

Sale of Special Obligation Bonds — North Carolina Agricultural and Technical State University

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.

North Carolina Agricultural and Technical State University (“N.C. A&T”) requests that the Board of Governors issue special obligation bonds (the “2025 Bonds”) in a principal amount not to exceed \$36 million for the purpose of (a) currently refunding all or a portion of N.C. A&T’s General Revenue Bonds, Series 2015A (the “2015A Bonds”) and (b) paying the costs of issuing the 2025 Bonds. N.C. A&T estimates that it can achieve approximately \$2.8 million in net present value savings by refunding the 2015A Bonds, representing approximately 7.95 percent of the par amount refunded, which is based on a cost of funds of approximately 3.89 percent.

The 2015A Bonds were used to finance and refinance the costs of the construction, equipping, and furnishing of the new student center and refund other prior obligations.

The 2025 Bonds will be directly placed with Huntington Public Capital Corporation, which was selected through a competitive request for proposal (RFP) process.

N.C. A&T is rated “Aa3” with a stable outlook by Moody’s Investors Ratings and “AA” with a stable outlook from Fitch Ratings. N.C. A&T is currently not rated by S&P Global Ratings. The 2025 Bonds will not be rated, and the transaction is expected to have no impact on N.C. A&T’s credit ratings.

Parker Poe Adams & Bernstein LLP is bond counsel, and First Tryon Advisors, LLC, 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
NORTH CAROLINA AGRICULTURAL & TECHNICAL STATE UNIVERSITY**

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 issued 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, North Carolina Agricultural & Technical State University (“N.C. A&T”) and its financial advisor have advised the Board that it can achieve debt service savings by refunding the North Carolina Agricultural and Technical State University General Revenue Bonds Series 2015A (the “2015A Bonds”), the proceeds of which were used to finance and refinance the costs of the construction, equipping, and furnishing of the new student center on the campus of N.C. A&T and refund other prior obligations, the proceeds of which were used to finance and refinance projects at N.C. A&T;

WHEREAS, the Board has determined to issue North Carolina Agricultural and Technical State University General Revenue Refunding Bond (with appropriate description and series designation) (the “Bond”) in an aggregate principal amount not to exceed \$36,000,000 to (1) refund all or a portion of the 2015A Bonds maturing on and after October 1, 2026 (the “Refunded Bonds”) and (2) pay the costs of issuing the Bond; and

WHEREAS, the Board has determined to issue the Bond under the General Trust Indenture dated as of December 1, 2012 (the “General Indenture”) between the Board and The Bank of New York Mellon Trust Company, N.A., (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 funds of N.C. A&T, or the Board held for N.C. A&T, in each fiscal year, but excluding (1) appropriations by the North Carolina General Assembly from the State General Fund, (2) tuition payments by N.C. A&T students, (3) funds whose purpose has been restricted by the gift, grant, or payee thereof, (4) revenues generated by Special Facilities (as defined in the General Indenture), and (5) funds restricted by law (the “Available Funds”); and

WHEREAS, the Board proposes to sell the Bond to Huntington Public Capital Corporation (the “Purchaser”), selected through a request for proposals process whose bid result in the most favorable terms for N.C. A&T; and

WHEREAS, in order to lock the interest rate with the Purchaser, the Board or N.C. A&T 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 or 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.** That the Board hereby authorizes the issuance of the Bond in an aggregate principal amount not to exceed \$36,000,000 under the General Indenture and the Series Indenture to pay the costs of refunding the Refunded Bonds 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 Chief Financial Officer of the UNC System (the “SVP-Finance”), or her designee, in consultation with the appropriate officers at N.C. A&T, determine to be in N.C. A&T’s best interest to achieve debt service savings on the Refunded Bonds.

Section 2. **Sufficiency of Available Funds.** That 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 N.C. A&T to the extent required under the General Indenture.

Section 3. **Selection of Financing Team Members.** That the Board authorizes the SVP-Finance and the Vice Chancellor for Business and Finance of N.C. A&T to select the professionals necessary to undertake the financing as contemplated in this Resolution.

Section 4. **Authorization of Board Documents.** That the form and content of the Board documents be 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 Administration and Chief Financial Officer, the Secretary of the Board, and the Deputy Chief of Staff and Secretary of the UNC System, or anyone acting in an interim capacity, and their respective designees, individually and collectively (the “Authorized Officers”), be and they hereby are each authorized, empowered, and directed to execute and deliver 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, and that from and after the execution and delivery of the Board Documents, 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 and Finance of N.C. A&T, 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 N.C. A&T that may be required under the Rate Lock Agreement.

Section 5. **General Authority.** From and after the execution and delivery of the documents hereinabove 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 the issuance and ongoing administration of the Bond. 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 Business and Finance at N.C. A&T, or their respective designees, individually or collectively, are hereby authorized to execute and deliver all documents as may be necessary to the issuance and ongoing administration of the Bond on behalf of N.C. A&T.

Section 8. **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 9. **Effective Date.** This Resolution is effective immediately on the date of its adoption.

PASSED, ADOPTED, AND APPROVED this 16th day of October, 2025.

STATE OF NORTH CAROLINA

)

SECRETARY'S CERTIFICATE

)

SS:

OF AUTHENTICATION

COUNTY OF WAKE

)

I, Meredith R. McCullen, Deputy Chief of Staff 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 University of North Carolina Board of Governors (the "Board of Governors") at its meeting on October 16, 2025 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Governors held on October 16, 2025 was sent to each member of the Board of Governors, and (3) a quorum was present at the meeting on October 16, 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]

Deputy Chief of Staff and Secretary of the University of
North Carolina System