and TD Bank, N.A. (the "Bank"). The Standby Agreement will expire on July 23, 2027, unless extended or earlier terminated pursuant to the terms of the Standby Agreement. The Standby Agreement constitutes a Substitute Liquidity Facility within the meaning of the Series Indenture.

All of the outstanding Series 2003B Bonds are subject to mandatory tender for purchase on the Substitution Date without the option to retain such Series 2003B Bonds. Upon such mandatory tender for purchase, the Series 2003B Bonds so tendered will be remarketed by TD Securities (USA) LLC (the "Remarketing Agent"), who has been appointed as successor Remarketing Agent effective on the Substitution Date. The Series 2003B Bonds currently bear interest at the Weekly Rate as provided in the Series Indenture. The Weekly Rate set by TD Securities (USA) LLC, as Remarketing Agent, on the

Substitution Date will be effective from such date to and including July 29, 2020. See “THE SERIES 2003 BONDS” in the 2003 Official Statement.

UNDER CERTAIN CIRCUMSTANCES DESCRIBED HEREIN, THE OBLIGATION OF THE BANK TO PROVIDE FUNDS FOR THE PURCHASE OF THE SERIES 2003B BONDS MAY BE TERMINATED IMMEDIATELY WITHOUT NOTICE TO THE OWNERS. SEE “THE STANDBY AGREEMENT AND THE BANK – IMMEDIATE TERMINATION BY THE BANK” HEREIN. IN SUCH EVENT, FUNDS MAY NOT BE AVAILABLE TO PURCHASE THE SERIES 2003B BONDS THAT ARE TENDERED FOR OPTIONAL OR MANDATORY PURCHASE.

This Remarketing Circular has been prepared for use by the Remarketing Agent for the sole purpose of providing information relating to the matters set forth herein. This Remarketing Circular speaks only as of its date, and the information contained herein is subject to change.

Certain legal matters related to the execution and delivery of the Standby Agreement will be passed upon by Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, Bond Counsel, and by Chapman and Cutler LLP, Chicago, Illinois, special counsel to the Bank and the Remarketing Agent.

This cover page contains certain information for general reference only. This Remarketing Circular should be read in its entirety, in conjunction with the 2003 Official Statement, to obtain information essential to making an informed investment decision with respect to the Series 2003B Bonds. Prospective purchasers of the Series 2003B Bonds should rely on this Remarketing Circular for information pertaining to the Standby Agreement and the Bank beginning on the Substitution Date.

**TD SECURITIES
Remarketing Agent**

The date of this Remarketing Circular is July __, 2020.

* \$22,455,000 of the Series 2003B Bonds are currently outstanding.

SUMMARY AND CONTACT INFORMATION

Series 2003B Bonds CUSIP Number:	91471F AZ8*
Series 2003B Bonds Dated:	February 13, 2003
Settlement Date:	February 13, 2003
Final Maturity:	February 1, 2029
Federal Tax Status:	Tax-Exempt; Non-AMT
State Tax Exempt:	Yes
Mandatory Sinking Fund:	Yes
Interest Rate Modes:	Daily, Weekly, Unit Pricing, Term, Fixed
Current Interest Rate Mode:	Weekly
Maximum Interest Rate:	The lesser of 12% per annum and the maximum rate permitted by law.
Interest Rate Accrual Period:	Monthly
Interest Payment Date:	First Business Day of each month
Optional Tender:	Upon delivery of irrevocable written notice of tender or irrevocable telephonic notice of tender to the Remarketing Agent, promptly confirmed in writing to the Tender Agent, by 4:00 P.M., New York City time, on a Business Day at least 7 days prior to the Purchase Date specified by the Owner in such notice
Bank:	TD Bank, N.A.
Standby Agreement Expiration Date:	July 23, 2027

Remarketing Agent:

TD Securities (USA) LLC
Short-Term Municipal Trading Desk
Telephone: (212) 827-7171
Email: chris.dimon@tdsecurities.com

Trustee/Tender Agent:

U.S. Bank National Association
Allison Lancaster Poole/Global Corporate Trust
Telephone: (704) 335-4559
Email: allison.lancasterpoole@usbank.com

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. The CUSIP number has been assigned by an independent company not affiliated with the Issuer, UNC Hospitals or the Remarketing Agent and is included solely for the convenience of the owners and prospective purchasers of the Series 2003B Bonds. Neither the Issuer, UNC Hospitals nor the Remarketing Agent is responsible for the selection or use of such CUSIP number, and no representation is made as to its correctness on the Series 2003B Bonds or as indicated above. The CUSIP number is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2003B Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2003B Bonds.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation in connection with this offering other than as contained in this Remarketing Circular and the 2003 Official Statement, and, if given or made, such other information or representation must not be relied upon. This Remarketing Circular and the 2003 Official Statement do not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2003B Bonds by any person, in any jurisdiction in which it is not lawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from UNC Hospitals, the Bank and from other sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness by the Remarketing Agent, and is not to be construed as a representation by the Remarketing Agent.

The electronic distribution of this Remarketing Circular does not constitute an offer to sell or the solicitation of an offer to buy the Series 2003B Bonds described herein to the residents of any particular state and is not specifically directed to the residents of any particular state. The Series 2003B Bonds shall not be offered or sold in any state unless and until they are either registered pursuant to the laws of such state, or qualified pursuant to an appropriate exemption from registration in such state.

NEITHER THE SERIES 2003B BONDS NOR THE TRUST INDENTURE HAS BEEN REGISTERED OR QUALIFIED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 304(a)(4) OF THE TRUST INDENTURE ACT OF 1939, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2003B BONDS AND THE TRUST INDENTURE IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2003B BONDS AND THE TRUST INDENTURE HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2003B BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS REMARKETING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

All quotations from and summaries and explanations of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Remarketing Circular involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Remarketing Circular nor any sale of the Series 2003B Bonds shall under any circumstances create any implication that there has been no change in the affairs of UNC Hospitals or the Bank since the date hereof.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Remarketing Circular.

The Bank has not prepared or assisted in the preparation of this Remarketing Circular, including any financial information included or incorporated herein, except for the information contained under the caption "THE STANDBY AGREEMENT AND THE BANK" herein and in Appendix A hereto. Except for such information, the Bank is not responsible for any other statements made in this Remarketing Circular or the 2003 Official Statement. Accordingly, the Bank disclaims responsibility for such other information

in this Remarketing Circular and the 2003 Official Statement or otherwise made in connection with the remarketing, sale and distribution of the Series 2003B Bonds.

The Remarketing Agent has provided the following sentence for inclusion in this Remarketing Circular. The Remarketing Agent has reviewed the information in this Remarketing Circular in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.

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**REMARKETING CIRCULAR
SUPPLEMENTING THE OFFICIAL STATEMENT
Dated February 5, 2003
relating to**

\$34,245,000*

**Board of Governors of The University of North Carolina
University of North Carolina Hospitals at Chapel Hill Revenue Refunding Bonds, Series 2003B**

INTRODUCTION

This Remarketing Circular provides certain information regarding the \$34,245,000* Board of Governors of The University of North Carolina University of North Carolina Hospitals at Chapel Hill Revenue Bonds, Series 2003B (the "Series 2003B Bonds") to supplement the information set forth in the Official Statement, dated February 5, 2003 (the "2003 Official Statement"), prepared and distributed in connection with the issuance of the Series 2003B Bonds. The Series 2003B Bonds were issued pursuant to the General Trust Indenture, dated as of January 1, 1992 (as supplemented and amended, the "General Indenture"), between the Board of Governors of the University of North Carolina System (the "Issuer") and First Union National Bank (succeeded by U.S. Bank National Association), as trustee (the "Trustee"), and a Series Indenture Number 5, dated as of February 1, 2003 (the "Series Indenture"), between the Issuer and the Trustee, both as accepted and agreed to by the University of North Carolina Hospitals at Chapel Hill ("UNC Hospitals").

The purpose of this Remarketing Circular is to (a) provide certain information relating to the execution and delivery of the Standby Bond Purchase Agreement, dated as of the date of delivery thereof (the "Standby Agreement"), between UNC Hospitals and TD Bank, N.A. (the "Bank"), to provide liquidity support for the Series 2003B Bonds, (b) provide certain information relating to the Bank, (c) provide certain information relating to the remarketing of the Series 2003B Bonds and (d) provide certain other information relating to UNC Hospitals and the Series 2003B Bonds. The Standby Agreement constitutes a Substitute Liquidity Facility within the meaning of the Series Indenture.

THE STANDBY AGREEMENT AND THE BANK

The following is a summary of certain provisions of the Standby Agreement to be in effect on the date of the execution and delivery thereof. The Standby Agreement for the Series 2003B Bonds is only available to support the Series 2003B Bonds during the Daily Mode or Weekly Mode. This summary is not a complete recital of the terms of the Standby Agreement, and reference is made to Appendix A hereto and the definitive Standby Agreement in its entirety for the definitive terms thereof. The Standby Agreement may be amended or otherwise modified without notice to, or consent by, the Owners.

The following information replaces in its entirety the information set forth under the heading "THE STANDBY AGREEMENTS AND THE BANKS" in the 2003 Official Statement (except for the information set forth under the subheadings "THE SERIES 2003A STANDBY AGREEMENT" and "THE SERIES 2003A BANK" under such heading) but only as it relates to the Series 2003B Bonds:

General

As described under "THE SERIES 2003 BONDS – Tender Provisions" in the 2003 Official Statement, under certain circumstances, the Owners of the Series 2003B Bonds may elect or be required to

* \$22,455,000 of the Series 2003B Bonds are currently outstanding.

tender their Series 2003B Bonds for purchase. On July 24, 2020 (the “Substitution Date”), UNC Hospitals will enter into the Standby Agreement with the Bank. Pursuant to the Standby Agreement, the Bank will agree, subject to the terms and conditions stated therein, to purchase Series 2003B Bonds in the Daily Mode or Weekly Mode from time to time on any Purchase Date or Mandatory Purchase Date in the event that remarketing proceeds are not sufficient for such purpose. The Standby Agreement will continue in effect, subject to extension and earlier termination as set forth therein, until July 23, 2027.

The Standby Agreement will provide funds only for the payment of the purchase price of Series 2003B Bonds tendered or deemed tendered for purchase as described above. The Standby Agreement will be subject to termination at the option of the Bank as described below.

See Appendix A hereto for a summary of certain terms and provisions of the Standby Agreement.

Immediate Termination by the Bank

The Bank’s obligation to purchase the Series 2003B Bonds will terminate immediately, without the requirement of notice, upon the occurrence of any of the following “Special Events of Default” under the Standby Agreement:

(a) any failure, wholly or partially, to make timely any payment of the principal of or interest when due (whether by scheduled maturity, required prepayment, redemption or otherwise) on the Series 2003B Bonds or Bank Bonds (as defined in the Standby Agreement) (other than with respect to an acceleration of the principal of and interest on Bank Bonds in accordance with the Standby Agreement by reason of an Event of Default thereunder);

(b) (i) any failure, wholly or partially, to make payment when due of the principal of and/or interest on any Parity Debt (as defined in the Standby Agreement), beyond the period of grace, if any, specified in any underlying resolution, indenture, contract or instrument providing for the creation of or concerning such Parity Debt (other than a failure to pay any direct reimbursement obligations arising under standby letters of credit, liquidity facilities and loan agreements which have been accelerated pursuant to the terms of the applicable agreement); or (ii) there shall occur any default in the payment of any Parity Debt, the effect of which payment default is to cause any such Parity Debt to become immediately due and payable in full; or

(c) (i) UNC Hospitals shall (A) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (B) file a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, debt adjustment, winding up or composition or adjustment of debts, (C) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy laws or other laws, (D) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of a substantial part of its property, (E) admit in writing its inability to pay its debts as they become due, (F) make a general assignment for the benefit of creditors, or (G) take any official action for the purpose of effecting any of the foregoing; or (ii) there shall be commenced against UNC Hospitals any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in an order for such relief or in the appointment of a custodian, receiver, trustee, examiner, liquidator or similar official or (B) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against UNC Hospitals, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) UNC Hospitals shall impose or declare a debt moratorium, debt restructuring, debt adjustment or

comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any Parity Debt, or (v) any Governmental Authority (as defined in the Standby Agreement) having appropriate jurisdiction over UNC Hospitals shall make a finding or ruling or other determination or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Series 2003B Bonds, the Bank Bonds or on all Parity Debt of UNC Hospitals;

(d) any provision of the Standby Agreement or any Related Document (other than the Letter Agreement and the Remarketing Agreement) (each as defined in the Standby Agreement) related to the payment of principal or interest on the Series 2003B Bonds, the Bank Bonds or the pledge of and lien on the Revenues shall at any time for any reason cease to be valid and binding on UNC Hospitals as determined by any Governmental Authority of competent jurisdiction in a final nonappealable judgment;

(e) UNC Hospitals shall in writing (i) claim that any provision that provides for the payment of principal of or interest on the Series 2003B Bonds, the Bank Bonds or the pledge of and lien on the Revenues is not valid or binding on it, (ii) publicly deny or repudiate its obligations under the Standby Agreement or any of the provisions that provide for the payment of principal of or interest on the Series 2003B Bonds, the Bank Bonds or the pledge of and lien on the Revenues or (iii) contest or initiate any legal proceedings to seek an adjudication that the Standby Agreement or any of the provisions that provide for the payment of principal of or interest on the Series 2003B Bonds or the Bank Bonds or the pledge of and lien on the Revenues is not valid or binding on UNC Hospitals;

(f) The long-term rating by Moody's and S&P (to the extent then rating the Series 2003B Bonds or any other Parity Debt) of the Series 2003B Bonds or any other Parity Debt of UNC Hospitals not supported by credit enhancement shall be withdrawn or suspended for credit-related reasons or reduced below "Baa3" by Moody', and "BBB-" by S&P; or

(g) A final, non-appealable judgment or order for the payment of money in excess of \$10,000,000 in the aggregate that ranks senior to or on a parity with the Series 2003B Bonds shall be rendered against UNC Hospitals with respect to which, in the opinion of the Bank, adequate cash reserves have not been established and shall continue unsatisfied and unstayed for a period of sixty (60) days.

In the event of such termination, the Bank will not be obligated to purchase the Series 2003B Bonds on any Purchase Date or Mandatory Purchase Date, and under the Series Indenture, funds to purchase the Series 2003B Bonds will be available only from the proceeds of the remarketing of the Series 2003B Bonds (which remarketing proceeds will not be available unless UNC Hospitals obtains a Substitute Liquidity Facility or the Series 2003B Bonds are converted to a Fixed Rate) or from other funds made available by the Issuer or UNC Hospitals.

Termination by the Bank Resulting in Mandatory Tender

The Bank's obligation to purchase the Series 2003B Bonds is subject to termination by the Bank upon 30 days' notice to the Issuer, UNC Hospitals, the Tender Agent, the Trustee and the Remarketing Agent in the case of any of the following Events of Default under each of the Standby Agreement:

(a) (i) UNC Hospitals shall not pay when due any amount owed to the Bank pursuant to the Standby Agreement with respect to increased costs resulting to a Change in Law (as defined in the Standby Agreement) or (ii) UNC Hospitals shall fail to pay within ten (10) days after the same shall become due certain other amounts payable by it under the Standby Agreement (not otherwise referred to in clause (a) under "Immediate Termination by the Bank" above);

(b) any material representation or warranty made by or on behalf of UNC Hospitals in the Standby Agreement or in any certificate or statement delivered hereunder shall be incorrect or untrue in any material respect when made or deemed to have been made;

(c) UNC Hospitals shall default in the due performance or observance of certain specified covenants set forth in the Standby Agreement (and in certain cases, only after giving effect to the applicable cure period under the applicable Related Document);

(d) UNC Hospitals shall default in the due performance or observance of certain other specified terms, covenants or agreements contained or incorporated by reference in the Standby Agreement and such default shall remain unremedied for a period of thirty (30) days after the Bank shall have given written notice thereof to UNC Hospitals;

(e) (i) pursuant to the provisions of any underlying resolution, indenture, contract or instrument providing for the creation of or concerning such obligations of UNC Hospitals senior to or on a parity with the Series 2003B Bonds, the maturity of any such obligations of UNC Hospitals senior to or on a parity with the Series 2003B Bonds, as a result of a default of any nature thereon, shall have been or may be accelerated or may be required to be prepaid prior to the stated maturity thereof; or (ii) UNC Hospitals shall fail to pay when due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) any Debt (as defined in the Standby Agreement) of UNC Hospitals aggregating in excess of \$10,000,000, other than that referred to in clause (b) under "Immediate Termination by the Bank" above, and such failure shall continue beyond any applicable period of grace specified in any underlying resolution, indenture, contract or instrument providing for the creation or concerning such Debt, or any other default under any resolution, indenture, contract or instrument providing for the creation of or concerning such Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such resolution, indenture, contract or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Debt; or pursuant to the provisions of any such resolution, indenture, contract or instrument the maturity of any Debt, other than that referred to in clause (b) under "Immediate Termination by the Bank" above, shall have been or may be accelerated or shall have been or may be required to be prepaid prior to the stated maturity thereof;

(f) any Indenture Event of Default (as defined in the Standby Agreement) or any "event of default" which is not cured within any applicable cure period under any of the other Related Documents shall occur;

(g) other than as set forth in clauses (d) and (e) under "Immediate Termination by the Bank" above, any material provision of the Standby Agreement or any other Related Document shall at any time for any reason cease to be valid and binding on UNC Hospitals or any material provision of the Standby Agreement or any other Related Document shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability of any material provision of this Agreement or any other Related Document shall be publicly contested by UNC Hospitals;

(h) (i) the long-term rating of the Series 2003B Bonds or any Parity Debt not supported by credit enhancement shall be reduced below "A3" by Moody's or "A-" by S&P or (ii) the long-term rating of the Series 2003B Bonds are withdrawn or suspended by Moody's or S&P for any credit related reason for more than five (5) Business Days; or

(i) a final, non-appealable judgment or order for the payment of money in excess of \$10,000,000 in the aggregate that ranks senior to or on a parity with the Series 2003B Bonds shall be rendered against UNC Hospitals with respect to which, in the opinion of the Bank, adequate cash reserves have not been

established, and such judgment or order shall continue unsatisfied and unstayed for a period of thirty (30) days.

In the event of such termination, under the Series Indenture, the Series 2003B Bonds are subject to mandatory tender for purchase prior to the termination of the applicable Standby Agreement. See “THE SERIES 2003 BONDS - Tender Provisions - Mandatory Purchase Upon Substitution, Expiration or Termination of Liquidity Facility” in the 2003 Official Statement.

Substitute Liquidity Facility

Subject to the conditions set forth in the Series Indenture, UNC Hospitals may provide for a Substitute Liquidity Facility for the Liquidity Facility then in effect. See “DEFINITION OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Liquidity Facility” in Appendix C to the 2003 Official Statement.

The Bank

TD Bank, N.A. (the "Bank") is a national banking association organized under the laws of the United States, with its main office located in Wilmington, Delaware. The Bank is an indirect, wholly-owned subsidiary of The Toronto-Dominion Bank ("TD") and offers a full range of banking services and products to individuals, businesses and governments throughout its market areas, including commercial, consumer and trust services and indirect automobile dealer financing. The Bank operates banking offices in Connecticut, Delaware, the District of Columbia, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, North Carolina, New York, Pennsylvania, Rhode Island, South Carolina, Vermont and Virginia. As of March 31, 2020, the Bank had consolidated assets of \$355.8 billion, consolidated deposits of \$305.7 billion and stockholder's equity of \$40.9 billion, based on regulatory accounting principles.

Additional information regarding the foregoing, and the Bank and TD, is available from the filings made by TD with the U.S. Securities and Exchange Commission (the “SEC”), which filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. In addition, the SEC maintains a website at <http://www.sec.gov>, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning TD and the Bank contained herein is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced herein.

The Standby Agreement has been executed and delivered by the Bank and is the obligation of the Bank and not TD.

The Bank will provide copies of the publicly available portions of the most recent quarterly Call Report of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

TD Bank, N.A.
 1701 Route 70 East
 Cherry Hill, New Jersey 08034
 Attention: Corporate and Public Affairs

Information regarding the financial condition and results of operations of the Bank is contained in the quarterly Call Reports of the Bank delivered to the Comptroller of the Currency and available online at <https://cdr.ffiec.gov/public>. General information regarding the Bank may be found in periodic filings made by TD with the SEC. TD is a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare certain filings with the SEC in accordance with the disclosure requirements of Canada, its home country. Canadian disclosure requirements are different from those of the United States. TD's financial statements are prepared in accordance with International Financial Reporting Standards, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles.

The delivery hereof shall not create any implication that there has been no change in the affairs of TD or the Bank since the date hereof, or that the information contained or referred to in this subheading "The Bank" is correct as of any time subsequent to its date.

NEITHER TD NOR ANY OTHER SUBSIDIARY OF TD OTHER THAN THE BANK IS OBLIGATED TO MAKE PAYMENTS UNDER THE STANDBY AGREEMENT.

The Bank is responsible only for the information contained under this subheading of this Remarketing Circular and did not participate in the preparation of, or in any way verify the information contained in, any other part of this Remarketing Circular. Accordingly, the Bank assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of this Remarketing Circular.

REMARKETING OF SERIES 2003B BONDS

TD Securities (USA) LLC will serve as the successor Remarketing Agent for the Series 2003B Bonds effective as of the Substitution Date.

Set forth below is certain information to be considered relating to the remarketing of the Series 2003B Bonds:

The Remarketing Agent is paid by UNC Hospitals. The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing the Series 2003B Bonds that are optionally or mandatorily tendered by the purchasers thereof (subject, in each case, to the terms of the Series Indenture and the Remarketing Agreement, dated as of the date of delivery thereof (the "Remarketing Agreement", among the Issuer, UNC Hospitals and the Remarketing Agent), all as further described in this Remarketing Circular and the 2003 Official Statement. The Remarketing Agent is appointed by the Issuer at the direction of UNC Hospitals and is paid UNC Hospitals for its services. As a result, the interests of the Remarketing Agent may differ from those of existing Owners and potential purchasers of Series 2003B Bonds.

The Remarketing Agent May routinely purchase Series 2003B Bonds for its own account. The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account. The Remarketing Agent is

permitted, but not obligated, to purchase tendered Series 2003B Bonds for its own account and, in its sole discretion, may routinely acquire such tendered Series 2003B Bonds in order to achieve a successful remarketing of the Series 2003B Bonds (i.e., because there otherwise are not enough buyers to purchase the Series 2003B Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase Series 2003B Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Series 2003B Bonds by routinely purchasing and selling Series 2003B Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series 2003B Bonds. The Remarketing Agent may also sell any Series 2003B Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series 2003B Bonds. The purchase of Series 2003B Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Series 2003B Bonds in the market than is actually the case. The practices described above also may result in fewer Series 2003B Bonds being tendered in a remarketing.

Series 2003B Bonds may be offered at different prices on any date, including an interest rate determination date. Pursuant to the Series Indenture and the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series 2003B Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for the Series 2003B Bonds (including whether the Remarketing Agent is willing to purchase Series 2003B Bonds for its own account). There may or may not be Series 2003B Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Series 2003B Bonds tendered for purchase on such date at par and the Remarketing Agent may sell the Series 2003B Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third-party buyers for all of its Series 2003B Bonds at the remarketing price. In the event the Remarketing Agent owns any Series 2003B Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2003B Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

The ability to sell the Series 2003B Bonds other than through the tender process may be limited. The Remarketing Agent may buy and sell its Series 2003B Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Owners that wish to tender their Series 2003B Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Series 2003B Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2003B Bonds other than by tendering such Series 2003B Bonds in accordance with the tender process.

Under certain circumstances, the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Series Indenture and the Remarketing Agreement.

Owners do not have the right to own Series 2003B Bonds for any specific period of time. As a result of a decision by an Owner of Series 2003B Bonds to optionally tender its Series 2003B Bonds, an election to convert Series 2003B Bonds to another interest rate mode (as further described in the 2003 Official Statement) or an election to optionally redeem or cause a mandatory tender of the Series 2003B Bonds in whole or in part, an Owner may be required to tender its Series 2003B Bonds or its Series 2003B Bonds may be optionally redeemed in accordance with the provisions of the Series Indenture. In determining whether to purchase any Series 2003B Bonds, investors should consider the risk to the duration and liquidity of their portfolios which may result from their actions or the actions of others.

BONDHOLDERS' RISKS

The purchase of the Series 2003B Bonds involves certain investment risks. Each prospective purchaser of the Series 2003B Bonds should make an independent evaluation of all the information presented in the 2003 Official Statement and this Remarketing Circular. The risks outlined under the heading "BONDHOLDERS' RISKS" in the 2003 Official Statement should be taken into account in connection with the purchase of the Series 2003B Bonds.

CONTINUING USE OF 2003 OFFICIAL STATEMENT

The provisions of this Remarketing Circular should be read in connection with the 2003 Official Statement. Except as otherwise described herein, the provisions of the 2003 Official Statement remain in full force and effect.

The Series 2003B Bonds are not subject to the continuing disclosure provisions of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). However, UNC Hospitals has agreed under the Series Indenture to provide certain annual and quarterly financial information and operating data relating to the Series 2003B Bonds as described in the 2003 Official Statement. Furthermore, UNC Hospitals has agreed under the Rule to provide certain annual financial information and designated event notices with respect to certain other outstanding revenue bonds issued by the Issuer on behalf of UNC Hospitals. UNC Hospitals has previously filed certain annual financial information through the fiscal year ended June 30, 2019 and certain unaudited quarterly financial information through March 31, 2020 with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system at www.emma.msrb.org. Owners and potential purchasers of Series 2003B Bonds should refer to such information to obtain further information regarding UNC Hospitals and its finances that is more recent than the information set forth in the 2003 Official Statement.

[Language related to COVID-19 and impact on UNC Hospitals to be inserted]

TAX MATTERS

On the date of the original issuance and delivery of the Series 2003B Bonds, Womble Carlyle Sandridge & Rice, PLLC (now Womble Bond Dickinson (US) LLP), Raleigh, North Carolina, Bond Counsel, delivered its opinion with respect to the Series 2003B Bonds, the form of which is included in Appendix E to the 2003 Official Statement. Such opinion speaks only as of its date.

On the Substitution Date, Bond Counsel will deliver an opinion to U.S. Bank National Association, as Tender Agent, to the effect that the execution and delivery of the Standby Agreement (1) is authorized and permitted by the General Indenture and the Series Indenture and complies with the terms of the Series Indenture and (2) will not, in and of itself, adversely affect the validity of the Series 2003B under the laws of the State of North Carolina or the exclusion from gross income for federal and State income tax purposes of interest on the Series 2003B Bonds. Except as expressly described above, Bond Counsel will not render any opinion regarding the tax-exempt status of the Series 2003B Bonds or any other tax consequences relating to the acquisition, ownership or disposition of, or the accrual or receipt of interest on, the Series 2003B Bonds.

RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned a long-term rating of "Aa3" to the Series 2003B Bonds, and S&P Global Ratings ("S&P") has assigned a long-term rating of "AA" to the Series 2003B Bonds. Moody's has also assigned a short-term rating of "VMIG1" to the Series 2003B Bonds, and S&P is expected to assign a short-term rating of "A-1+" to the Series 2003B Bonds effective upon the execution and delivery of the Standby Agreement on the Substitution Date. Such ratings reflect only the view of Moody's and S&P at the time the ratings are given, and neither the Issuer, UNC Hospitals nor the Remarketing Agent make any representations as to the appropriateness of such ratings. The ratings are not a recommendation to buy, sell or hold the Series 2003B Bonds and should be evaluated independently. Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions of their own. There is no assurance that the ratings on the Series 2003B Bonds will remain in effect for any given period of time or that the rating may not be lowered, suspended or withdrawn entirely by such rating agency if, in the judgment of the rating agency, circumstances so warrant. Any such downward change in or suspension or withdrawal of such ratings may have an adverse effect on the secondary market price of the Series 2003B Bonds.

CERTAIN RELATIONSHIPS

The Bank and the Remarketing Agent are both wholly-owned subsidiaries of The Toronto-Dominion Bank and part of TD Bank Group. The Remarketing Agent is not a bank and is a distinct legal entity from the Bank. The Bank and the Remarketing Agent may have other banking and financial relationships with the Issuer, UNC Hospitals or any other party that may be involved in the transactions contemplated by this Remarketing Circular.

MISCELLANEOUS

The information set forth herein is subject to change without notice, and neither the delivery of this Remarketing Circular nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, UNC Hospitals, the Bank, the Remarketing Agent or any other party mentioned herein since the date of the information set forth or referred to herein.

APPENDIX E

This Remarketing Circular has been prepared for use by TD Securities (USA) LLC, as the Remarketing Agent for the Series 2003B Bonds, for the sole purpose of providing information with respect to the Series 2003B Bonds in connection with the execution and delivery of the Standby Agreement and the appointment of a successor Remarketing Agent for the Series 2003B Bonds.

SUMMARY OF THE STANDBY AGREEMENT

The following summary of the Standby Agreement does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the Standby Agreement to which reference is hereby made. Capitalized terms used under this Appendix A and not otherwise defined have the same meanings given such terms in the Standby Agreement, the Series Indenture or the 2003 Official Statement, as applicable. Investors should obtain and review a copy of the Standby Agreement in order to understand all of the terms and provisions thereof. Copies of the Standby Agreement may be obtained from the Trustee upon request. Please see “THE STANDBY AGREEMENT AND THE BANK – The Bank” in the front part of this Remarketing Circular for certain information regarding the Bank.

General

Liquidity support for the Series 2003B Bonds will be provided by the Standby Agreement. Subject to the terms and conditions of the Standby Agreement, the Bank agrees from time to time during the Commitment Period (as defined below) to purchase, at a purchase price equal to the unpaid principal amount thereof plus accrued interest thereon from the prior Interest Payment Date to but excluding the Purchase Date thereof, in each case at par without premium, provided that accrued interest will not be included in the purchase price if the applicable Purchase Date is an Interest Payment Date (the “Purchase Price”), with immediately available funds, Bonds which are in the Daily Mode or the Weekly Mode, and which are not Bank Bonds or Bonds owned by or on behalf of, or for the account of, UNC Hospitals or any Related Person of UNC Hospitals (“Eligible Bonds”) which are tendered pursuant to (i) an optional tender or (ii) a Mandatory Purchase which, in each case, the Remarketing Agent has been unable to remarket.

“Commitment Period” means the period from the Effective Date to and including the earliest of (i) 5:00 p.m. New York time on July 23, 2027 (the “Scheduled Termination Date”), (ii) the date on which no Bonds are Outstanding (as such term is defined in the General Indenture), (iii) the earlier to occur of (a) 5:00 p.m. on the Business Day following the date on which the interest rate on all of the Series 2003B Bonds are converted out of the Daily Mode or the Weekly Mode or the Substitution Date, as applicable, and (b) the date on which the Bank honors any properly made request to purchase Eligible Bonds tendered for purchase as a result of such conversion or substitution, as applicable, (iv) the close of business on the thirtieth (30) day following the date on which a Notice of Termination of Commitment to Purchase is received by UNC Hospitals and the Tender Agent, and (v) the date on which, the Available Commitment has been reduced to zero or terminated in its entirety in accordance with the terms of the Standby Agreement.

The aggregate principal amount of all Bonds purchased on any Purchase Date shall not exceed the Available Principal Commitment. The Available Principal Commitment is initially the aggregate principal amount of the Series 2003B Bonds Outstanding, that is, \$22,455,000, and thereafter such initial amount adjusted downward and upward from time to time in accordance with the terms of the Standby Agreement, provided, however, that the sum of the Available Principal Commitment plus the aggregate principal amount of Bank Bonds shall never exceed \$22,455,000. The aggregate amount of the Purchase Price comprising interest on Bonds (the “Interest Component”) purchased on any Purchase Date shall not exceed the lesser of (i) the Available Interest Commitment on such date and (ii) the actual aggregate amount of interest accrued on such Bonds to but not including such Purchase Date. The Available Interest Commitment is initially \$258,387 which equals 35 days’ interest on the initial amount of the Available Principal Commitment based upon an assumed rate of interest of twelve percent (12%) per annum and a three hundred sixty-five (365) day year and thereafter means such initial amount adjusted upward and

downward from time to time in proportion to any adjustment to the Available Principal Commitment in accordance with the terms of the Standby Agreement.

Under certain circumstances described below, the obligation of the Bank to purchase Eligible Bonds may be suspended or terminated. In such event, sufficient funds may not be available to purchase such Bonds tendered or deemed tendered by the owners thereof pursuant to an optional or mandatory tender. In addition, the Standby Agreement does not provide security for the payment of principal of or interest or premium, if any, on the Series 2003B Bonds.

Method of Purchasing

Subject to the terms and conditions set forth in the Standby Agreement, the Bank agrees to purchase Series 2003B Bonds in the Daily Mode or Weekly Mode upon receipt of a notice from the Tender Agent in the form attached to the Standby Agreement. If such notice is received no later than 12:00 noon (New York time) on a Business Day, and if no Special Event of Default shall have occurred, payment will be made to the Tender Agent of the amount specified, in immediately available funds, by 2:00 p.m. (New York time) on the same Business Day.

Interest Rate on Bank Bonds

Bank Bonds will bear interest at the Formula Rate. The Formula Rate is equal to the Base Rate until 180 days after the initial date of purchase of any Bank Bonds, and thereafter, it is equal to the Base Rate plus one percent (1%) per annum, unless an Event of Default shall have occurred and be continuing, in which case it will be equal to the Base Rate plus three percent (3%); provided that at no time shall Bank Bonds bear interest in excess of the maximum rate permitted by law (the “Maximum Rate”). The Base Rate means a fluctuating rate of interest per annum equal to the greatest of (a) the Prime Rate, (b) the Federal Funds Rate plus .50% and (c) 3.00%. In the event the Formula Rate would exceed the Maximum Rate for any interest period, the Bank shall receive interest on account of Bank Bonds only at the Maximum Rate for such interest period (the difference between the interest that would have been payable to the Bank at the Formula Rate and the interest actually paid at the Maximum Rate is hereinafter referred to as “Excess Bank Bond Interest”). However, and notwithstanding any subsequent reduction in the Formula Rate, Bank Bonds shall bear interest, from and after the date on which any Excess Bank Bond Interest is accrued, at the Maximum Rate until payment to the Bank of such Excess Bank Bond Interest. Interest on Bank Bonds, whether accruing at the Base Rate or the Default Rate, shall be calculated on the basis of a 365-day year and the actual number of days elapsed. The rate at which Bank Bonds bear interest pursuant to this paragraph is herein called the “Bank Rate.”

Bank Bonds – Mandatory Redemption; Payment of Interest

UNC Hospitals agrees that, with respect to each Bank Bond, (i) such Bank Bond shall be due and payable (in whole or in part, as applicable) and redeemed (in the case of the following clause (z)) or repaid (in the case of the following clauses (x) and (y)), as applicable, by UNC Hospitals on the earlier to occur of (x) the Substitution Date, (y) the Conversion Date and (z) subject to the provisions of the Standby Agreement, the related Amortization Commencement Date immediately succeeding the related Purchase Date (which, with respect to each Bank Bond, shall be the earlier to occur of (1) the 366th day immediately succeeding the related Purchase Date and (2) the Scheduled Termination Date); (ii) the interest on the unpaid amount of each such Bank Bond from and including the applicable Purchase Date shall be computed at a rate per annum equal to the Bank Rate, as determined pursuant to the Standby Agreement; and (iii) interest payable pursuant to clause (ii) shall be payable by UNC Hospitals (A) monthly on the first Business Day of each month, (B) upon redemption (to the extent of the interest accrued on the amount being redeemed), (C) at maturity (whether by acceleration or otherwise), and (D) after maturity on demand. In

the event any Bank Bond is remarketed or otherwise transferred by the Bank before payment in full of the funds provided by the Bank hereunder with respect thereto, together with interest thereon at the Bank Rate, the provisions of this paragraph shall continue to apply to such indebtedness until all sums for all periods during which the same was a Bank Bond are paid.

Unless otherwise paid in full, UNC Hospitals shall cause the Bank Bonds to be redeemed on the Amortization Commencement Date; provided that, if (i) no Inchoate Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties set forth in the Standby Agreement shall be true and correct on, and shall be deemed to have been made on, the Amortization Commencement Date, then UNC Hospitals shall cause the principal amount of such Bank Bonds to be redeemed in installments payable by UNC Hospitals on each Amortization Payment Date (each such payment, an "Amortization Payment"), with the final installment in an amount equal to the entire then outstanding principal amount of such Bank Bonds to be redeemed on the Amortization End Date (the period commencing on the Amortization Commencement Date and ending on the Amortization End Date is herein referred to as the "Amortization Period") by UNC Hospitals. Each Amortization Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Amortization Payments over the Amortization Period. During the Amortization Period, interest on Bank Bonds shall accrue at the Bank Rate, be payable by UNC Hospitals (A) monthly on the first Business Day of each month, (B) upon redemption (to the extent of the interest accrued on the amount being redeemed), (C) at maturity (whether by acceleration or otherwise), and (D) after maturity on demand, and be calculated on the basis of a three hundred sixty-five (365) day year and actual days elapsed. Notwithstanding anything to the contrary contained herein, all Bank Bonds shall be subject to mandatory redemption by UNC Hospitals on the Amortization End Date.

Events of Default

Events of Default under the Standby Agreement are set forth under the captions "THE STANDBY AGREEMENT AND THE BANK - Immediate Termination by the Bank" and "- Termination by the Bank Resulting in Mandatory Tender" in the forepart of this Remarketing Circular.

Remedies

(a) In the case of an Event of Default specified under the caption "THE STANDBY AGREEMENT AND THE BANK - Immediate Termination by the Bank" in the forepart of this Remarketing Circular (each, a "Special Event of Default"), the Available Commitment shall immediately be reduced to zero, in which case the obligations of the Bank under the Standby Agreement to purchase the Series 2003B Bonds shall immediately terminate and expire without the requirement of notice by the Bank. After such termination or expiration, the Bank shall deliver, within two (2) Business Days, to the Issuer, UNC Hospitals, the Tender Agent, the Trustee and the Remarketing Agent written notice of such termination or expiration; provided, however, that failure to provide such written notice shall have no effect on the validity or enforceability of such termination or expiration.

(b) Upon the occurrence of any Event of Default, including a Special Event of Default, the Bank shall have all other remedies provided at law or equity, including, without limitation, specific performance; and in addition, the Bank, in its sole discretion, may do one or more of the following: (i) declare all obligations of UNC Hospitals to the Bank under the Standby Agreement to be immediately due and payable, and the same shall thereupon become due and payable without demand, presentment, protest, notice of intent to accelerate, notice of acceleration or further notice of any kind, all of which are hereby expressly waived; (ii) deliver to the Issuer, UNC Hospitals, the Tender Agent, the Trustee and the Remarketing Agent written notice that an Event of Default has been declared under the Standby Agreement (a "Notice of Termination of Commitment to Purchase"), whereupon the remarketing of Bonds shall cease immediately

and at the close of business on the 30th day following the date such Notice of Termination of Commitment to Purchase is received by the Tender Agent and the Trustee the Available Commitment shall be reduced to zero and the obligations of the Bank under the Standby Agreement to purchase the Series 2003B Bonds shall terminate; provided, however, that prior to such termination, the Bank shall remain obligated to purchase Eligible Bonds in accordance with the terms hereof so long as no Special Event of Default has occurred; (iii) require immediate purchase of Bank Bonds by UNC Hospitals; (iv) exercise any right or remedy available to it under any other provision of the Standby Agreement; or (v) exercise any other rights or remedies available under any Related Document, any other agreement or at law or in equity; provided, however, that the Bank shall not have the right to terminate its obligation to purchase Bonds except as expressly provided above.

RESOLUTION OF THE BOARD OF GOVERNORS**RESOLUTION APPROVING SUBSTITUTE LIQUIDITY FACILITIES AND SUCCESSOR REMARKETING AGENT FOR THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL REVENUE BONDS, SERIES 2001A AND SERIES 2001B AND AUTHORIZING THE EXECUTION AND DELIVERY OF REMARKETING AGREEMENTS AND CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH**

WHEREAS, pursuant to Chapter 116 of the General Statutes of North Carolina, the Board of Governors (the "Board of Governors") of The University of North Carolina (the "University") is vested with general control and supervision of the University of North Carolina Hospitals at Chapel Hill ("UNC Hospitals") and other institutions;

WHEREAS, pursuant to Section 116-37, as amended, of the General Statutes of North Carolina, there has been created as an affiliated enterprise of the University, the University of North Carolina Health Care System (the "UNC Health Care System"), and a Board of Directors of the UNC Health Care System, as a successor board to the board of directors of UNC Hospitals, which is charged with the responsibility for making rules, regulations and policies governing the management and operation of the UNC Health Care System, including UNC Hospitals;

WHEREAS, the Board of Governors is authorized by Sections 116-187 to 116-198, inclusive, of the General Statutes of North Carolina, as amended (the "Act"), to issue, subject to the approval of the Director of the Budget of the State of North Carolina, at one time or from time to time revenue bonds of the Board of Governors for the purpose of financing the cost of facilities and programs for the UNC Health Care System and UNC Hospitals;

WHEREAS, the Board of Governors is authorized by the Act to enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under the Act;

WHEREAS, pursuant to a General Trust Indenture, dated as of January 1, 1992 (as supplement and amended, the "General Indenture"), between the Board of Governors and First Union National Bank (succeeded by U.S. Bank National Association), as trustee (the "Trustee"), and a Series Indenture Number 4, dated as of January 1, 2001 (the "Series Indenture"), between the Board of Governors and the Trustee, both as accepted and agreed to by UNC Hospitals, the Board of Governors has heretofore issued its University of North Carolina Hospitals at Chapel Hill Revenue Bonds, Series 2001A in the original principal amount of \$55,000,000 (the "Series 2001A Bonds"), of which \$41,200,000 is outstanding as of the date hereof, and its University of North Carolina Hospitals at Chapel Hill Revenue Bonds, Series 2001B in the original principal amount of \$55,000,000 (the "Series 2001B Bonds" and together with the Series 2001A Bonds, the "Bonds"), of which \$41,200,000 is outstanding as of the date hereof; and

WHEREAS, the Bonds currently bear interest at variable interest rates determined from time to time as provided in the Series Indenture, and the Owners of the Bonds may optionally tender, or may be required to tender, their Bonds for purchase from time to time as provided in the Series Indenture; and

WHEREAS, in the event that any of the Bonds are tendered for purchase and remarketing proceeds are not otherwise available to pay the purchase price of the tendered Bonds, the payment of such purchase price is currently secured by the existing Liquidity Facilities (as defined in the Series Indenture) provided by Landesbank Hessen-Thüringen Girozentrale, a banking corporation organized under the laws of Germany, acting through its New York Branch, the terms of which expire on September 20, 2020; and

WHEREAS, the Board of Directors of the UNC Health Care System, as the governing body of UNC Hospitals, has determined that it is in the best interest of UNC Hospitals to arrange for the delivery of Substitute Liquidity Facilities (as defined in the Series Indenture) by TD Bank, N.A. (the "Bank") to replace the existing Liquidity Facilities; and

WHEREAS, the Substitute Liquidity Facilities will consist of two separate Standby Bond Purchase Agreements, each to be dated as of the date of delivery thereof (the "Standby Bond Purchase Agreements"), between UNC Hospitals and the Bank, together with two related Letter Agreements, each to be dated as of the date of delivery thereof (the "Letter Agreements"), between UNC Hospitals and the Bank; and

WHEREAS, in connection with the execution and delivery of the Standby Bond Purchase Agreements, it will be necessary to provide for a mandatory tender of the Bonds for purchase in accordance with the terms of the Series Indenture; and

WHEREAS, in connection with the execution and delivery of the Standby Bond Purchase Agreements and the remarketing of the tendered Bonds, UNC Hospitals has determined to direct the Board of Governors to appoint TD Securities (USA) LLC as the successor Remarketing Agent (as defined in the Series Indenture), for each series of the Bonds, and Wells Fargo Bank, National Association shall resign as the Remarketing Agent for each series of the Bonds effective as of such date; and

WHEREAS, in connection therewith, it is necessary for the Board of Governors, UNC Hospitals and TD Securities (USA) LLC to execute and deliver two separate Remarketing Agreements, each to be dated as of the date of delivery thereof (the "Remarketing Agreements"); and

WHEREAS, in connection with the delivery of the Standby Bond Purchase Agreements, the remarketing of the tendered Bonds and the appointment of TD Securities (USA) LLC as the successor Remarketing Agent, it will be necessary to prepare and distribute a remarketing circular to supplement the Official Statement relating to the Bonds to be used by the existing or any successor Remarketing Agent for the Bonds (the "Remarketing Circular"); and

WHEREAS, in connection with the proposed transaction described above, there has been presented to the Board of Governors forms of the Standby Bond Purchase Agreements, the Letter Agreements, the Remarketing Agreements and the Remarketing Circular;

NOW, THEREFORE, BE IT RESOLVED by the Board of Governors as follows:

Section 1. The forms, terms and provisions of the Standby Bond Purchase Agreements, the Letter Agreements and the Remarketing Agreements are hereby approved in substantially the forms presented at to the Board of Governors. The Chair and Vice Chair of the Board of Governors and the Senior Vice President for Finance and Administration of the University are each hereby authorized and directed to execute and deliver the Remarketing Agreements in substantially the forms so presented, together with such modifications as they shall, with the advice of counsel, deem necessary or appropriate, such execution and delivery thereof to be conclusive evidence of the approval and authorization of the Board of Governors in all respects of the form and content thereof.

Section 2. The Board of Governors hereby authorizes UNC Hospitals to take such actions necessary to provide for the execution and delivery of the Standby Bond Purchase Agreements as Substitute Liquidity Facilities for the Bonds pursuant to the terms set forth in the Series Indenture. The Board of Governors hereby also authorizes UNC Hospitals to cause the Bonds to be mandatorily tendered for purchase in connection with the execution and delivery of the Standby Bond Purchase Agreements in the manner set forth in the Series Indenture.

Section 3. The Board of Governors hereby authorizes UNC Hospitals to take such actions necessary to cause TD Securities (USA) LLC to be appointed as the successor Remarketing Agent for the Bonds effective as of the date of execution and delivery of the Standby Bond Purchase Agreements pursuant to the terms set forth in the Series Indenture.

Section 4. The Board of Governors hereby authorizes and approves the preparation and distribution of the Remarketing Circular in substantially the form presented at this meeting, together with such modifications UNC Hospitals shall, with the advice of counsel, deem necessary or appropriate to describe the terms and provisions relating to the Standby Bond Purchase Agreements, the Remarketing Agreements, the Bonds, UNC Hospitals, the Bank and the Remarketing Agent.

Section 5. The officers of the Board of Governors and the University are hereby authorized to execute and deliver for and on behalf of the Board or Governors and the University any and all additional certificates, documents, opinions or other papers, and to perform all other acts as may be required by the transaction contemplated hereby or as they may deem necessary or appropriate in order to implement and carry out the intent and purpose of this resolution. Any such actions heretofore taken by the Board of Governors or the University and its officers in connection with the transactions contemplated by this resolution are hereby authorized, ratified and confirmed.

Section 6. The officers, agents and employees of the Board of Governors and the University are hereby authorized and directed to do all acts and things required of them by the provisions of this resolution, the Bonds, the General Indenture, the Series Indenture or the Remarketing Agreements for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same.

Section 7. This resolution shall become effective on the date of its adoption.

ADOPTED this 23rd day of July, 2020.

Meredith R. McCullen
Secretary
The University of North Carolina System

RESOLUTION OF THE BOARD OF GOVERNORS

RESOLUTION APPROVING A SUBSTITUTE LIQUIDITY FACILITY AND SUCCESSOR REMARKETING AGENT FOR THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL REVENUE REFUNDING BONDS, SERIES 2003B AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REMARKETING AGREEMENT AND CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, pursuant to Chapter 116 of the General Statutes of North Carolina, the Board of Governors (the "Board of Governors") of The University of North Carolina (the "University") is vested with general control and supervision of the University of North Carolina Hospitals at Chapel Hill ("UNC Hospitals") and other institutions;

WHEREAS, pursuant to Section 116-37, as amended, of the General Statutes of North Carolina, there has been created as an affiliated enterprise of the University, the University of North Carolina Health Care System (the "UNC Health Care System"), and a Board of Directors of the UNC Health Care System, as a successor board to the board of directors of UNC Hospitals, which is charged with the responsibility for making rules, regulations and policies governing the management and operation of the UNC Health Care System, including UNC Hospitals;

WHEREAS, the Board of Governors is authorized by Sections 116-187 to 116-198, inclusive, of the General Statutes of North Carolina, as amended (the "Act"), to issue, subject to the approval of the Director of the Budget of the State of North Carolina, at one time or from time to time revenue bonds of the Board of Governors for the purpose of financing the cost of facilities and programs for the UNC Health Care System and UNC Hospitals;

WHEREAS, the Board of Governors is authorized by the Act to enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under the Act;

WHEREAS, pursuant to a General Trust Indenture, dated as of January 1, 1992 (as supplement and amended, the "General Indenture"), between the Board of Governors and First Union National Bank (succeeded by U.S. Bank National Association), as trustee (the "Trustee"), and a Series Indenture Number 5, dated as of February 1, 2003 (the "Series Indenture"), between the Board of Governors and the Trustee, both as accepted and agreed to by UNC Hospitals, the Board of Governors has heretofore issued its University of North Carolina Hospitals at Chapel Hill Revenue Refunding Bonds, Series 2003B in the original principal amount of \$34,245,000 (the "Bonds"), of which \$22,455,000 is outstanding as of the date hereof; and

WHEREAS, the Bonds currently bear interest at variable interest rates determined from time to time as provided in the Series Indenture, and the Owners of the Bonds may optionally tender, or may be required to tender, their Bonds for purchase from time to time as provided in the Series Indenture; and

WHEREAS, in the event that any of the Bonds are tendered for purchase and remarketing proceeds are not otherwise available to pay the purchase price of the tendered Bonds, the payment of such purchase price is currently secured by a Standby Agreement (as defined in the Series Indenture) provided by Well Fargo Bank, National Association, the current term of which expires on July 31, 2020; and

WHEREAS, the Board of Directors of the UNC Health Care System (the "UNCHCS Board"), as the governing body of UNC Hospitals, has determined that it is in the best interest of UNC Hospitals to arrange for the delivery of a Substitute Liquidity Facility (as defined in the Series Indenture) by TD Bank, N.A. (the "Bank") to replace the existing Standby Agreement; and

WHEREAS, the Substitute Liquidity Facility will consist of a Standby Bond Purchase Agreement, to be dated as of the date of delivery thereof (the "Standby Bond Purchase Agreement"), between UNC Hospitals and the Bank, together with a related Letter Agreement, to be dated as of the date of delivery thereof (the "Letter Agreement"), between UNC Hospitals and the Bank; and

WHEREAS, in connection with the execution and delivery of the Standby Bond Purchase Agreement, it will be necessary to provide for a mandatory tender of the Bonds for purchase in accordance with the terms of the Series Indenture; and

WHEREAS, in connection with the execution and delivery of the Standby Bond Purchase Agreement and the remarketing of the tendered Bonds, UNC Hospitals has determined to direct the Board of Governors to appoint TD Securities (USA) LLC as the successor Remarketing Agent (as defined in the Series Indenture), and Wells Fargo Bank, National Association shall resign as the Remarketing Agent effective as of such date; and

WHEREAS, in connection therewith, it is necessary for the Board of Governors, UNC Hospitals and TD Securities (USA) LLC to execute and deliver a Remarketing Agreement, to be dated as of the date of delivery thereof (the "Remarketing Agreement"); and

WHEREAS, in connection with the delivery of the Standby Bond Purchase Agreement, the remarketing of the tendered Bonds and the appointment of TD Securities (USA) LLC as the successor Remarketing Agent, it will be necessary to prepare and distribute a remarketing circular to supplement the Official Statement relating to the Bonds to be used by the existing or any successor Remarketing Agent for the Bonds (the "Remarketing Circular"); and

WHEREAS, in connection with the proposed transaction described above, there has been presented to the Board of Governors forms of the Standby Bond Purchase Agreement, the Letter Agreement, the Remarketing Agreement and the Remarketing Circular;

NOW, THEREFORE, BE IT RESOLVED by the Board of Governors as follows:

Section 1. The forms, terms and provisions of the Standby Bond Purchase Agreement, the Letter Agreement and the Remarketing Agreement are hereby approved in substantially the

forms presented at this meeting. The Chair and Vice Chair of the Board of Governors and the Senior Vice President for Finance and Administration of the University are each hereby authorized and directed to execute and deliver the Remarketing Agreement in substantially the form presented, together with such modifications as they shall, with the advice of counsel, deem necessary or appropriate, such execution and delivery thereof to be conclusive evidence of the approval and authorization of the Board of Governors in all respects of the form and content thereof.

Section 2. The Board of Governors hereby authorizes UNC Hospitals to take such actions necessary to provide for the execution and delivery of the Standby Bond Purchase Agreement as a Substitute Liquidity Facility for the Bonds pursuant to the terms set forth in the Series Indenture. The Board of Governors hereby also authorizes UNC Hospitals to cause the Bonds to be mandatorily tendered for purchase in connection with the execution and delivery of the Standby Bond Purchase Agreement in the manner set forth in the Series Indenture.

Section 3. The Board of Governors hereby authorizes UNC Hospitals to take such actions necessary to cause TD Securities (USA) LLC to be appointed as the successor Remarketing Agent for the Bonds effective as of the date of execution and delivery of the Standby Bond Purchase Agreement pursuant to the terms set forth in the Series Indenture.

Section 4. The Board of Governors hereby authorizes and approves the preparation and distribution of the Remarketing Circular in substantially the form presented at this meeting, together with such modifications as UNC Hospitals shall, with the advice of counsel, deem necessary or appropriate to describe the terms and provisions relating to the Standby Bond Purchase Agreement, the Remarketing Agreement, the Bonds, UNC Hospitals, the Bank and the Remarketing Agent.

Section 5. The officers of the Board of Governors are hereby authorized to execute and deliver for and on behalf of the Board of Governors and the University any and all additional certificates, documents, opinions or other papers, and to perform all other acts as may be required by the transaction contemplated hereby or as they may deem necessary or appropriate in order to implement and carry out the intent and purpose of this resolution. Any such actions heretofore taken by Board of Governors or the University and its officers in connection with the transactions contemplated by this resolution are hereby authorized, ratified and confirmed.

Section 6. The officers, agents and employees of the Board of Governors and the University are hereby authorized and directed to do all acts and things required of them by the provisions of this resolution, the Bonds, the General Indenture, the Series Indenture, the Standby Bond Purchase Agreement or the Remarketing Agreement for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same.

Section 7. This resolution shall become effective on the date of its adoption.

ADOPTED this 23rd day of July, 2020.