

**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

<b>LGC Staff Analysis For:</b>	<b>Elon LIBOR migration to Equivalent Index (Miscellaneous Action Item)</b>
<b>Amount Not to Exceed</b>	
<b>NCCFFA Item</b>	<input checked="" type="checkbox"/> Yes
<b>Description</b>	<p>Background on the LIBOR Index and Replacement Requirements</p> <p>The US Dollar (USD) London Interbank Offered Rate (LIBOR) will be replaced by the Secured Overnight Financing Rate (SOFR) as a primary benchmark index. Financings tied to the LIBOR index are required to transition to an alternative equivalent rate formula based on a non-LIBOR index or formula. This transition must be completed by June 30, 2023. Previously LIBOR was used as an index to calculate financing interest rates in many variable financing agreements and for most interest rate swaps.</p> <p>SOFR (Secured Overnight Financing Rate) is the recommended, not required, new benchmark to replace LIBOR, with banks also permitted to select their own new benchmarks.</p> <p>Elon University's transition away from LIBOR requires the amendment / reissuance of existing Trust Agreements and Bonds under the original terms to incorporate SOFR - based interest rate provisions - thus requiring NCCFFA &amp; LGC actionable approval.</p> <p>Proposed Transitions:</p> <ol style="list-style-type: none"> <li>1) Series 2012 Revenue Bonds, Original Par \$54,595,000 Original rate formula: 79% of 1 month LIBOR +110 basis points  New replacement = An equivalent SOFR based rate formula set at closing date.</li> <li>2) Series 2014B Revenue Refunding Bonds, Original Par \$110,310,000 Original rate formula: 67% of 1 month LIBOR + 107 basis points  New replacement = An equivalent SOFR based rate formula set at closing date.</li> <li>3) Series 2017A Revenue Bonds, Original Par \$24,320,000 Original rate formula: 79% of 1 month LIBOR + 58 basis points  New replacement = An equivalent SOFR based rate formula set at closing date.</li> <li>4) Series 2018 Revenue Bonds, Original Par \$20,000,000 Original rate formula: Fixed for year 1 - 10 (does not change), Variable years 11 - 15 at 82.5% of 1 month LIBOR + 100 basis points  New replacement = An equivalent SOFR based rate formula set at closing date.</li> </ol> <p>Facilities financed:</p> <p>The university has certified that there has been no change to original non-discriminatory use of the property financed through each of the bond series noted above.</p> <p>Financing Team:</p> <p>Bond Counsel: Womble Bond Dickinson (US) LLP</p> <p>Financial Advisor: JANNEY MONTGOMERY SCOTT LLC</p> <p>Trustee: Truist Bank</p> <p>Expected closing date: March 15, 2023</p> <p>Approvals:</p> <ul style="list-style-type: none"> <li>- Transition of Series 2012, 2014B, 2017A &amp; 2018 to equivalent SOFR based financing rates and related amendments to Trust Agreements.</li> <li>- Require completion prior to the June 30, 2023 LIBOR transition deadline.</li> </ul>

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LGC Staff Analysis For:	LIBOR migration to Equivalent Index (Misc - Non-Action Items)
Amount Not to Exceed	
NCCFFA Item	<input checked="" type="checkbox"/> Yes
Description	<p>Background on the LIBOR Index and Replacement Requirements</p> <p>The US Dollar (USD) London Interbank Offered Rate (LIBOR) will be replaced by the Secured Overnight Financing Rate (SOFR) as a primary benchmark index. Financings tied to the LIBOR index are required to transition to an alternative equivalent rate formula based on a non-LIBOR index. This transition must be complete by June 30, 2023. Previously LIBOR was used as an index to calculate financing interest rates in many variable financing agreements and for most interest rate swaps.</p> <p>SOFR (Secured Overnight Financing Rate) is the recommended, not required, new benchmark to replace LIBOR, with banks also permitted to select their own new benchmarks.</p> <p>Transition away from LIBOR for the bond issuances below requires only a simple omnibus amendment to the original documents, and are miscellaneous non-action items. Original financing institutions likewise remain unchanged.</p> <ol style="list-style-type: none"> <li>1) High Point University Series 2015 Revenue Bonds, Original Par \$80,630,000, Truist Bank  Original rate formula: 68% of 1 month LIBOR +81.25 basis points  New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date</li> <li>2) Metrolina Regional Scholars Academy, Inc. Series 2009 Revenue Bonds, Original Par \$4,050,000, Truist Bank  Original rate formula: 68% of 1 month LIBOR +212 basis points  New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date</li> <li>3) The Summit School, Series 2018 Revenue Bonds, Original Par \$12,840,000, Truist Bank  Original rate formula: 68% of 1 month LIBOR +212 basis points  New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date</li> <li>4) Peak Resources Realty, Series 2010A &amp; 2010B Recovery Zone Facility Bonds, Truist Bank  Original rate formula: 68% of 1 month LIBOR +178.75 basis points  New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date</li> <li>5) Young Men's Christian Association of the Triangle Area, Inc. Series 2017 B,C Revenue Bonds, Original Par \$42,135,000, Truist Bank  Original rate formula: 67% of 1 month LIBOR + 66 basis points Series B  67% of 1 month LIBOR + 74 basis points Series C  New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date</li> <li>6) Raleigh Charter High School, Inc. Series 2015 Revenue Bonds, Original Par \$6,626,980, PNC Bank  Original rate formula: 65% of 1 month LIBOR +127 basis points  New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date</li> <li>7) Endeavor Charter School, Inc, Series 2016 Revenue Bonds, Original Par \$7,681,669, PNC Bank  Original rate formula: 65% of 1 month LIBOR +160 basis points  New replacement = A SOFR based rate formula to produce a rate equivalent to the rate applicable on the closing date</li> </ol>

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LIBOR migration to Equivalent Index (Misc - Non-Action Items)	
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Financing Details	
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Financing Team

- Bond Counsel: McGuireWoods

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<b>LGC Staff Analysis For:</b>	<b>Ms. DeAlva Wilson Arnold Reappointed to NCCFFA Board</b>
<b>Amount Not to Exceed</b>	
<b>NCCFFA Item</b>	<input checked="checked" type="checkbox"/> Yes
<b>Description</b>	<p>Ms. DeAlva Wilson Arnold was reappointed by Governor Roy Cooper to the North Carolina Capital Facilities Finance Agency Board of Directors. Ms. Wilson's new term will expire on March 1, 2027. See appointment letter attached.</p>



**STATE OF NORTH CAROLINA  
OFFICE OF THE GOVERNOR**

**ROY COOPER  
GOVERNOR**

**March 2, 2023**

**Ms. DeAlva Wilson  
D. Wilson Agency  
101 South Tryon Street, Suite 2700  
Charlotte, North Carolina 28280**

**Dear DeAlva:**

I am pleased to reappoint you to serve as a member of the North Carolina Capital Facilities Finance Agency Board of Directors. Pursuant to N.C. Gen. Stat. § 159D-38, your reappointment is effective immediately. Your term will expire on March 1, 2027.

Your board or commission is covered by the State Ethics Act. As a result, please remember that you must participate in ethics training every two years, and you are required to file a Statement of Economic Interest by April 15 of each year.

Thank you for continuing to serve the people of North Carolina. I am grateful that you are willing to give your time and talents to move North Carolina forward.

Please read the enclosed instructions carefully so that we may complete the reappointment process. If you have any questions, contact the Office of Boards and Commissions at (919) 814-2077.

With kind regards, I am

Very truly yours,

A handwritten signature in black ink that reads "Roy Cooper".

**Roy Cooper**

**cc: The Honorable Dale R. Folwell**