

Remarketing of Special Obligation Bonds — University of North Carolina at Chapel Hill

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 campus revenues excluding tuition, State appropriations, and restricted reserves.

The University of North Carolina at Chapel Hill (“UNC-Chapel Hill”) requests that the Board of Governors approve the remarketing of (1) its General Revenue Bonds, Series 2012B (the “2012B Bonds”), (2) its General Revenue Refunding Bonds, 2019A (the “2019A Bonds”), and (3) its General Revenue Refunding Bonds, 2019B Bonds (the “2019B Bonds,” and together with the 2019A Bonds, the “2019 Bonds”) prior to their mandatory tender date and the delivery of related remarketing supplements. The proceeds of the 2012B Bonds were used to finance and refinance the construction, renovation, improvement, equipping, and furnishing of certain facilities on the UNC-Chapel Hill campus. The proceeds of the 2019 Bonds refunded bonds were originally issued in 2012 and 2016. The Board has previously approved the remarketing or refinancing of the bonds in 2016, 2019, 2021, and 2022.

UNC-Chapel Hill requests that the Board approve (1) the remarketing of the 2012B and 2019 Bonds prior to their mandatory tender date, and (2) the delivery of related remarketing supplements and remarketing agreements. Approval of remarketing the 2012B and 2019 Bonds will avoid tendering the bonds on June 1, 2025, and incurring additional costs of issuance related to another transaction.

UNC-Chapel Hill anticipates that the 2012B and 2019 Bonds will be remarketed on a variable rate basis and will have a mandatory purchase date within three to five years. Requests for remarketing bonds are administrative and shall occur prior to each mandatory purchase date.

The 2012B Bonds and the 2019 Bonds will be remarketed by Wells Fargo and RBC Bank as co-senior managing underwriters, who are members of the pool of approved underwriters selected by UNC-Chapel Hill through a competitive RFP process.

Currently, UNC-Chapel Hill is rated “Aaa” with a stable outlook by Moody’s Investors Service, “AAA” with a stable outlook by S&P Global and “AAA” with a stable outlook by Fitch Ratings. The transaction is not expected to have any impact on UNC-Chapel Hill’s credit ratings.

Parker Poe Adams & Bernstein LLP is bond counsel, and PFM Financial Advisors LLC is the financial advisor.

RECOMMENDATION

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

**RESOLUTION OF THE UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS
AUTHORIZING THE CONVERSION AND REMARKETING OF SPECIAL OBLIGATION
BONDS FOR THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

WHEREAS, by 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 bond 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 Board has previously issued The University of North Carolina at Chapel Hill General Revenue Bonds, Series 2012B (the “2012B Bonds”), the proceeds of which were used to finance and refinance the construction, renovation, improvement, equipping, and furnishing of certain facilities on the University of North Carolina at Chapel Hill (“UNC-Chapel Hill”) campus, under the terms of the General Trust Indenture dated as of January 15, 2001 (the “General Indenture”) between the Board and The Bank of New York, the successor to which is The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and an Amended and Restated Series Indenture, Number 9 dated as of June 16, 2022 (the “Ninth Series Indenture”) between the Board and the Trustee;

WHEREAS, the Board has also previously issued the University of North Carolina at Chapel Hill General Revenue Refunding Bonds, Series 2019A, and the University of North Carolina at Chapel Hill General Revenue Refunding Bonds, Series 2019B (the “2019 Bonds”), the proceeds of which were used to refinance the construction, renovation, improvement, equipping, and furnishing of certain facilities on the UNC-Chapel Hill campus, under the General Indenture and an Amended and Restated Series Indenture, Number 16 dated as of June 16, 2022 (the “Sixteenth Series Indenture”) between the Board and the Trustee;

WHEREAS, in connection with the tender and remarketing of the 2012B Bonds and the 2019 Bonds in advance of their upcoming mandatory tender date, the Board has determined to cause the following documents to be prepared, which the Board proposes to approve, ratify, execute, and deliver, as applicable, forms of which has been made available to the Board:

1. a Remarketing Supplement related to the remarketing of the 2012B Bonds (the “2012B Bonds Remarketing Supplement”);
2. a Remarketing Supplement related to the remarketing of the 2019 Bonds (the “2019 Bonds Remarketing Supplement” and collectively with the 2012B Bonds Remarketing Supplement, the “Remarketing Supplements”); and

3. Remarketing Agreements between the Board and Wells Fargo Bank, National Association, and RBC Capital Markets, LLC, with respect to the 2012B Bonds and the 2019 Bonds (collectively, the “Remarketing Agreements”).

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

Section 1. **Remarketing of Bonds.** That the Board authorizes the conversion of the interest rate and remarketing of the 2012B Bonds in accordance with the terms of the Amended and Restated Ninth Series Indenture and authorizes the conversion of the interest rate and remarketing of the 2019 Bonds in accordance with the terms of the Amended and Restated Sixteenth Series Indenture. Wells Fargo Bank, National Association, and RBC Capital Markets, LLC, (the “Remarketing Agents”) are hereby appointed as the Remarketing Agent for the remarketing of the 2012B Bonds and the 2019 Bonds. The Vice Chancellor for Finance and Operations at UNC-Chapel Hill, in consultation with the Senior Vice President for Finance and Chief Financial Officer of the UNC System (the “SVP-Finance”), is authorized and directed to establish the terms for the remarketing of the 2012B Bonds in accordance with the Amended and Restated Ninth Series Indenture and the 2019 Bonds in accordance with the Amended and Restated Sixteenth Series Indenture. The form, terms, and content of the Remarketing Supplements be and the same hereby are in all respects authorized, approved, and confirmed, and the use of the Remarketing Supplements by the Remarketing Agents in connection with the remarketing of the 2012B Bonds and the 2019 Bonds, respectively, are hereby in all respects authorized, approved, ratified, and confirmed. The Chair of the Board, the President, the SVP-Finance, and Vice Chancellor for Finance and Operations of UNC-Chapel Hill, individually or collectively, be and they hereby are each authorized, empowered, and directed to deliver the Remarketing Supplements for and on behalf of the Board in substantially the form and content of the Remarketing Supplements presented to the Board, but with such changes, modifications, additions, or deletions therein as shall to them seem necessary, desirable, or appropriate.

The form and content of the Remarketing Agreements be and the same hereby are in all respects authorized, approved, and confirmed, and the Chair of the Board, the President of the UNC System, the Senior Vice President for Finance and CFO of the UNC System, the Secretary of the Board, and the Associate Vice President and Secretary of the UNC System, and their respective designees (collectively the “Authorized Officers”), are hereby authorized, empowered, and directed, individually and collectively, to execute and deliver the Remarketing Agreements 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, and that from and after the execution and delivery of the Remarketing Agreements, 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 Remarketing Agreements as executed.

Section 2. **General Authority.** From and after the execution and delivery of the documents herein above authorized, 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 remarketing of the 2012B Bonds and the 2019 Bonds and otherwise contemplated by this Resolution. Any provision in this Resolution that authorizes more than one officer to take certain actions shall be read to permit such officers to take the authorized actions either individually or collectively. The Chancellor and the Vice

Chancellor for Finance and Operations at UNC-Chapel Hill, or their respective designees, individually or collectively, are hereby authorized to execute and deliver all documents and take such actions as may be necessary to the on-going administration and the remarketing of the 2012B Bonds and the 2019 Bonds and otherwise contemplated by this Resolution on behalf of UNC-Chapel Hill.

Section 3. **Conflicting Provisions.** All 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 4. **Effective Date.** This Resolution is effective immediately on the date of its adoption.

PASSED, ADOPTED, AND APPROVED this 27th day of February, 2025.

**SECRETARY'S CERTIFICATE
OF AUTHENTICATION**

STATE OF NORTH CAROLINA
COUNTY OF WAKE

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 at its meeting on February 27, 2025 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Governors of the University of North Carolina System held on February 27, 2025 was sent to each member of the Board, and (3) a quorum was present at the meeting on February 27, 2025 at which time the foregoing Resolution was adopted.

WITNESS, my hand and the seal of the University of North Carolina System this ____ day of _____, 2025.

[SEAL]

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