

1. PLEDGE OF ALLEGIANCE

(FINAL)

2. TOAST TO THE FLAG

3. CONFLICT OF INTEREST STATEMENT

4. MINUTES FOR APPROVAL
November 6, 2018

<u>Unit</u>	<u>Type</u>	<u>Purpose</u>	<u>Amount</u>	<u>Comments</u>	<u>Page Number</u>	<u>Last request to Borrow</u>
The Educational Foundation, Inc. (The Rams Club - defer to February 5, 2019 mtg.)	N.C. Capital Facilities Finance	Misc. Discussion - Revenue Bonds	\$ 98,000,000		2	NA
Statement of Economic Interest (Folwell and Reid)		Misc. - Non-Action Item (see attachments)				

MISCELLANEOUS - DISCUSSION ITEM

Defer to February 5, 2019 meeting

PROJECT

FINANCIAL CAPABILITY
AND SECURITY

PUBLIC FACILITIES
MADE AVAILABLE

MANNER OF SALE
ADVERSE EFFECTS

PROJECTS OPERATED
FOR PUBLIC BENEFIT

TERMS/OTHER INFORMATION

The Educational Foundation, Inc. (The Rams Club)

Revenue Bonds, Series 2019
Location: Chapel Hill (Orange County)
Amount not to exceed \$98,000,000
G.S. 159D

The proceeds of the 2019 Bonds will be used to (a) retire existing taxable bank bridge loans that were used to finance project construction; (b) provide further financing to complete project costs. The projects include: (i) renovations to the locker rooms at the Dean Smith Center, (ii) the construction and equipping of a new indoor practice field, (iii) the construction and equipping of a new field hockey stadium, (iv) the construction and renovation of a new soccer and lacrosse stadium, (v) the construction and equipping of a track complex and various athletic fields, and (vi) the installation of synthetic turf borders and resodding of natural grass turf at Kenan Stadium (collectively, the "Project"); and (c) pay certain costs incurred in connection with the authorization and issuance of the Bonds. The Project will be owned, operated and managed by the Borrower or an affiliated or related entity.

Debt service coverage is estimated to range from 1.33 times to 4.05 times for the next 5 years.

The purpose of issuing the 2019 Bond is to retire taxable loans and finance renovations, construction and equipping of new facilities, and finance related cost of issuance.

The Project will be owned, operated and managed by the Borrower or an affiliated or related entity, including the University of North Carolina at Chapel Hill.

Orange Water & Sewer Authority has the capacity and will provide water/sewer services. UNC-CH has capacity and will provide electrical services. PSNC Energy has capacity and will provide natural gas services

Direct Placement with BB&T Community Holdings Co. The issue is currently anticipated to close on January 29, 2019.

Resolution and covenant received from Board of Directors that the Project will be operated for the public good as part of the University's educational mission and it will benefit the University community without regard to race, creed, color or national origin.

Term: 21 years
Interest Rate: Variable (79% of One-Month LIBOR) + .6715%; currently 2.58%

Structure: Interest payments only in the first year with a 20 year amortization following thereafter through maturity.

The Bond has an initial term of 10 years and may be extended by the Bank. Should the Bank not extend the initial term, the Borrower has the option to find another loan provider or the Bank is required to pay off the NCCFFA Bond and enter into a taxable loan on terms agreeable to the Bank and the Borrower.

APPROVALS

Amount: not to exceed \$98,000,000
Final Maturity: not to exceed December 31, 2040.
Initial Fixed Rate: not to exceed 6%

FINANCING TEAM

Bond Counsel: McGuireWoods LLP
Borrower's Counsel: In-house
Purchaser: BB&T Community Holdings Co.
Purchaser's Counsel: Moore & Van Allen PLLC

The Educational Foundation, Inc. ("The Rams Club") and related Scholarship Endowment Trust (created in 1938 and 1968, respectively) to provide private financial support for athletic scholarships and athletic facilities as well as other private support for athletic programs at The University of North Carolina at Chapel Hill (the "University"). The Rams Club has provided over \$200 million in athletic scholarship support and over \$100 million in athletic facility renovations which benefit the University's athletic programs. The University is not directly obligated on the debt of The Rams Club as The Rams Club is a separate 501(c)(3) organization. The audited financial statements of The Rams Club and the Scholarship Endowment Trust as of June 30, 2018 show cash balances of approximately \$35.6M and total net assets of approximately \$285.2M.

Sources:

Bond Proceeds	\$ 98,000,000
Total Sources of Funds	<u>\$ 98,000,000</u>

Uses:

Refinance Taxable Loans	\$ 80,000,000
Deposit to Project Fund	17,765,000
Cost of Issuance	<u>\$ 235,000</u>
Total uses of funds	<u>\$ 98,000,000</u>

MISCELLANEOUS - NON-ACTION ITEM

Statement of Economic Interest Evaluations
(Folwell and Reid)

These evaluation letters are being provided for Agency Board Members' review and for recording in the meeting minutes pursuant to the requirements of the State Government Ethics Act. Members are encouraged to review the SEI evaluations to inform and remind them of the identified actual or potential conflicts of interest.