

NORTH CAROLINA CAPITAL FACILITIES FINANCE AGENCY

MINUTES

AUGUST 7, 2012

The teleconference meeting was called to order by Chair Janet Cowell at 2:00 p.m. on the above date. Members present were State Treasurer Janet Cowell, Mr. Tim Hoegemeyer, General Counsel on behalf of State Auditor Beth Wood, Dr. G. Frank Sells, Mr. Jeffrey A. Nelson, and Mr. David Fountain participated via telephone. Mr. Vincent DeBenedetto attended in person.

Members absent: Mr. C. Edward Teague, III,

Chair Cowell asked those present if they had an actual, potential, or the appearance of a conflict of interest regarding the matters on the agenda. There were no conflicts to report.

Mr. Nelson made a motion to approve the agenda item concerning the Policy Guidelines around Higher Education Debt Maturity, which agenda item summarizes the transaction described below. Approval of the agenda item constitutes approval by the Board of Directors of the transaction set forth below.

**RESOLUTION PROVIDING GUIDANCE TO STAFF REGARDING
ACCEPTABLE FINAL MATURITY GUIDELINES FOR INSTITUTIONS OF
HIGHER EDUCATION SEEKING TO ISSUE REVENUE BONDS THROUGH
THE NORTH CAROLINA CAPITAL FACILITIES FINANCING AGENCY**

WHEREAS, the staff of the North Carolina Capital Facilities Financing Agency (the "Agency") has requested guidance on evaluating and recommending requests from institutions of higher education seeking to issue revenue bonds through the Agency; and

WHEREAS, the Agency desires to provide guidance to its staff on this matter.

NOW, THEREFORE, the Agency recommends the following guidelines for use by its staff when evaluating requests from institutions of higher education seeking to issue revenue bonds through the Agency:

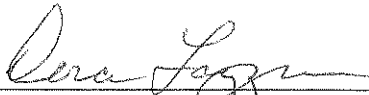
1. The standard final maturity structure for Agency transactions shall be 20 years with up to an additional two (2) years of capitalized interest and/or deferred principal, if necessary, for revenue producing projects.
2. Maturities up to 25 years (inclusive of any capitalized interest) may be permitted under certain circumstances that may include:
 - a. Strong financial position as evidenced by a stand-alone credit rating by one of the nationally recognized bond rating agencies in the "single" A category or equivalent based on staff's professional judgment.
 - b. Endowment levels that are multiples of the total amount of outstanding institutional long term debt.
3. Maturities in excess of 25 years may be permitted under certain extraordinary circumstances that may include:

- a. A stand-alone credit rating by one of the nationally recognized bond rating agencies in the "double" A category;
 - b. Endowment levels that are several multiples of the total amount of institutional long term debt.
4. For refunding or restructuring transactions, final maturities may not be extended beyond their original term without specific staff recommendation.
 5. Any staff recommendation as to maturity structure is entirely within staff's discretion based on its professional judgment.
 6. Transactions that have maturity structures that have not received staff's recommendation, or at a minimum acquiescence, will not receive consideration by the Agency.

Dr. Sells seconded the motion to approve the agenda item concerning the Policy Guidelines around Higher Education Debt Maturity, and the Agenda Item, which constitutes approval of the transaction described therein, was approved by unanimous vote.

I, Dora Fazzini, Secretary-Treasurer of the North Carolina Capital Facilities Financing Agency, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the resolution adopted by the North Carolina Capital Facilities Financing Agency at its meeting held in Raleigh, NC on August 7, 2012.

WITNESS my hand this 11th day of September, 2012.



Dora Fazzini, Secretary-Treasurer
North Carolina Capital Facilities Financing Agency