

### Sale of Special Obligation Bonds — University of North Carolina Wilmington

#### 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 Wilmington (“UNC Wilmington”) requests that the Board of Governors issue special obligation bonds (the “2025 Bonds”) in a principal amount not to exceed \$71, 002,458, plus an additional amount not to exceed five percent of such principal amount. The 2025 Bonds will finance (a) the cost of the construction of a new residence hall referred to as “Student Housing Village — Phase III” (the “Project”), (b) capitalized interest on the bonds, and (c) certain costs incurred in connection with the issuance of the 2025 Bonds.

The General Assembly authorized the Projects under S.L. 2025-46 (HB 378). The expected cost of funds for the 2025 Bonds is approximately 4.05 percent. The 2025 Bonds will be directly placed with TD Public Finance LLC, which was selected through a competitive request for proposal (RFP) process.

The Project will construct a new residence hall providing approximately 540 traditional-style beds for freshman and sophomore students. Site preparation will begin late fall of 2025, and the anticipated completion date is fall 2027.

UNC Wilmington is rated “Aa3” with a stable outlook by Moody’s Investors Services. UNC Wilmington is not currently rated by S&P Global Ratings or Fitch Ratings. The transaction is expected to have no impact on UNC Wilmington’s credit rating.

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  
BOND TO FINANCE SPECIAL OBLIGATION BOND PROJECT FOR  
THE UNIVERSITY OF NORTH CAROLINA WILMINGTON**

**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”);

**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;

**WHEREAS**, the General Assembly has authorized the issuance of special obligation bonds under the Act for the University of North Carolina Wilmington (“UNC Wilmington”) to finance the construction, equipping, and furnishing of Student Housing Village — Phase III at UNC Wilmington pursuant to S.L. 2025-46 of the 2025 Session Laws of the North Carolina General Assembly (the “Special Obligation Bond Project”);

**WHEREAS**, UNC Wilmington has requested that the Board issue special obligation bonds, the proceeds of which are to be used by UNC Wilmington to finance, or reimburse UNC Wilmington for, the costs of the Special Obligation Bond Project;

**WHEREAS**, the Board has determined to issue UNC Wilmington General Revenue Bond (with appropriate descriptions and series designations) (the “Bond”) to (1) finance the Special Obligation Bond Project, (2) pay capitalized interest on the Bond, and (3) pay the costs of issuing the Bond;

**WHEREAS**, the Board has determined to issue the Bond under the General Trust Indenture dated as of May 1, 2002 (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 funds of UNC Wilmington or the Board in each Fiscal Year remaining after satisfying obligations of UNC Wilmington or the Board under a trust indenture, trust agreement, or bond resolution providing for the issuance of debt of the Board with respect to UNC Wilmington as of the date of the General Indenture, but excluding (1) appropriations by the North Carolina General Assembly (the “State”) from the State General Fund, (2) tuition payments by UNC Wilmington 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”);

**WHEREAS**, the Bond will be purchased by TD Public Finance LLC (the “Purchaser”) selected via a request for proposals process by UNC Wilmington and its financial advisor pursuant to a term sheet submitted by the Purchaser and under the terms of the Series Indenture;

**WHEREAS**, there have been made available to the Board form of the Series Indenture and the Bond (the “Board Documents”) which the Board proposes to approve, ratify, execute, and deliver, as applicable, to effectuate the financing;

**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;

**WHEREAS**, the Board desires to proceed with the Special Obligation Bond Project and UNC Wilmington will incur and pay certain expenditures in connection with the Special Obligation Bond Project prior to the date of issuance of the Bond (the “Original Expenditures”), such Original Expenditures to be paid for originally from a source other than the proceeds of the Bond, and the Board intends, and reasonably expects, to cause UNC Wilmington to be reimbursed for such Original Expenditures from a portion of the proceeds of the Bond to be issued at a date occurring after the dates of such Original Expenditures;

**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 \$71,002,458 plus up to an additional five percent (5%) of such amount to pay issuance expenses, capitalized interest, and other related additional costs, under the General Indenture and the Series Indenture to pay the costs of financing the Special Obligation Bond Project, capitalized interest, and costs incurred in connection with the issuance of the Bond.

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 Wilmington to the extent required under the General Indenture.

Section 3. **Selection of Financing Team Members.** The Board authorizes the Senior Vice President for Finance and Administration and Chief Financial Officer of the UNC System and the Vice Chancellor for Business Affairs of UNC Wilmington, 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 Senior Vice President for Finance and Administration and Chief Financial Officer of the UNC System, 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”), 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.

Section 5. **Official Declaration of Intent to Reimburse.** The Board presently intends, and reasonably expects, to cause UNC Wilmington to be reimbursed for the Original Expenditures incurred and paid by UNC Wilmington on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Bond. The Board reasonably expects to issue the Bond to finance costs of the Special Obligation Bond Project and the maximum principal amount of Bond expected to be issued by the Board to pay costs of the Special Obligation Bond Project is \$71,002,458. This Resolution is a declaration of official intent of the Board under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the Board's intent to cause UNC Wilmington to be reimbursed for the Original Expenditures from proceeds of the Bond.

Section 6. **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 ongoing 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 Wilmington, 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 UNC Wilmington.

Section 7. **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 8. **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