

1. PLEDGE OF ALLEGIANCE

**PRELIMINARY**

2. TOAST TO THE FLAG

3. CONFLICT OF INTEREST STATEMENT

4. MINUTES FOR APPROVAL

July 7, 2020 Minutes

<b>Unit</b>	<b>Type</b>	<b>Purpose</b>	<b>Amount</b>	<b>Comments</b>	<b>Page Number</b>	<b>Last request to Borrow</b>
Duke University	N.C. Capital Facilities Finance Agency	Commerical Paper	\$ 700,000,000		2	NCCFFA 6-2013 \$472.5M
Cape Fear Academy	N.C.Capital Facilities Finance	Miscellaneous - Non- Action Item	NA		3	NCCFFA 7-2010 \$8.3M

PROJECT	FINANCIAL CAPABILITY AND SECURITY	PUBLIC FACILITIES MADE AVAILABLE	MANNER OF SALE ADVERSE EFFECTS	PROJECTS OPERATED FOR PUBLIC BENEFIT	TERMS/OTHER INFORMATION
<p><b>DUKE UNIVERSITY</b> Fourth Renewal of Tax-Exempt Commercial Paper Bond Program. This program was approved in October 2012.</p> <p>Amount not to exceed: \$ 113,660,000 or, if lower, \$500,000,000 less the aggregate principal amount of notes outstanding under the University's Taxable CP Program.</p> <p>Commercial Paper Bonds (short-term bonds) may be, but are not required to be, refunded with long-term debt.</p> <p>Locations: Durham (Durham County)</p> <p>The proceeds will be used to finance, refinance, reimburse or provide funding in advance of the capital projects for the construction/addition/renovation of all or a portion of University facilities as follows: Residence halls, various academic/research buildings, and other campus infrastructure. (See attached list of eligible projects) \$ 79,800,000</p> <p>Refund taxable commercial paper notes which were used to refund a portion of NCCFFA Revenue Bonds, Series 2001A, the proceeds of which were used to refinance the construction of the Levine Science Research Center. <u>\$ 33,860,000</u> Total financing <u>\$ 113,660,000</u></p>	<p>The projects included in this financing are part of a master capital plan for the improvement of the University campus. As of 6/30/20, the University has an endowment valued in excess of \$8.4 billion (Audited).</p> <p>Long term and short term debt of the University, not including this requested issue, totaled approximately \$2.7 billion, of which approximately \$0.4 billion was long term debt that was payable through the Agency at 6/30/20. The University will use income from operations and other available income to make the debt service payments.</p> <p>This issue is a general obligation of the University, and the University may refinance portions of this short term debt with permanent financing. The University will provide the liquidity for this transaction, but may contract for additional or replacement liquidity facilities. All construction/renovation costs are based upon University estimates.</p>	<p>The City of Durham has the capacity and is willing to serve the water and sewer needs of the University. Electric service is provided by Duke Energy. Natural gas service is provided by Public Service Company of North Carolina.</p>	<p>Initial bond issuance is currently anticipated for the week of November 16, 2020, to not conflict with other bond sales.</p> <p>Bonds will be issued for approved projects, with the timing of such issuance to be determined by the University as either a reimbursement or a funding in advance the projects</p> <p>The Bonds are rated P-1/A-1+ by Moody's and S&amp;P, based upon the credit rating of the University. Long term debt of the University is rated "Aa1" by Moody's and "AA+" by S&amp;P.</p> <p>The University has prepared financial forecasts covering the next five years that show estimated debt coverage ratios of at least 3.59 times.</p>	<p>Loan Agreement contains a covenant that the projects will be operated for the public good as part of the University's educational mission as a private institution and will benefit the University community without regard to race, creed, color or national origin.</p>	<p>Term: The Agency's approval for new money financing will be effective for 18 months from the date of initial issuance.</p> <p>Interest Rate: Variable (Initially established for each Bond issued, with the maturity limited to no more than 270 days.</p> <p>Structure: Bonds for one or more approved projects. Each Bond will have a maturity not to exceed 270 days and may be (i) refinanced by issuance of new Bonds on a recurring basis for additional maturities not to exceed 270 days for a maximum of 30 years, (ii) may be refinanced with long-term financing by the Agency, as determined by the University and approved by the Agency. Authorized denominations of \$100,000 and integral multiples of \$1,000 in excess thereof.</p> <p>Expected Dealers' Fee: up to 8 bps (basis points) (annualized) of total outstanding note balance, paid quarterly in arrears.</p> <p style="text-align: center;"><b>FINAL APPROVALS</b></p> <p>Term: The Agency's approval for new money financing will be effective for 18 months from date of issue. Final Maturity Date of any Bond: Not to exceed 30 years from original date of Issue. Maximum Amount to be Issued: Not to Exceed \$113,660,000 or, if lower, \$500 million less the aggregate principal amount of notes outstanding under the University's Taxable CP Program. Initial Interest Rate: Not to exceed 6.00%</p> <p style="text-align: center;"><b>FINANCING TEAM</b></p> <p>Bond Counsel: Robinson, Bradshaw &amp; Hinson, PA Dealers: J.P. Morgan Securities LLC Morgan Stanley &amp; Co. LLC Dealers' Counsel: McGuire Woods LLP Issuing and Paying Agent: The Bank of New York Mellon Trust Company, NA Financial Advisor: Prager &amp; Co., LLC University's Counsel: William T. Tricomi, Associate University Counsel and King &amp; Spalding LLP</p>
<p>Duke University is a private, research University founded in 1838. There are currently 16,700 students approximately 6,600 of whom are full time undergraduates. As of the June 30, 2020 audited financials, the University had cash balances of \$156 million, unrestricted net assets of \$4.5 billion and total net assets of \$10.8 billion.</p>					

DUKE UNIVERSITY CONTINUED ON NEXT PAGE

**DUKE CONTINUED**

**Duke University  
2020 TECP Renewal Project List  
9/14/2020**

	<u>Total Project</u>	<u>Debt</u>
Refunding of 2001A	33,860,000	33,860,000
Chilled Water Storage Tank	13,000,000	13,000,000
Thermal Plant at Utility Site #1	23,500,000	23,500,000
East Campus Utility Corridor Phase 3	10,000,000	10,000,000
Gilbert Addoms HVAC and Sprinklers	13,000,000	13,000,000
Bryan - Establish Emergency Electrical Back-Up	20,300,000	20,300,000
Total	<b>113,660,000</b>	<b>113,660,000</b>

**MISCELLANEOUS - NON- ACTION ITEM:**

N. C. Capital Facilities  
Finance Agency  
(Cape Fear Academy)

Audit extension: 2010 Project \$4,869,176 outstanding as of June 30, 2020. The School and The Bank (BB&T, now Truist) agreed to extend the audit due date from November 30, 2020 to December 31, 2020. The school has gone through some staff turnover and setbacks due to the COVID-19 pandemic.