

October 28, 2016

Ms. Robin Keller
Clerk to the Board of Commissioners
County of Guilford, North Carolina
301 W. Market Street
Greensboro, North Carolina 27402

Re: Request for public hearing at the Board of Commissioner's meeting on November 17, 2016 to approve the issuance of tax-exempt bonds on behalf of Guilford College

Dear Ms. Keller:

First Tryon Advisors ("*First Tryon*") serves as the independent registered municipal advisor to Guilford College (the "*College*"). I am writing on behalf of the College to request that the Board of Commissioners (the "*Board*") of Guilford County (the "*County*") host a public hearing at the Board's meeting on November 17, 2016 and approve, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*"), the financing and refinancing of various projects located on or adjacent to the College's campus, all of which is located within the County (collectively, the "*Project*") with proceeds from the proposed issuance of tax-exempt bonds (the "*Bonds*").

As you know, Section 147(f) of the Code requires all private activity bonds, such as the Bonds, to be approved by (1) the governmental unit issuing the bonds and (2) each governmental unit having jurisdiction over the area in which the bond-financed facilities are located. In this case, Section 147(f) of the Code requires the College to obtain the approval of (a) the Public Finance Authority, a Wisconsin authority, as the issuer of the Bonds, and (b) the County, as the governmental unit having jurisdiction over the area in which Project is located.

Accordingly, the College is requesting that the Board hold a public hearing and approve the issuance of the Bonds in order to comply with the hearing and approval requirements of Section 147(f) of the Code. As the Board's approving resolution will expressly state, the Board's approval will in no way cause the County to become responsible for or liable with respect to the Bonds. Hosting the public hearing and approving the issuance of the Bonds are merely ministerial acts that will enable the College to comply with the provisions of the Code. A preliminary draft of the Board's approval resolution is included in the agenda item abstract enclosed with this letter.

Parker Poe Adams & Bernstein LLP, as bond counsel, will cause the required notice of public hearing to be published in the *Greensboro News & Record* at least 14 days before the public hearing in accordance with the Code. A draft of the notice of public hearing is also attached to this letter.

The principal amount of the Bonds will not exceed \$42,000,000, and proceeds from the Bonds will be loaned to the College to finance and refinance the Project, as more particularly described in the attached notice.

I hope this letter provides you the information you need in order to hold the public hearing at the Board's November 17, 2016 meeting, but please call me if you need any additional information from the College. I am happy to answer any questions you might have regarding the College or the Bonds. Representatives from the College, from First Tryon and from Parker Poe will be present at your November 17, 2016 meeting should you have any questions at that time.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Juby", with a stylized flourish extending from the end.

P. Michael Juby, Jr.
Director

Exhibit A
Form of Notice of Public Hearing

NOTICE OF PUBLIC HEARING
FOR THE BOARD OF COMMISSIONERS OF THE COUNTY OF GUILFORD, NORTH CAROLINA
WITH RESPECT TO EDUCATIONAL FACILITIES REVENUE AND REVENUE REFUNDING BONDS
(GUILFORD COLLEGE) SERIES 2016
TO BE ISSUED BY THE PUBLIC FINANCE AUTHORITY
IN AN AMOUNT NOT TO EXCEED
\$42,000,000

Notice is hereby given that on November 17, 2016, a public hearing, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*"), will be held by the Board of Commissioners of the County of Guilford, North Carolina (the "*Board*") with respect to the proposed issuance by the Public Finance Authority, a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended, of its Educational Facilities Revenue and Revenue Refunding Bonds (Guilford College) in one or more series (the "*Bonds*"), in an amount not to exceed \$42,000,000, the interest on some or all of which will be excludible from gross income for federal income tax purposes. The hearing will commence at 5:30 p.m., or as soon thereafter as the matter can be heard, and will be held in the Commissioners' Meeting Room, Second Floor, Old County Courthouse, 301 West Market Street, Greensboro, NC 27402.

The Bonds are expected to be issued pursuant to Section 66.0304 of the Wisconsin Statutes, as amended, and the proceeds from the sale of the Bonds will be loaned to Guilford College (the "*College*") and used to (a) refund in advance of their maturity the College's obligations with respect to (1) the North Carolina Capital Facilities Finance Agency Revenue Bonds (Guilford College), Series 2005A (the "*2005A Bonds*"), (2) the North Carolina Capital Facilities Finance Agency Revenue Bonds (Guilford College), Series 2005B (the "*2005B Bonds*"), and (3) the North Carolina Capital Facilities Finance Agency Tax-Exempt Educational Facilities Revenue Bonds (Guilford College Project), Series 2008 (the "*2008 Bonds*"); and (b) renovate the gymnasium, including the floor, locker rooms, roof and chiller; update fire alarm systems; improve campus lighting, improve ADA access and install fire-dampening sprinklers; renovate Hendricks, Bauman and Founders Buildings; renovate the Campus Library; acquire, furnish and equip an apartment building; renovate or add to New Garden, Binford, Milner, Bryan, Frank Science Center Buildings; update academic classrooms and computer labs; renovate Hege-Cox Hall and add an addition to the building; renovate North Hall; construct a new athletic facility and provide other educational improvements related to the College's mission on the campus of the College (collectively, the "*New Projects*"), (c) fund a debt service reserve for the Bonds and (d) pay certain expenses incurred in connection with the authorization and issuance of the Bonds.

Proceeds of the 2005A Bonds and the 2005B Bonds were used to (1) refinance a loan from Branch Banking and Trust Company dated as of October 29, 2001 to the College (the "*BB&T Loan*"), the proceeds of which were used to refinance a loan from Bank of America, N.A., dated as of November 4, 1999 to the College, the proceeds of which were used to acquire, construct and equip the Frank Family Science Center on the College campus (the "*2005A Project*"), (2) pay the costs of constructing and equipping an approximately 142-bed student housing project and community center on the College campus (the "*2005B Project*" and collectively with the 2005A Project, the "*2005 Projects*"). Proceeds of the 2008 Bonds were used to (a) refund the line of credit with Branch Banking and Trust Company (the "*Line of Credit*"), obtained for the purpose of paying the costs of purchasing or redeeming in advance of their maturity the North Carolina Capital Facilities Finance Agency's Variable Rate Demand Revenue Bonds (Guilford College), Series 1997 (the "*1997 Bonds*"), the proceeds of which were used to finance (1) the renovation, improvement and equipping of Binford Hall, English Hall, Founder's Hall and certain classroom buildings and roadways, (2) the construction and equipping of a laboratory building, (3) the acquisition and installation of technology systems, including a security system, and related computers and software and (4) the refunding of prior North Carolina Capital Facilities Finance Agency debt issued for the benefit of the College, the proceeds of which were used to finance or refinance the costs of (A) the acquisition, construction and equipping of

a library, a telecommunications center, a telecommunications system and a new residence hall complex and the renovation and equipping of two existing residence halls, (B) the construction of a new road through the College's campus and (C) the acquisition and installation of a new telephone switch (the "2008 Project").

The 2005 Projects, the 2008 Project, and the New Projects (collectively, the "Project") are or will be owned and operated by the College. The College and all portions of the Project other than the apartment building that is part of the New Projects are or will be located on the College's campus at 5800 West Friendly Avenue, Greensboro, NC 27410. The apartment building that is part of the New Projects is located at is 813 Dolley Madison Road, Greensboro, NC 27410.

The Bonds will be special limited obligations of the Public Finance Authority, payable only from the loan repayments to be made by the College to the Public Finance Authority, and certain accounts established by the agreement under which the Bonds will be issued.

The public hearing will provide an opportunity for all interested persons to express their views, both orally and in writing, on the proposed issuance of the Bonds and the financing and refinancing of the Project. Any person interested in the issuance of the Bonds may appear and be heard or submit written comments. Any person wishing to submit written comments regarding the proposed issuance of the Bonds, the financing and refinancing of the Project or any matter related thereto should do so within 10 days after the date of publication of this notice by mailing said written comments to the Board of Commissioners, c/o the Clerk to the Board of Commissioners of Guilford County, North Carolina, 301 W. Market Street, Suite 203D, Greensboro, NC 27402 or PO Box 3427, Greensboro, NC 27402. This notice is given pursuant to the provisions of Section 147(f) of the Code and Section 66.0304(11)(a) of the Wisconsin Statutes and Section 4 of the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority. Additional information concerning the Project may be obtained from Donald P. Ubell, Esq., 401 South Tryon Street, Suite 3000, Charlotte, North Carolina 28202; Phone (704) 372-9000; Email Address: donubell@parkerpoe.com.

/s/ Robin Keller
Clerk to the Board of Commissioners
County of Guilford, North Carolina

Exhibit B
Agenda Item Abstract

See attached.



Agenda Cover

In Control: Board of Commissioners
Agenda Date: 11/17/2016

Agenda #: ____
File Type: Public Hearing

TITLE

HOLD PUBLIC HEARING AND CONSIDER APPROVAL OF FINANCING OF EDUCATIONAL FACILITIES WITH THE PROCEEDS OF NOT TO EXCEED \$42,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF EDUCATIONAL FACILITIES REVENUE AND REVENUE REFUNDING BONDS (GUILFORD COLLEGE), IN ONE OR MORE SERIES, TO BE ISSUED BY THE PUBLIC FINANCE AUTHORITY OF WISCONSIN

SPONSOR

Donald P. Ubell, Esq., Parker Poe Adams & Bernstein LLP

BACKGROUND

The Bonds are expected to be issued pursuant to 66.0304 of the Wisconsin Statutes, as amended, by the Public Finance Authority (the "Authority"), a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, and the proceeds from the sale of the Bonds will be loaned to Guilford College, a North Carolina non-profit corporation (the "Borrower"), and used for the for the following purposes:

- (a) to refund in advance of their maturity the College's obligations with respect to (1) the North Carolina Capital Facilities Finance Agency Revenue Bonds (Guilford College), Series 2005A, (2) the North Carolina Capital Facilities Finance Agency Revenue Bonds (Guilford College), Series 2005B, and (3) the North Carolina Capital Facilities Finance Agency Tax-Exempt Educational Facilities Revenue Bonds (Guilford College Project), Series 2008;
- (b) to renovate the gymnasium, including the floor, locker rooms, roof and chiller; update fire alarm systems; improve campus lighting, improve ADA access and install fire-dampening sprinklers; renovate Hendricks, Bauman and Founders Buildings; renovate the Campus Library; acquire, furnish and equip an apartment building; renovate or add to New Garden, Binford, Milner, Bryan, Frank Science Center Buildings; update academic classrooms and computer labs; renovate Hege-Cox Hall and add an addition to the building; renovate North Hall; construct a new athletic facility and provide other educational improvements related to the College's mission on the campus of the College;
- (c) to fund a debt service reserve for the Bonds; and
- (d) to pay costs of issuance in connection with the issuance of the Bonds.

The projects to be financed and refinanced with the proceeds of the Bonds will initially be owned and operated by the Borrower. The Bonds will be limited obligations of the Authority, payable solely from the loan repayments to be made by the Borrower to the Authority, and certain funds and accounts established by the bond indenture for the Bonds.

BUDGET IMPACT
NO ADDITIONAL COUNTY DOLLARS REQUIRED

RESOLUTION

WHEREAS, the Guilford College (the “*College*”), has requested that the Public Finance Authority, a public authority existing under the laws of the State of Wisconsin (the “*Authority*”), issue its Educational Facilities Revenue and Revenue Refunding Bonds (Guilford College) (the “*Bonds*”), in one or more series in an aggregate principal amount not to exceed \$42,000,000 for the following purposes:

(a) to refund in advance of their maturity the College’s obligations with respect to (1) the North Carolina Capital Facilities Finance Agency Revenue Bonds (Guilford College), Series 2005A (the “*2005A Bonds*”), (2) the North Carolina Capital Facilities Finance Agency Revenue Bonds (Guilford College), Series 2005B (the “*2005B Bonds*”), and (3) the North Carolina Capital Facilities Finance Agency Tax-Exempt Educational Facilities Revenue Bonds (Guilford College Project), Series 2008 (the “*2008 Bonds*”);

(b) to renovate the gymnasium, including the floor, locker rooms, roof and chiller; update fire alarm systems; improve campus lighting, improve ADA access and install fire-dampening sprinklers; renovate Hendricks, Bauman and Founders Buildings; renovate the Campus Library; acquire, furnish and equip an apartment building; renovate or add to New Garden, Binford, Milner, Bryan, Frank Science Center Buildings; update academic classrooms and computer labs; renovate Hege-Cox Hall and add an addition to the building; renovate North Hall; construct a new athletic facility and provide other educational improvements related to the College’s mission on the campus of the College (collectively, the “*New Projects*”);

(c) to fund a debt service reserve for the Bonds; and

(d) to pay certain expenses incurred in connection with the authorization and issuance of the Bonds.

Proceeds of the 2005A Bonds and the 2005B Bonds were used to (1) refinance a loan from Branch Banking and Trust Company dated as of October 29, 2001 to the College (the “*BB&T Loan*”), the proceeds of which were used to refinance a loan from Bank of America, N.A., dated as of November 4, 1999 to the College, the proceeds of which were used to acquire, construct and equip the Frank Family Science Center on the College campus (the “*2005A Project*”), (2) pay the costs of constructing and equipping an approximately 142-bed student housing project and community center on the College campus (the “*2005B Project*,” and collectively with the 2005A Project, the “*2005 Projects*”). Proceeds of the 2008 Bonds were used to (a) refund the line of credit with Branch Banking and Trust Company (the “*Line of Credit*”), obtained for the purpose of paying the costs of purchasing or redeeming in advance of their maturity the North Carolina Capital Facilities Finance Agency’s Variable Rate Demand Revenue Bonds (Guilford College), Series 1997 (the “*1997 Bonds*”), the proceeds of which were used to finance (1) the renovation, improvement and equipping of Binford Hall, English Hall, Founder’s Hall and certain classroom buildings and roadways, (2) the construction and equipping of a laboratory building, (3) the acquisition and installation of technology systems, including a security system, and related computers and software and (4) the refunding of prior North Carolina Capital Facilities Finance Agency debt issued for the

benefit of the College, the proceeds of which were used to finance or refinance the costs of (A) the acquisition, construction and equipping of a library, a telecommunications center, a telecommunications system and a new residence hall complex and the renovation and equipping of two existing residence halls, (B) the construction of a new road through the College's campus and (C) the acquisition and installation of a new telephone switch.

The 2005 Projects, the 2008 Project, and the New Projects (collectively, the "*Project*") are and will be owned and operated by the College.

WHEREAS, the Project is owned and operated by the College. The proceeds of the Bonds will be used by the College to refinance the 2005 Projects and the 2008 Project and acquire the New Projects.

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, the Bonds are required to be approved by the "applicable elected representative" of a governmental unit having jurisdiction over the area in which the Project is located, after a public hearing held following reasonable public notice;

WHEREAS, the Board of Commissioners (the "*Board*") of the County of Guilford, North Carolina (the "*County*") is the "applicable elected representative" of the County for the Project located within the County;

WHEREAS, the College has requested that the Board approve the Authority's issuance of the Bonds and the refinancing and financing of the Project located within the County in order to satisfy the requirements of Section 147(f) of the Code; and

WHEREAS, the Board, following notice duly given in the form attached hereto as Exhibit A (the "*TEFRA Notice*"), held a public hearing today regarding the Authority's issuance of the Bonds and the financing and refinancing of the Project and now desires to approve the Authority's issuance of the Bonds and the financing and refinancing of the Project in accordance with the Code;

BE IT RESOLVED by the Board as follows:

Section 1. Pursuant to and in satisfaction of the requirements of Section 147(f) of the Code, the Board hereby approves (a) the Authority's issuance of the Bonds in an aggregate principal amount not to exceed \$42,000,000 and (b) the financing and refinancing of the Project located in the County.

Section 2. The County has no responsibility for the payment of the principal of or interest on the Bonds or for any costs incurred by the College with respect to the Bonds or the Project.

Section 3. This resolution is effective immediately on its passage.

ADOPTED this 17th day of November, 2016.

Exhibit A

NOTICE OF PUBLIC HEARING
FOR THE BOARD OF COMMISSIONERS OF THE COUNTY OF GUILFORD, NORTH CAROLINA
WITH RESPECT TO EDUCATIONAL FACILITIES REVENUE AND REVENUE REFUNDING BONDS
(GUILFORD COLLEGE) SERIES 2016
TO BE ISSUED BY THE PUBLIC FINANCE AUTHORITY
IN AN AMOUNT NOT TO EXCEED
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The Bonds are expected to be issued pursuant to Section 66.0304 of the Wisconsin Statutes, as amended, and the proceeds from the sale of the Bonds will be loaned to Guilford College (the "*College*") and used to (a) refund in advance of their maturity the College's obligations with respect to (1) the North Carolina Capital Facilities Finance Agency Revenue Bonds (Guilford College), Series 2005A (the "*2005A Bonds*"), (2) the North Carolina Capital Facilities Finance Agency Revenue Bonds (Guilford College), Series 2005B (the "*2005B Bonds*"), and (3) the North Carolina Capital Facilities Finance Agency Tax-Exempt Educational Facilities Revenue Bonds (Guilford College Project), Series 2008 (the "*2008 Bonds*"); and (b) renovate the gymnasium, including the floor, locker rooms, roof and chiller; update fire alarm systems; improve campus lighting, improve ADA access and install fire-dampening sprinklers; renovate Hendricks, Bauman and Founders Buildings; renovate the Campus Library; acquire, furnish and equip an apartment building; renovate or add to New Garden, Binford, Milner, Bryan, Frank Science Center Buildings; update academic classrooms and computer labs; renovate Hege-Cox Hall and add an addition to the building; renovate North Hall; construct a new athletic facility and provide other educational improvements related to the College's mission on the campus of the College (collectively, the "*New Projects*"), (c) fund a debt service reserve for the Bonds and (d) pay certain expenses incurred in connection with the authorization and issuance of the Bonds.

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equipping of two existing residence halls, (B) the construction of a new road through the College's campus and (C) the acquisition and installation of a new telephone switch (the "2008 Project").

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The Bonds will be special limited obligations of the Public Finance Authority, payable only from the loan repayments to be made by the College to the Public Finance Authority, and certain accounts established by the agreement under which the Bonds will be issued.

The public hearing will provide an opportunity for all interested persons to express their views, both orally and in writing, on the proposed issuance of the Bonds and the financing and refinancing of the Project. Any person interested in the issuance of the Bonds may appear and be heard or submit written comments. Any person wishing to submit written comments regarding the proposed issuance of the Bonds, the financing and refinancing of the Project or any matter related thereto should do so within 10 days after the date of publication of this notice by mailing said written comments to the Board of Commissioners, c/o the Clerk to the Board of Commissioners of Guilford County, North Carolina, 301 W. Market Street, Suite 203D, Greensboro, NC 27402 or PO Box 3427, Greensboro, NC 27402. This notice is given pursuant to the provisions of Section 147(f) of the Code and Section 66.0304(11)(a) of the Wisconsin Statutes and Section 4 of the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority. Additional information concerning the Project may be obtained from Donald P. Ubell, Esq., 401 South Tryon Street, Suite 3000, Charlotte, North Carolina 28202; Phone (704) 372-9000; Email Address: donubell@parkerpoe.com.

/s/ Robin Keller
Clerk to the Board of Commissioners
County of Guilford, North Carolina

REQUESTED ACTION

Adopt a resolution approving the issuance of, but not to exceed, \$42,000,000 in aggregate principal amount of Educational Facilities Revenue and Revenue Refunding Bonds (Guilford College), in one or more series, to be issued by the Public Finance Authority of Wisconsin.