

### **Sale of Special Obligation Bonds – University of North Carolina at Greensboro**

#### **ISSUE OVERVIEW**

The University of North Carolina Board of Governors is authorized to issue special obligation bonds for capital improvements projects that have been approved by the North Carolina General Assembly. Although a specific source of funding is used by an institution when retiring these bonds, special obligation bonds are generally payable from all institution revenues excluding tuition, State appropriations, and restricted reserves.

The University of North Carolina at Greensboro requests that the Board issue special obligation bonds in an amount not to exceed \$15.5 million (the “2024 Bonds”) for the purpose of refunding the outstanding maturities of UNC Greensboro’s general revenue bonds, Series 2014 (the “2014 Bonds”). UNC Greensboro estimates that it can achieve approximately \$656,000 in net present value savings by refunding the 2014 Bonds, representing roughly 4.37 percent of the par amount refunded.

The 2024 Bonds will be issued on a tax-exempt basis and directly placed with TD Public Finance, LLC, which was selected through a competitive RFP process.

UNC Greensboro has issuer credit rating of “Aa3” with a stable outlook by Moody’s Ratings and “A+” with a stable outlook from S&P Global. The 2024 Bonds will not be rated, and this transaction is expected to have no impact on UNC Greensboro’s credit ratings.

Parker Poe Adams & Bernstein LLP is bond counsel, and First Tryon is the financial advisor.

#### **RECOMMENDATION**

It is recommended that the president of the University, or his designee, be authorized to sell the special obligation bonds through the attached resolution.

**RESOLUTION OF THE UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS  
AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION BONDS TO REFINANCE  
SPECIAL OBLIGATION BOND PROJECTS  
FOR THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO**

**WHEREAS**, pursuant to Chapter 116 of the General Statutes of North Carolina, the University of North Carolina Board of Governors (the “Board”) is vested with general control and supervision of the constituent institutions of the University of North Carolina System (the “UNC System”); and

**WHEREAS**, the Board is authorized by Chapter 116D of the General Statutes of North Carolina (the “Act”) to issue, subject to the approval of the Director of the Budget, at one time or from time to time, (1) special obligation bonds of the Board for the purpose of paying all or any part of the cost of acquiring, constructing, or providing special obligation projects and (2) refunding bonds for the purpose of refunding any bonds by the Board under the Act or under any Article of Chapter 116 of the General Statutes of North Carolina, including the payment of any redemption premium on them and any interest accrued or to accrue to the date of redemption of the bonds refunded; and

**WHEREAS**, The University of North Carolina at Greensboro and its financial advisor have advised the Board that it can achieve debt service savings related to the outstanding principal amount of The University of North Carolina at Greensboro General Revenue Bond, Series 2014 (the “2014 Bonds”) previously issued by the Board on behalf of UNC Greensboro to finance projects at UNC Greensboro;

**WHEREAS**; the Board has determined to issue a The University of North Carolina at Greensboro General Revenue Refunding Bond (with appropriate description and series designation) (the “Bond”) in an aggregate principal amount not to exceed \$15,500,000 to refund the outstanding 2014 Bonds maturing on April 1, 2029, to achieve debt service savings and to pay issuance expenses of the Bond; and

**WHEREAS**, the Board has determined to issue the Bond under the General Trust Indenture dated as of June 1, 2001 (the “General Indenture”) between the Board and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and a series indenture (the “Series Indenture”) between the Board and the Trustee; and

**WHEREAS**, the Bond and other obligations issued under the General Indenture are payable solely from any legally available funds of UNC Greensboro, or of the Board held for UNC Greensboro, in each fiscal year, including unrestricted fund balances shown as such on the UNC Greensboro financial statements, but excluding (1) appropriations by the General Assembly of the State from the State General Fund, (2) tuition payments by UNC Greensboro students, (3) funds whose purpose has been restricted by the gift, grant or payee thereof and (4) revenues generated by Special Facilities (the “Available Funds”);

**WHEREAS**, the Board proposes to sell the Bond to TD Public Finance, LLC (the “Purchaser”), selected through a request for proposals process whose bid result in the most favorable terms for UNC Greensboro; and

**WHEREAS**, in order to lock the interest rate with the Purchaser, the Board or UNC Greensboro may need to enter into an agreement with the Purchaser to pay an amount necessary to make the Purchaser whole for a change in interest rates if the Bond is not issued by the Board on or before a certain date (the “Rate Lock Agreement”);

**WHEREAS**, there have been made available to the Board forms of the following documents (the “Board Documents”) which the Board proposes to approve, ratify, execute and deliver, as applicable, to effectuate the financing:

1. the General Indenture;
2. the Series Indenture; and
3. the Bond in the form set forth in the Series Indenture; and

**WHEREAS**, the issuance of the Bond does not directly, indirectly, or contingently obligate the State or any agency or political subdivision of the State to levy or to pledge any taxes to pay the cost, in whole or in part, of the Bond in compliance with Section 116D-23 of the Act;

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

Section 1. **Authorization of Bond.** The Board hereby authorizes the issuance of the Bond in an aggregate principal amount not to exceed \$15,500,000 under the General Indenture and the Series Indenture to pay the costs of refunding the outstanding 2014 Bonds maturing on April 1, 2029, and costs incurred in connection with the issuance of the Bond. The Bond will be issued in accordance with the term sheet provided by the Purchaser and on such other terms as the Senior Vice President for Finance and Administration and CFO of the UNC System (the “SVP-Finance”), or her designee, in consultation with the appropriate officers at UNC Greensboro, determine to be in UNC Greensboro’s best interest.

Section 2. **Sufficiency of Available Funds.** The Board hereby finds that sufficient Available Funds are available to pay the principal of and interest on the Bond and to provide for the maintenance and operation of the facilities at UNC Greensboro to the extent required under the General Indenture.

Section 3. **Selection of Financing Team Members.** The Board authorizes the SVP-Finance and the Vice Chancellor for Business Affairs of UNC Greensboro, and their respective designees, to select the professionals necessary to undertake the financing as contemplated in this Resolution.

Section 4. **Authorization of Board Documents.** The form and content of the Board Documents are in all respects authorized, approved, and confirmed, and the Chair of the Board, the President of the UNC System, the SVP-Finance, the Secretary of the Board, and the Secretary of the UNC System, or anyone acting in an interim capacity, and their respective designees, individually and collectively (the “Authorized Officers”), are each authorized, empowered, and directed to execute and deliver, as applicable, the Board Documents for and on behalf of the Board, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions, or deletions therein as to them seem necessary, desirable, or appropriate, their execution thereof to constitute conclusive evidence of the Board’s approval of any and all such changes, modifications, additions, or deletions therein. From and after the execution and delivery of the Board Documents, as applicable, the Authorized Officers are each hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Board Documents as executed.

The Authorized Officers and the Vice Chancellor for Business Affairs of UNC Greensboro, individually or collectively, are authorized to enter into a Rate Lock Agreement and, to the extent necessary, make any payment from any legally available funds of UNC Greensboro that may be required under the Rate Lock Agreement.

Section 5. **General Authority.** From and after the execution and delivery of the Board Documents, as applicable, the Authorized Officers are each hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary to the issuance and on-going administration of the Bond. Any provision in this Resolution that authorizes more than one Authorized Officer to take certain actions shall be read to permit such Authorized Officers to take the authorized actions either individually or collectively. The Chancellor and the Vice Chancellor for Business Affairs of UNC Greensboro, or their respective designees, individually or collectively, are hereby authorized to execute and deliver all documents as may be necessary to the issuance and on-going administration of the Bond on behalf of UNC Greensboro.

Section 6. **Conflicting Provisions.** This resolution supersedes the Prior Resolution. All other resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 7. **Effective Date.** This Resolution is effective immediately on the date of its adoption.

*PASSED, ADOPTED, AND APPROVED* this 12<sup>th</sup> day of September, 2024.

STATE OF NORTH CAROLINA

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SECRETARY'S CERTIFICATE

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SS:

OF AUTHENTICATION

COUNTY OF WAKE

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I, Meredith R. McCullen, Associate Vice President and Secretary of the University of North Carolina System, *DO HEREBY CERTIFY* that (1) the foregoing is a full, true and correct copy of the approving resolution adopted by the Board of Governors of the University of North Carolina System (the "*Board of Governors*") at its meeting on September 12, 2024 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Governors held on September 11, 2024 was sent to each member of the Board of Governors, and (3) a quorum was present at the meeting on September 12, 2024 at which time the foregoing Resolution was adopted.

**WITNESS**, my hand and the seal of the University of North Carolina System this \_\_\_\_ day of \_\_\_\_\_, 2024.

[SEAL]

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Meredith R. McCullen, Associate Vice President and  
Secretary of the University of North Carolina System