

1. PLEDGE OF ALLEGIANCE

(FINAL)

2. TOAST TO THE FLAG

3. CONFLICT OF INTEREST STATEMENT

4. MINUTES FOR APPROVAL

August 6, 2019

Unit	Type	Purpose	Amount	Comments	Page Number	Last request to Borrow
The NCCU Real Estate Foundation, Inc.	NC Capital Facilities Finance Agency	Student Housing Facilities	\$ 14,955,000		2	10-2003 \$22M

SEI Evaluations: Action Item
Chris Farr, Greg Gaskins, Tim Hoegemeyer,
and Marcus Bowen

PROJECT	FINANCIAL CAPABILITY AND SECURITY	PUBLIC FACILITIES MADE AVAILABLE	MANNER OF SALE ADVERSE EFFECTS	PROJECTS OPERATED FOR PUBLIC BENEFIT	TERMS/OTHER INFORMATION																		
<p>THE NCCU REAL ESTATE FOUNDATION, INC. North Carolina Capital Facilities Finance Agency Student Housing Facilities Revenue Bonds (NCCU Real Estate Foundation, Inc. Project Series 2003A) Amount: Not to exceed \$14,955,000 Location: Durham, N.C.</p> <p>Conversion of Series 2003A. This was a loan to the NCCU Real Estate Foundation, Inc. (the "Borrower") used (i) to finance the acquisition development and construction of an approximately 109 unit, 408 bed student housing project; (ii) to fund an amount equal to Debt Service Reserve Fund Requirement; (iii) to fund capitalized interest and certain financing costs; and (iv) to pay the costs of issuance of the Bonds).</p> <p>Estimated Sources and Uses of Funds</p> <p>Sources:</p> <table border="0"> <tr> <td>Par Amount of Bonds</td> <td>\$ 14,955,000</td> </tr> <tr> <td>Equity</td> <td>\$ 915,000</td> </tr> <tr> <td>Release of 2003A Debt Service Reserve Funds</td> <td>\$ 1,476,800</td> </tr> <tr> <td>Total Sources of Funds</td> <td>\$ 17,346,800</td> </tr> </table> <p>Uses:</p> <table border="0"> <tr> <td>Convert Series 2003A</td> <td>\$ 14,955,000</td> </tr> <tr> <td>SWAP termination fee</td> <td>\$ 725,000</td> </tr> <tr> <td>Cost of Issuance</td> <td>\$ 190,000</td> </tr> <tr> <td>Paydown 2003A Bonds</td> <td>\$ 1,476,800</td> </tr> <tr> <td>Total uses of funds</td> <td>\$ 17,346,800</td> </tr> </table>	Par Amount of Bonds	\$ 14,955,000	Equity	\$ 915,000	Release of 2003A Debt Service Reserve Funds	\$ 1,476,800	Total Sources of Funds	\$ 17,346,800	Convert Series 2003A	\$ 14,955,000	SWAP termination fee	\$ 725,000	Cost of Issuance	\$ 190,000	Paydown 2003A Bonds	\$ 1,476,800	Total uses of funds	\$ 17,346,800	<p>The Foundation will use rental revenue to repay the debt. Foundation has provided projections from 2020 through 2024 which show a debt service coverage for the bonds of 1.73 to 2.4 times.</p> <p>The purpose of this financing is to convert existing bonds to a fixed rate and terminate their existing LOC with Wells Fargo. In addition the Foundation plans to decrease their weighted average maturity by using their DSRF to pay off the existing 2034 maturity and use the remainder to pay down the 2033 maturity.</p>	<p>Water and sewer services will be provided by the City of Durham, gas by Public Services of North Carolina and electricity by Duke Power.</p>	<p>Private Direct Placement with STI Institutional & Government, Inc. The conversion is currently anticipated to close on October 17, 2019.</p>	<p>Resolution and covenant received from the Foundations Board of Directors that the project will be operated for the public good as a part of the borrower's mission and it will be operated to benefit the community without regard to race, creed, color or national origin.</p>	<p>Term: Approximately 14 years</p> <p>Interest Rate: Fixed 2.70%</p> <p>Structure: The 2003A debt structure will remain the same; approximately level debt service payments. The final maturity will be reduced by one year and part of the 2033 maturity.</p> <p>APPROVALS</p> <p>Amount: Not to Exceed \$14,955,000 Final Maturity: Not to extend beyond 2034 at closing; then 2033 once the DSRF is applied Initial Interest Rate not to exceed 6%</p> <p>FINANCING TEAM</p> <p>Bond Counsel: Parker, Poe, Adams & Bernstein L.L.P. Foundation Counsel: The Banks Law Firm, P.A. Bank: STI Institutional & Government, Inc (subsidiary of SunTrust Bank) Bank Counsel: Moore & Van Allen PLLC Trustee: U.S. Bank, N.A. Financial Advisor: First Tryon Advisors</p> <p>The Borrower is a non-profit corporation (whose Board is appointed by the Chancellor of NCCU) created to acquire property and to construct residential facilities for students (assist in developing and increasing the facilities of the University. The primary revenue source of the Foundation's budget are student rents from housing. Occupancy rates for foundation units have been between 95% and 98% for the past four fall semesters. The current total enrollment of the University is 8,207 of which 6,434 are undergraduates As of June 30, 2019, the Foundation had cash balances of approximately \$6.4 Million, unrestricted net assets of approximately \$740,000 and total net assets of \$(371,568).</p>
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