

Sale of Special Obligation Bonds - UNC Greensboro

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

UNC Greensboro has requested that the Board issue special obligation bonds for the purpose of (1) financing (a) the acquisition of residence halls on the UNC Greensboro campus known as Spartan Village and (b) the construction and equipping of a new student recreation center, and (2) costs incurred in connection with the issuance of the 2014 Bonds. The 2014 Bonds may be issued in one or more series of bonds, including any combination of tax-exempt bonds and taxable bonds as the President of the University, or his designee, in consultation with the appropriate officers at UNCG, determine to be in the best interest of the University.

The issuance of bonds for these projects will not exceed a par amount of \$138,000,000. The acquisition of the Spartan Village residence halls will be financed with housing receipts. The new student recreation center will be financed with revenues from a debt service fee previously approved by the Board of Governors.

UNC Greensboro currently has an issuer credit rating of Aa3 by Moody's Investor Service. After issuance of these bonds, it is expected UNCG will maintain its rating.

Citigroup will serve as senior underwriter. Bank of America Merrill Lynch and Wells Fargo Securities will serve as co-underwriters for the transaction. Parker Poe Adams & Bernstein is bond counsel and PNC Bank is the financial advisor.

APPENDIX D

It is recommended that the President of the University, or his designee, be authorized to sell the special obligation bonds.

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

Special Note: Effective July 1, 2013, Stephen B. Long, affiliated with Parker Poe Adams & Bernstein LLP, bond counsel for this transaction, will be a member of the UNC Board of Governors. Mr. Long has requested that this agenda item and the related minutes of relevant Board meetings reflect that he did not participate in the development of this agenda item nor will he participate in any future discussions or actions related to this transaction.