

THE  
NORTH CAROLINA  
MEDICAL CARE COMMISSION

THE  
HEALTH CARE  
FACILITIES FINANCE ACT  
ANNUAL REPORT

JUNE 30, 2011

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

*"It is hereby declared to be the policy of the State of North Carolina to promote the public health and welfare by providing means for financing, refinancing, acquiring, constructing, equipping and providing of health care facilities to serve the people of the State and to make accessible to them modern and efficient health care facilities"*

*G e n e r a l S t a t u t e 1 3 1 A - 2*

## THE NORTH CAROLINA MEDICAL CARE COMMISSION

### ROLE OF THE COMMISSION

The North Carolina Medical Care Commission was created primarily as a result of the findings of the North Carolina Hospital and Medical Care Commission, a special commission appointed in 1944 to study the critical shortages in general hospital facilities and trained medical personnel in the State of North Carolina and to make recommendations for improvements in these areas. Among the recommendations made was that the legislature provide for a permanent State agency that would be responsible for the maintenance of high standards in North Carolina's hospitals, and the administration of a medical student loan fund, and a statewide hospital and medical care program.

The Commission was established in 1945 and empowered by its enabling legislation to, among other things:

1. make a survey of the hospital resources of the State and formulate a statewide program for construction and maintenance of local hospitals, health centers and related facilities, and receive and administer federal and State Funds appropriated for such purposes;
2. make loans to medical students; and
3. survey all factors concerning the location of the expanded university medical school. (The same act authorized the expansion of the University of North Carolina Medical School from a two-year to a four-year program).

In 1946, Congress passed the Hospital Survey and Construction Act (Hill-Burton) to provide funds for the construction and renovation of health care facilities, and the Commission was designated as the State agency empowered to administer the program within North Carolina. Under this program, which is also known as the Hill-Burton program, health care facility construction in North Carolina totaled more than \$500 million dollars, of which 40 percent was provided by federal sources, 5 percent by the State, and 55 percent by local sponsors. Of the more than 500 Hill-Burton projects approved by the Commission between 1946 and 1976, 241 were general hospital projects, including 80 completely new facilities.

Pursuant to the Executive Organization Act of 1973, the 17-member Commission was incorporated into the Department of Health and Human Services. Three members of the Commission are nominated by the North Carolina Medical Society, one by the North Carolina Pharmaceutical Association, one by the North Carolina State Nurses' Association, one by the North Carolina Hospital Association, and one by the Duke Endowment. Each nomination is subject to the Governor's approval. In addition, ten members, one of whom must be a dentist, are appointed by the Governor. Each member is appointed to a four-year term and memberships are staggered. The Commission is attached organizationally to the Department of Health and Human Services, Division of Health Service Regulation (formerly Division of Facility Services), and is staffed by that Agency. Since its inception the Commission has been assigned new responsibilities, while some of the original activities are either no longer needed or are carried out elsewhere. Today the Commission is responsible for the development of rules for:

1. the licensure and operations of hospitals, hospices, free-standing outpatient surgical facilities, nursing homes, home health agencies, home care agencies, nursing pools, and adult care facilities;
2. the regulation of ambulances and emergency medical services personnel;
3. the financing of construction and modernization projects for qualifying health care facilities.

In 1975, the North Carolina General Assembly enacted the Health Care Facilities Finance Act. The Act provides that the North Carolina Medical Care Commission may conduct financing activities to "acquire, construct, equip, or provide health care facilities for any public or nonprofit agency." The Act defines health care facilities as "any building, addition, or improvement including machinery, equipment, or furnishings that are suitable for health care." This definition includes but is not necessarily limited to: general acute care or specialty hospitals, nursing homes, continuing care facilities for the elderly, health care clinics, and outpatient facilities; laboratories and research facilities; laundries and other ancillary service facilities; training facilities for health care personnel, administration buildings, parking lots, garages, and other buildings normally under the jurisdiction of health care facilities.

The law provides that to qualify for assistance under the Act a project must meet several criteria:

1. the applicant must be a non-profit agency or public agency as defined in General Statute 131A-3;
2. the Commission must be satisfied that there is a need for the project in the area where it is to be located;
3. the project applicant must be financially responsible and capable of fulfilling its obligation for making debt service payments;
4. all public facilities such as utilities and other public services necessary for the health care facility must be made available; and
5. all costs associated with the project must be borne by the applicant and not the State.

While several states have health care finance authorities, which issue tax-exempt bonds, the organization and authority of the North Carolina Medical Care Commission make it unique. First, it is not a quasi-independent authority. It is an operational agency of the executive branch of North Carolina State Government, located in the Department of Health and Human Services. Second, it has an affiliation that covers all the major steps involved in a construction project, either directly or through the Division of Health Service Regulation which staffs the Commission. The Division of Health Service Regulation develops the State Medical Facilities Plan, issues Certificates of Need, assists in project development, approves construction plans, monitors the construction process, and finally licenses the facility.

## \*OUTSTANDING DEBT

As of June 30, 2011, the Commission has closed 406 revenue bonds, notes and leases. The total authorized principal amount of all such financings was \$17,476,806,052 and the total outstanding principal amount of all such financings as of June 30, 2011, was \$7,297,062,952 excluding financings that have been refunded. Each issue is payable solely from revenues derived from each corporate entity financed, is separately secured, and is separate and independent from all other series of bonds as to source of payment and security.

## MEMBERSHIP

As of June 30, 2011, the Commission consisted of the following 16 members with one vacancy:

<b>Name</b>	<b>Term</b>	<b>Principal Occupation</b>	<b>Residence</b>
Lucy Hancock Bode Chairman	1993-2013	Housewife/Health Consultant	Raleigh
Joseph D. Crocker Vice-Chairman	1988-2012	Director, Poor and Needy Division Kate B. Reynolds Charitable Trust	Winston-Salem
George A. Binder, MD	2004-2015	Physician	Fayetteville
George H. V. Cecil	1987-2015	Chairman, Biltmore Dairy Farms, Inc.	Asheville
Gerald P. Cox	2002-2014	Health Care Executive	Rocky Mount
John A. Fagg, MD	2004-2015	Physician	Winston-Salem
Charles T. Frock	2008-2012	Hospital Administrator	Pinehurst
Elizabeth P. Kanof, MD	2008-2012	Physician	Raleigh
Eileen C. Kugler, RN, MSN, MPH, FNP	2005-2014	Registered Nurse	Durham
James H. Leonard	2008-2012	Financial Advisor	Cary
Albert F. Lockamy, RPh	1986-2014	Pharmacist	Raleigh
Mary L. Piepenbring	2005-2013	Director, Health Care Division The Duke Endowment	Charlotte
Carl K. Rust, II, MD	2002-2013	Physician	Wilmington
Robert E. Schaaf, MD	2005-2014	Physician	Raleigh
Henry A. Unger, MD	1998-2013	Physician	Cary
Margaret Weller-Stargell	2006-2013	President/CEO Coastal Horizons Center	Wilmington

## STAFF OF THE COMMISSION

The Division of Health Service Regulation of the Department of Health and Human Services employs a staff of approximately 450 persons, (including registered architects, professional engineers and consultants in fields of emergency medicine, hospital administration, nursing service and administration, dietetics and nutrition and laboratory design and operation), the services of whom are available to and used by the Commission. The Division of Health Service Regulation provides all necessary administrative and clerical assistance to the Commission.

## ADMINISTRATIVE PERSONNEL

Drexdal R. Pratt, Director, Division of Health Service Regulation and Secretary, NC Medical Care Commission

Christopher B. Taylor, CPA, Assistant Secretary, NC Medical Care Commission

Steven Lewis, Chief of Construction, Division of Health Service Regulation

Kathy C. Larrison, Auditor, NC Medical Care Commission

Diana Barbry, Administrative Assistant, Division of Health Service Regulation

Alice S. Creech, Bond Program Assistant, NC Medical Care Commission

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Presbyterian Hospital Charlotte, North Carolina	12/21/1977	\$20,000,000	\$0 <i>(a)</i>
Lexington Memorial Hospital Lexington, North Carolina	3/1/1978	6,510,000	0 <i>(ss)</i>
Rex Hospital Raleigh, North Carolina	6/1/1978	31,535,000	0 <i>(y)</i>
Duke University Hospital Durham, North Carolina	7/1/1978	79,000,000	0 <i>(b)</i>
Cape Fear Memorial Hospital Wilmington, North Carolina	7/1/1978	3,600,000	0
Memorial Mission Hospital of Western North Carolina Asheville, North Carolina	1/1/1979	35,100,000	0 <i>(c)</i>
Duke University Hospital Durham, North Carolina	1/1/1979	6,650,000	0 <i>(b)</i>
Annie Penn Memorial Hospital Reidsville, North Carolina	5/1/1979	7,650,000	0 <i>(t)</i>
Stanly Memorial Hospital Albemarle, North Carolina	5/1/1979	7,535,000	0 <i>(p)</i>
Moore Regional Healthcare Corporation Pinehurst, North Carolina	8/23/1979	10,710,000	0 <i>(d)</i>
Duke University Hospital Durham, North Carolina	6/25/1980	6,736,000	0
	Series B	7/1/1980	7,930,000
			0 <i>(b)</i>
Carolinas Hospital and Health Services Charlotte, North Carolina	7/22/1980	200,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Mercy Hospital Charlotte, North Carolina	1/1/1981	\$8,275,000	\$0 <i>(e)</i>
The Greater Carolinas Chapter of the American National Red Cross Charlotte, North Carolina	3/1/1981	2,500,000	0
Memorial Hospital of Alamance County Burlington, North Carolina	4/1/1981	7,000,000	0 <i>(u)</i>
Carolinas Hospital and Health Services (Sun Health) Charlotte, North Carolina	4/8/1981	500,000	0
Scotland Memorial Hospital Laurinburg, North Carolina	6/1/1981	10,800,000	0 <i>(m)</i>
Rex Hospital Raleigh, North Carolina	12/15/1981	760,000	0
Morehead Memorial Hospital Eden, North Carolina	2/1/1982	6,000,000	0 <i>(z)</i>
Chatham Hospital Siler City, North Carolina	6/16/1982	355,000	0
Grace Hospital Morganton, North Carolina	8/1/1982	9,465,000	0 <i>(f)</i>
Carolinas Hospital and Health Services (Sun Health) Charlotte, North Carolina	8/4/1982	600,000	0
Southeastern General Hospital Lumberton, North Carolina	9/1/1982	14,100,000	0 <i>(g)</i>



SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Community General Hospital Thomasville, North Carolina	12/1/1982	\$3,100,000	\$0 (q)
Grace Hospital Morganton, North Carolina	7/1/1983	10,855,000	0 (j)
High Point Regional Hospital High Point, North Carolina	9/1/1983	29,820,000	0 (k)
Grace Hospital Morganton, North Carolina	11/1/1983	8,870,000	0 (j)
Mercy Hospital Charlotte, North Carolina	11/10/1983	2,205,000	0
Rowan Memorial Hospital Salisbury, North Carolina	3/16/1984	1,833,000	0
High Point Regional Hospital High Point, North Carolina	4/16/1984	915,000	0
The Episcopal Home for the Ageing in the Diocese of North Carolina (Penick Village) Southern Pines, North Carolina	5/1/1984	6,200,000	0 (h)
Memorial Mission Hospital of Western North Carolina Asheville, North Carolina	5/2/1984	1,475,000	0
St. Joseph's Hospital Asheville, North Carolina	6/15/1984	30,330,000	0 (n)
The Moses H. Cone Memorial Hospital Greensboro, North Carolina	8/1/1984	29,330,000	0 (aa)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Alamance County Hospital Burlington, North Carolina	2/22/1985	\$2,504,000	\$0 <i>(u)</i>
Wesley Long Community Hospital Greensboro, North Carolina	4/1/1985	10,670,000	0 <i>(ee)</i>
The Greater Carolinas Chapter of the American National Red Cross Charlotte, North Carolina	4/24/1985	845,000	0
Carolina Medicorp, Inc. Winston-Salem, North Carolina	5/1/1985	36,550,000	0 <i>(j)</i>
Presbyterian Hospital Charlotte, North Carolina	5/24/1985	8,700,000	0 <i>(i)</i>
Southeastern General Hospital Lumberton, North Carolina	7/1/1985	16,345,000	0 <i>(v)</i>
Duke University Hospital Durham, North Carolina	7/1/1985	48,245,000	0 <i>(mm)</i>
North Carolina Baptist Hospitals, Inc. Winston-Salem, North Carolina	7/15/1985	86,000,000	0 <i>(w)</i>
Bowman Gray School of Medicine of Wake Forest University Winston-Salem, North Carolina	7/15/1985	42,000,000	0
Mercy Hospital Charlotte, North Carolina	8/1/1985	29,980,000	0 <i>(bb)</i>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
The Episcopal Home for the Ageing in the Diocese of North Carolina (Penick Village) Southern Pines, North Carolina	8/1/1985	\$8,180,000	\$0 <i>(ff)</i>
The United Church Retirement Home, Inc. Thomasville, North Carolina	8/1/1985	6,400,000	0 <i>(nn)</i>
Duke University Hospital Durham, North Carolina	10/2/1985	43,500,000	0
Presbyterian Hospital Charlotte, North Carolina	12/1/1985	24,000,000	0 <i>(r)</i>
Southminster, Inc. Charlotte, North Carolina	12/1/1985	23,825,000	0 <i>(oo)</i>
Pooled Equipment Financing Project, Series 1985 Raleigh, North Carolina	12/1/1985	100,000,000	23,100,000
The Moses H. Cone Memorial Hospital Greensboro, North Carolina	12/1/1985	15,000,000	0 <i>(aa)</i>
Moore Memorial Hospital Pinehurst, North Carolina	12/1/1985	10,980,000	0
Memorial Mission Hospital of Western North Carolina Asheville, North Carolina	12/1/1985	25,855,000	0
Duke University Hospital Durham, North Carolina	12/18/1985	34,415,000	0
The McDowell Hospital Marion, North Carolina	6/1/1986	8,935,000	0 <i>(x)</i>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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Pooled Financing Project Series 1986 Raleigh, North Carolina	7/1/1986	\$100,000,000	\$0
Cornelia Nixon Davis Nursing Home Wilmington, North Carolina	10/16/1986	980,980	0
Grace Hospital Morganton, North Carolina	2/1/1987	23,450,000	0 <i>(tt)</i>
High Point Regional Hospital Greensboro, North Carolina	2/1/1987	34,280,000	0 <i>(xx)</i>
Blumenthal Jewish Home Clemmons, North Carolina	3/25/1987	6,600,000	0 <i>(o)</i>
Carolina Medicorp, Inc. Winston-Salem, North Carolina	8/1/1987	53,142,316	0 <i>(cc)</i>
Wesley Long Community Hospital Greensboro, North Carolina	8/15/1987	25,715,000	0 <i>(ee)</i>
The Methodist Home, Inc. Charlotte, North Carolina	2/1/1988	13,500,000	0
The Greater Carolinas Chapter of the American National Red Cross Charlotte, North Carolina	6/1/1988	2,750,000	0
Memorial Mission Hospital of Western North Carolina Asheville, North Carolina	6/15/1988	21,337,717	0 <i>(gg)</i>
Scotland Memorial Hospital Laurinburg, North Carolina	6/1/1988	14,087,969	0 <i>(hh)</i>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Davidson Retirement Community, Inc. Davidson, North Carolina	9/15/1988	\$24,210,000	\$0 <i>(ii)</i>
St. Joseph's Hospital Asheville, North Carolina	11/1/1988	34,553,639	0 <i>(jj)</i>
Blumenthal Jewish Home Clemmons, North Carolina	11/1/1988	6,350,000	0
Fletcher Hospital, Incorporated dba Park Ridge Hospital Fletcher, North Carolina	12/1/1988	20,300,000	0 <i>(eee)</i>
Gaston Health Care Support, Inc. Gastonia, North Carolina	5/1/1989	42,472,967	0 <i>(pp)</i>
Roanoke-Chowan Hospital Ahoskie, North Carolina	7/1/1989	12,165,000	0 <i>(ddd)</i>
Transylvania Community Hospital Brevard, North Carolina	9/1/1989	4,060,000	0 <i>(yy)</i>
Stanly Memorial Hospital Albemarle, North Carolina	11/1/1989	17,285,000	0 <i>(qq)</i>
The Forest at Duke, Inc. Durham, North Carolina	4/16/1990	3,150,000	0 <i>(s)</i>
Angel Community Hospital Franklin, North Carolina	5/1/1990	7,050,000	0 <i>(zz)</i>
Presbyterian Hospital Charlotte, North Carolina	10/1/1990	101,108,090	0 <i>(dd)</i>
Community General Hospital Thomasville, North Carolina	10/1/1990	6,860,000	0 <i>(aaa)</i>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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The Greater Carolinas Chapter of the American National Red Cross Charlotte, North Carolina		11/1/1990	\$5,150,000	\$0
The Forest at Duke, Inc. Durham, North Carolina	Series A Series B	11/1/1990 11/15/1990	53,630,000 965,000	0 <i>(kk)</i> 0
Wilson Memorial Hospital Wilson, North Carolina		12/1/1990	53,658,422	0 <i>(uu)</i>
St. Joseph of the Pines, Inc. Southern Pines, North Carolina		1/1/1991	3,350,000	0 <i>(eee)</i>
Memorial Mission Hospital Asheville, North Carolina		2/5/1991	2,055,870	0
Pooled Financing Project Series 1991 A Raleigh, North Carolina		3/1/1991	54,300,000	0
Carolina Medicorp, Inc. Winston-Salem, North Carolina		4/1/1991	50,152,471	0 <i>(aaa)</i>
Chapel Hill Residential Retirement Center dba Carol Woods Chapel Hill, North Carolina		4/1/1991	25,900,000	0 <i>(nnn)</i>
Wayne Memorial Hospital Goldsboro, North Carolina		5/1/1991	41,016,323	0 <i>(fff)</i>
Valdese General Hospital Valdese, North Carolina		5/15/1991	11,390,000	0 <i>(ggg)</i>
Pooled Financing Project Series 1991 B Raleigh, North Carolina		6/1/1991	22,500,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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Duke University Hospital Durham, North Carolina	6/1/1991	\$14,872,987	\$0 <i>(mm)</i>
C. J. Harris Community Hospital Sylva, North Carolina	7/26/1991	1,384,246	0 <i>(ll)</i>
Glenaire, Inc. Cary, North Carolina	10/1/1991	27,565,000	0 <i>(rr)</i>
Annie Penn Memorial Hospital Reidsville, North Carolina	11/1/1991	13,140,000	0 <i>(bbb)</i>
Well Spring Retirement Community, Inc. Greensboro, North Carolina	11/1/1991	44,495,000	0 <i>(ww)</i>
Southeastern General Hospital Lumberton, North Carolina	11/1/1991	27,835,626	0 <i>(iiii)</i>
The McDowell Hospital Marion, North Carolina	11/1/1991	8,780,000	0 <i>(lll)</i>
North Carolina Baptist Hospitals, Inc. Winston-Salem, North Carolina	1/1/1992	87,456,982	0 <i>(ffff)</i>
Friends Home, Inc. Greensboro, North Carolina	2/1/1992	34,405,000	0 <i>(vv)</i>
Alamance Health Service, Inc. Burlington, North Carolina	2/15/1992	18,315,000	0 <i>(hhh)</i>
Halifax Memorial Hospital Roanoke Rapids, North Carolina	6/15/1992	21,995,000	0 <i>(iii)</i>
Memorial Mission Hospital Asheville, North Carolina	7/1/1992	40,794,261	0 <i>(jjj)</i>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Carolina Medicorp, Inc. Winston-Salem, North Carolina		8/1/1992	\$57,100,495	\$0 <i>(vvv)</i>
Presbyterian Health Services Corp. Charlotte, North Carolina		10/1/1992	70,385,000	0 <i>(aaa)</i>
North Carolina Baptist Hospitals Winston-Salem, North Carolina		10/29/1992	55,000,000	0 <i>(wwwww)</i>
Mercy Hospital Charlotte, North Carolina		11/1/1992	34,335,000	0
The Moses H. Cone Memorial Hospital Greensboro, North Carolina		1/28/1993	61,600,000	0 <i>(nnnnn), (wwwwww)</i>
Rex Hospital Raleigh, North Carolina		1/1/1993	68,060,075	0 <i>(ccc)</i>
Alamance Health Services, Inc. Burlington, North Carolina		3/1/1993	53,000,000	34,760,000
Morehead Memorial Hospital Eden, North Carolina		5/1/1993	11,010,000	0 <i>(gggg)</i>
Presbyterian Health Services Corp. Charlotte, North Carolina		6/1/1993	114,595,000	0 <i>(vvv)</i>
Duke University Hospital Durham, North Carolina		8/12/1993	28,650,000	28,650,000
Memorial Mission Hospital Asheville, North Carolina		7/15/1993	24,245,000	0 <i>(www)</i>
The Episcopal Home for the Ageing in the Diocese of North Carolina (Penick Village) Southern Pines, North Carolina	Series A Series B	10/1/1993 10/1/1993	8,000,000 290,000	0 <i>(xxx)</i> 0
Moore Regional Hospital Pinehurst, North Carolina		10/1/1993	50,150,373	0 <i>(ppp)</i>



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Wesley Long Community Hospital Greensboro, North Carolina	11/15/1993	\$39,065,000	\$0 <i>(hhhh)</i>
Scotland Memorial Hospital Laurinburg, North Carolina	12/1/1993	20,905,000	1,735,000
St. Joseph's Hospital Asheville, North Carolina	1/1/1994	35,970,000	0 <i>(jjj)</i>
Davidson Retirement Community, Inc. Davidson, North Carolina	1/1/1994	17,090,000	100,000 <i>(dddd)</i>
The Forest at Duke, Inc. Durham, North Carolina	3/1/1994	35,685,000	300,000 <i>(yyy)</i>
C. J. Harris Community Hospital Sylva, North Carolina	3/15/1994	15,000,000	0 <i>(qqq)</i>
Pooled Financing Project Series 1994 Raleigh, North Carolina	5/12/1994	16,100,000	0
Southminster, Inc. Charlotte, North Carolina	7/1/1994	19,500,000	0 <i>(rrr)</i>
United Church Retirement Home Newton, North Carolina	9/15/1994	19,065,000	0 <i>(kkk)</i>
The Moses H. Cone Memorial Hospital Greensboro, North Carolina	6/15/1995	15,000,000	0
Gaston Memorial Hospital Gastonia, North Carolina	10/15/1995	62,580,000	0 <i>(eeee)</i>
Pavillon International (Michigan nonprofit corporation)	12/14/1995	5,100,000	0

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Glenaire, Inc. Cary, North Carolina		2/15/1996	\$22,120,000	\$0 <i>(iiii)</i>
Pooled Financing Project Series 1996 Raleigh, North Carolina		5/8/1996	45,100,000	0
Stanly Memorial Hospital Albemarle, North Carolina		5/1/1996	28,990,000	10,475,000
North Carolina Baptist Hospitals, Inc. Winston-Salem, North Carolina		6/27/1996	50,000,000	0 <i>(mmm), (wwwww)</i>
Grace Hospital Morganton, North Carolina		8/15/1996	26,240,000	0 <i>(jjjj)</i>
Saint Joseph of the Pines Pinehurst, North Carolina		9/24/1996	10,000,000	0 <i>(eee)</i>
Duke University Durham, North Carolina		10/1/1996	121,379,383	0 <i>(jjjj)</i>
Lincoln Health System Lincolnton, North Carolina	Series A	11/20/1996	12,800,000	0
Southminster, Inc. Charlotte, North Carolina		11/1/1996	5,055,000	5,055,000
Carolina Medicorp, Inc. Winston-Salem, North Carolina		11/1/1996	104,428,199	27,626,093
Friends Home Greensboro, North Carolina		12/1/1996	25,715,000	0 <i>(zzz)</i>
Lincoln Health System Lincolnton, North Carolina	Series B	12/12/1996	2,500,000	0
Cypress Glen Durham, North Carolina		12/11/1996	20,130,000	0 <i>(aaa)</i>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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ACTS West Point, Pennsylvania	12/19/1996	\$37,655,000	\$0 <i>(sss)</i>
Wilson Memorial Hospital Wilson, North Carolina	2/1/1997	50,953,361	5,723,361 <i>(ffff)</i>
Well Spring Retirement Community, Inc. Greensboro, North Carolina	2/15/1997	40,060,000	4,630,000 <i>(bbbb)</i>
Wake County Hospital System, Inc. Raleigh, North Carolina	3/1/1997	108,550,000	0 <i>(xxxxx)</i>
Cabarrus Memorial Hospital Concord, North Carolina	3/13/1997	20,175,000	0 <i>(ttt)</i>
Lexington Memorial Hospital Lexington, North Carolina	4/9/1997	16,500,000	0
Spruce Pine Community Hospital (Blue Ridge Hospital System Inc.) Spruce Pine, North Carolina	7/17/1997	2,935,000	1,535,000
Deerfield Episcopal Retirement Community Asheville, North Carolina	11/1/1997	73,780,000	50,000 <i>(cccc)</i>
Transylvania Community Hospital Brevard, North Carolina	11/1/1997	4,855,000	2,665,000
High Point Regional Health System High Point, North Carolina	11/1/1997	29,880,000	5,915,000
Givens Estates, Inc. Asheville, North Carolina	11/18/1997	12,000,000	0 <i>(dddd)</i>
Angel Medical Center Franklin, North Carolina	11/21/1997	13,475,000	0 <i>(uuuu)</i>

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Glenaire, Inc. Cary, North Carolina	12/1/1997	\$14,395,000	\$0 <i>(kkkkkk)</i>
Pungo District Hospital Belhaven, North Carolina	12/23/1997	4,000,000	1,600,000
DePaul Community Facilities Rochester, New York	1/28/1998	4,645,000	0 <i>(ggggg)</i>
First Health of the Carolinas Pinehurst, North Carolina	2/1/1998	88,335,000	0 <i>(ooooo)</i>
Annie Penn Memorial Hospital Reidsville, North Carolina	3/15/1998	13,460,000	0
Rex Healthcare Raleigh, North Carolina	3/15/1998	124,215,000	0 <i>(lllll)</i>
Mission-Thoms-St. Joseph's Health Services Asheville, North Carolina	3/17/1998	4,670,000	0
Novant Health Winston-Salem, North Carolina	4/1/1998	121,425,000	0 <i>(ppppp)</i>
Lutheran Services for the Aging Salisbury, North Carolina	4/2/1998	23,625,000	18,020,000
Stanley Total Living Center Stanley, North Carolina	4/23/1998	4,210,000	1,810,000
Cornelia Nixon Davis Health Care Center Wilmington, North Carolina	6/17/1998	7,500,000	4,970,000
Carolina Meadows Chapel Hill, North Carolina	6/23/1998	5,000,000	0 <i>(kkkk)</i>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Catholic Health East	Series C	6/15/1998	\$41,945,000	\$17,810,000
(St. Joseph of the Pines)	Series D	7/15/1998	30,000,000	0 <i>(hhhhh)</i>
Pinehurst, North Carolina				
United Church Retirement Homes		7/1/1998	19,705,000	0 <i>(lll)</i>
Newton, North Carolina				
Alamance Regional Medical Center		7/1/1998	16,575,000	9,610,000
Burlington, North Carolina				
The Presbyterian Home at Charlotte		8/25/1998	8,500,000	0 <i>(ooo)</i>
(Sharon Towers)				
Charlotte, North Carolina				
Gaston Health Care		8/1/1998	82,935,000	0 <i>(qqqqq)</i>
Gastonia, North Carolina				
Duke University Health System		8/1/1998	83,235,000	0 <i>(jjj)</i>
Durham, North Carolina				
Valdese General Hospital		9/3/1998	11,030,000	0 <i>(mmmm)</i>
Valdese, North Carolina				
Pitt County Memorial Hospital		9/1/1998	207,170,000	7,850,000 <i>(pppp)</i>
Greenville, North Carolina				
Halifax Regional Medical Center		9/1/1998	33,670,000	15,940,000
Roanoke Rapids, North Carolina				
Wayne Memorial Hospital		9/15/1998	41,310,000	0
Goldsboro, North Carolina				
Duke University Health System		10/1/1998	199,300,000	0 <i>(jjj)</i>
Durham, North Carolina				
Carolina Village		10/21/1998	7,700,000	4,800,000
Hendersonville, North Carolina				

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Novant Health Winston-Salem, North Carolina	10/1/1998	\$57,925,000	\$0 <i>(pppp)</i>
Pitt County Memorial Hospital Greenville, North Carolina	10/1/1998	84,000,000	2,505,000
J. Arthur Doshier Memorial Hospital Southport, North Carolina	11/12/1998	5,000,000	2,575,000
The Moses Cone Health System Greensboro, North Carolina	11/12/1998	15,000,000	0
Cabarrus Memorial Hospital (NorthEast Medical Center) Concord, North Carolina	11/1/1998	15,405,000	0
Mission-St. Joseph's Health System Asheville, North Carolina	11/1/1998	114,650,000	32,270,000 <i>(vvvv)</i>
Lutheran Retirement Ministries of Alamance County (Twin Lakes) Burlington, North Carolina	1/14/1999	20,465,000	0 <i>(iiii)</i>
The Cross Road Rest and Retirement Center Asheboro, North Carolina	3/11/1999	5,700,000	0 <i>(vvvvv)</i>
Randolph Hospital Asheboro, North Carolina	3/18/1999	25,970,000	0 <i>(xxxx)</i>
WakeMed Raleigh, North Carolina	4/22/1999	36,265,000	0
High Point Regional Health System High Point, North Carolina	4/1/1999	61,070,000	40,060,000
Transylvania Community Hospital Brevard, North Carolina	8/1/1999	1,000,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
North Carolina Cancer Institute Lumberton, North Carolina		8/1/1999	\$1,500,000	\$0
Scotland Memorial Hospital Laurinburg, North Carolina		7/15/1999	13,500,000	7,500,000
Moravian Home, Incorporated (Salemtowne) Winston-Salem, North Carolina		10/1/1999	15,595,000	0 <i>(yyyy)</i>
Stanly Memorial Hospital Albemarle, North Carolina		10/15/1999	15,000,000	12,265,000
Southeastern Regional Medical Center Lumberton, North Carolina		10/15/1999	25,270,000	15,455,000
DePaul Community Facilities Rochester, New York		12/7/1999	14,315,000	0 <i>(gggg)</i>
The McDowell Hospital Marion, North Carolina		12/16/1999	6,765,000	2,740,000
North Carolina Housing Foundation Winston-Salem, North Carolina		2/1/2000	11,970,000	10,260,000
Grace Hospital, Inc. Morganton, North Carolina		3/16/2000	20,700,000	0 <i>(mmmm)</i>
North Carolina Baptist Hospitals, Inc. Winston-Salem, North Carolina		6/15/2000	150,800,000	0 <i>(wwwww)</i>
United Methodist Retirement Homes Croasdaile Village Durham, North Carolina		9/28/2000	46,465,000	0 <i>(qqqq)</i>
United Methodist Retirement Homes Croasdaile Village Durham, North Carolina	Series A	9/28/2000	15,795,000	0 <i>(nnnn)</i>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
NorthEast Medical Center Concord, North Carolina		10/27/2000	\$32,290,000	\$0
Mission-St. Joseph's Asheville, North Carolina		12/12/2000	4,775,000	0
Presbyterian Homes Jamestown, North Carolina		2/21/2001	91,885,000	0 (zzzz)
Providence Place High Point, North Carolina	Series A Series B	4/29/2001 4/29/2001	11,235,000 175,000	10,615,000 0
WakeMed Raleigh, North Carolina		4/5/2001	150,000,000	141,240,000
Moravian Home (Salemtowne) Winston-Salem, North Carolina		4/26/2001	24,215,000	0 (yyyy)
Cleveland Regional Medical Center Shelby, North Carolina		5/10/2001	30,000,000	0 (oooo), (pppppp)
Chapel Hill Residential Retirement Center dba Carol Woods Retirement Community Chapel Hill, North Carolina		7/2/2001	33,030,000	0 (jjjj), (uuuuuu)
The Moses Cone Health System Greensboro, North Carolina	Series A Series B	7/11/2001 7/11/2001	42,600,000 42,600,000	42,600,000 42,600,000
Aldersgate United Methodist Retirement Community, Inc. Charlotte, North Carolina		7/12/2001	40,835,000	0 (yyyyy)
Rutherford Hospital Rutherfordton, North Carolina		8/1/2001	16,800,000	0 (mmmmmm)
Mission-St. Joseph's Health System Asheville, North Carolina		9/1/2001	109,720,000	0 (vvvv)



SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Duke University Health System, Inc. Durham, North Carolina		9/21/2001	\$42,000,000	\$0
Presbyterian Home at Charlotte (Sharon Towers) Charlotte, North Carolina		9/25/2001	23,500,000	0 (nnnnn)
Baptist Retirement Homes of North Carolina, Inc. (Taylor Glen) Winston-Salem, North Carolina	Series A Series B Series C	10/11/2001 10/17/2001 10/17/2001	40,285,000 8,100,000 5,900,000	35,925,000 0 0
Alamance Extended Care, Inc. (Village at Brookwood) Burlington, North Carolina	Series A Series B Series C	11/1/2001 11/28/2001 11/28/2001	32,560,000 8,500,000 17,000,000	13,850,000 (aaaaa) 0 (aaaaa) 0
Aston Park Health Care Center, Inc. Asheville, North Carolina		2/14/2002	4,100,000	2,500,000
FirstHealth of the Carolinas Pinehurst, North Carolina		2/27/2002 2/27/2002	29,400,000 50,000,000	0 28,575,000
Arbor Acres United Methodist Retirement Community, Inc. Winston-Salem, North Carolina		3/1/2002	23,105,000	400,000 (zzzzz)
The Forest at Duke, Inc. Durham, North Carolina		3/15/2002	23,495,000	0 (kkkkk)
Senior Care Group of McDowell, LLC Nebo, North Carolina	Series A Series B	6/1/2002 6/1/2002	7,210,000 800,000	6,455,000 800,000
Union Regional Medical Center Monroe, North Carolina	Series A Series B	7/11/2002 7/11/2002	25,000,000 15,000,000	18,145,000 15,000,000
Southeastern Regional Medical Center Lumberton, North Carolina		8/14/2002	48,980,000	38,175,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Wake Forest University Health Sciences Winston-Salem, North Carolina		8/22/2002	\$198,800,000	\$0 <i>(rrrr)</i>
NorthEast Medical Center	Series A	9/10/2002	30,000,000	0
Concord, North Carolina	Series B	9/10/2002	30,000,000	0
Southminster, Inc. Charlotte, North Carolina		10/1/2002	13,320,000	5,490,000
North Carolina Baptist Hospitals Winston-Salem, North Carolina		10/31/2002	162,400,000	0 <i>(ssss)</i>
WestCare Health System	Series A	11/14/2002	26,860,000	17,040,000
Sylva, North Carolina	Series B	11/14/2002	880,000	645,000
ACTS Retirement-Life Communities, Inc. West Point, Pennsylvania		12/18/2002	27,255,000	0
CaroMont Health Gastonia, North Carolina		1/23/2003	120,000,000	0 <i>(tttt)</i>
Cornelia Nixon Davis Nursing Home Wilmington, North Carolina		1/23/2003	7,000,000	5,080,000
FirstHealth of the Carolinas Pinehurst, North Carolina		4/10/2003	45,750,000	0
Hugh Chatham Memorial Hospital Elkin, North Carolina		4/23/2003	40,000,000	34,705,000
Memorial Mission Hospital, Inc. Asheville, North Carolina		5/29/2003	25,000,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Novant Health Winston-Salem, North Carolina		7/1/2003	\$164,325,000	\$107,995,000
Givens Estates, Inc. Asheville, North Carolina	Series A	7/15/2003	63,385,000	4,380,000 (cccc)
	Series B	7/15/2003	7,000,000	0 (cccc)
	Series C	8/14/2003	39,000,000	0 (cccc)
Maria Parham Medical Center Henderson, North Carolina		8/1/2003	50,835,000	45,585,000
Betsy Johnson Regional Hospital Dunn, North Carolina		9/24/2003	24,770,000	0
Mission St. Joseph's Health System Asheville, North Carolina		10/1/2003	18,530,000	11,260,000
Friends Homes, Inc. Greensboro, North Carolina		10/16/2003	45,165,000	38,805,000
The Forest at Duke, Inc. Durham, North Carolina	Series A	11/1/2003	25,990,000	16,195,000
	Series B	11/1/2003	5,210,000	0
Northern Hospital District of Surry County Mount Airy, North Carolina		12/1/2003	2,422,050	0
Well Spring Retirement Community Greensboro, North Carolina	Series A	12/1/2003	15,450,000	9,790,000
	Series B	12/1/2003	2,000,000	2,000,000
	Series C	12/23/2003	10,000,000	0 (ooooo)
Lutheran Retirement Ministries Burlington, North Carolina		12/11/2003	13,030,000	0 (iiii)
The Episcopal Home for the Ageing In the Diocese of North Carolina (Penick Village) Southern Pines, North Carolina	Series A	2/1/2004	3,185,000	555,000
	Series B	2/1/2004	2,470,000	2,470,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Deerfield Episcopal Retirement Community Asheville, North Carolina	Series A Series B Series C	3/1/2004 3/1/2004 3/1/2004	\$37,505,000 5,000,000 10,000,000	\$27,110,000 5,000,000 0 <i>(rrrrr)</i>
Cypress Glen Retirement Community Greenville, North Carolina	Series A Series B	3/15/2004 3/15/2004	15,410,000 5,000,000	11,015,000 0 <i>(aaaaa)</i>
Cleveland County Healthcare System Shelby, North Carolina	Series A	6/30/2004	38,600,000	0 <i>(pppppp)</i>
Cleveland County Healthcare System Shelby, North Carolina		7/15/2004	29,475,000	27,000,000
Stanly Memorial Hospital Albemarle, North Carolina		7/22/2004	5,000,000	497,882
NorthEast Medical Center Concord, North Carolina		8/5/2004	30,000,000	0
Rowan Regional Medical Center Salisbury, North Carolina		8/18/2004	87,125,000	77,170,000
Cypress Glen Retirement Community Greenville, North Carolina	Series C Series D	8/19/2004 8/19/2004	12,960,000 2,500,000	7,960,000 0
Moses Cone Health System Greensboro, North Carolina	Series A Series B	10/19/2004 10/19/2004	47,500,000 47,500,000	47,500,000 0 <i>(mmmmm)</i>
The ARC of North Carolina Raleigh, North Carolina	Series A Series B	10/21/2004 10/21/2004	34,650,000 1,270,000	32,405,000 0
Carolina Meadows Chapel Hill, North Carolina		11/7/2004	20,110,000	0 <i>(yyyyyy)</i>
Novant Health Winston-Salem, North Carolina		11/8/2004	135,000,000	135,000,000
Fletcher Hospital dba Park Ridge Hospital Fletcher, North Carolina		1/13/2005	14,000,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
United Methodist Retirement Homes Durham, North Carolina	Series A	2/16/2005	\$20,790,000	\$20,355,000
	Series B	2/16/2005	24,250,000	0 (ffffff)
United Church Homes and Services Newton, North Carolina	Series A	4/21/2005	13,755,000	10,125,000
	Series B	4/21/2005	5,000,000	5,000,000
Presbyterian Homes Jamestown, North Carolina	Series A	5/4/2005	13,465,000	10,900,000
	Series B	5/4/2005	4,090,000	0 (kkkkkk)
Duke University Health System Durham, North Carolina	Series A	5/19/2005	107,380,000	0 (bbbbbb)
	Series B	5/19/2005	107,380,000	0 (bbbbbb)
	Series C	5/19/2005	107,380,000	0 (bbbbbb)
Blue Ridge Health System Morganton, North Carolina	Series A	6/19/2005	35,000,000	35,000,000
	Series B	6/19/2005	43,075,000	0 (jjjjj)
Watauga Medical Center Boone, North Carolina		6/14/2005	31,350,000	0 (rrrrr)
Morehead Memorial Hospital Eden, North Carolina		6/15/2005	47,675,000	41,585,000
Alamance Regional Medical Center Burlington, NC		8/1/2005	10,000,000	2,637,782
Duke University Health System Durham, North Carolina		8/12/2005	40,000,000	3,746,528
United Methodist Retirement Homes Durham, North Carolina	Series C	9/8/2005	47,835,000	45,595,000
Mission Hospitals, Inc. Asheville, North Carolina		9/13/2005	25,000,000	7,941,588
Southeastern Regional Medical Center Lumberton, North Carolina		9/15/2005	20,000,000	20,000,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Lenoir Memorial Hospital Kinston, North Carolina		9/22/2005	\$22,000,000	\$19,370,000
Novant Health Winston-Salem, North Carolina		12/12/2005	50,000,000	8,553,860
Rex Hospital Raleigh, North Carolina		12/12/2005	30,000,000	0
Transylvania Community Hospital Brevard, North Carolina		12/15/2005	1,700,000	0
Person Memorial Hospital Roxboro, North Carolina		12/15/2005	18,000,000	16,375,000
Pennybyrn at Maryfield High Point, North Carolina	Series A	12/29/2005	67,315,000	66,195,000
	Series B	12/29/2005	3,000,000	0
	Series C	12/29/2005	24,000,000	0 (xxxxxx)
University Health Systems of Eastern Carolina	Series A & B	2/16/2006	227,970,000	0 (sssss)
Greenville, North Carolina	Series C & D	2/16/2006	246,025,000	0 (sssss)
Wake Forest University Health Sciences Winston-Salem, North Carolina		4/6/2006	196,050,000	0 (uuuuu)
North Carolina Baptist Hospital Winston-Salem, North Carolina		5/3/2006	162,400,000	0 (vvvvv)
Cumberland County Hospital System dba Cape Fear Valley Health Fayetteville, North Carolina	Series A	5/4/2006	37,020,000	17,800,000
	Series B	5/4/2006	262,650,000	0 (ttttt)
Caromont Health Gastonia, North Carolina		5/9/2006	119,800,000	119,300,000
NorthEast Medical Concord, North Carolina		6/27/2006	50,000,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
The Pines at Davidson Davidson, North Carolina		7/7/2006	\$30,980,000	\$22,790,000
Presbyterian Homes Jamestown, North Carolina	Series B	7/13/2006 8/9/2006	79,235,000 33,290,000	79,235,000 26,595,000
Wayne Memorial Hospital Goldsboro, North Carolina		9/21/2006	35,000,000	0
The Cross Road Rest and Retirement Center, Inc. Asheboro, North Carolina		10/19/2006	8,300,000	7,395,000
Moravian Homes, Inc. dba Salemtowne Winston-Salem, North Carolina		11/14/2006	35,225,000	32,125,000
Duke University Health System Durham, North Carolina	Series A Series B Series C	11/15/2006 11/15/2006 11/15/2006	65,355,000 65,360,000 20,000,000	63,205,000 63,210,000 19,300,000
Novant Health Winston-Salem, North Carolina		12/14/2006	250,000,000	250,000,000
Mission Health Asheville, North Carolina		1/31/2007	260,430,000	253,775,000
Chatham Hospital Siler City, North Carolina		2/8/2007	30,540,000	28,515,000
Iredell Memorial Hospital Statesville, North Carolina		3/15/2007	39,465,000	0 (ssssss)
Arbor Acres United Methodist Retirement Community Winston-Salem, North Carolina		3/21/2007	17,765,000	17,330,000
Angel Medical Center Franklin, North Carolina		3/22/2007	18,500,000	14,485,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Givens Estates, Inc. Asheville, North Carolina		4/4/2007	\$66,900,000	\$65,810,000
United Church Homes and Services Newton, North Carolina		4/18/2007	15,780,000	0 (ttttt)
Alamance Extended Care, Inc. (The Village at Brookwood) Burlington, North Carolina		5/18/2007	29,280,000	28,670,000
Randolph Hospital Asheboro, North Carolina		6/14/2007	49,230,000	46,080,000
The Forest at Duke, Inc. Durham, North Carolina		7/12/2007	28,200,000	26,620,000
Wilson Medical Center Wilson, North Carolina		8/7/2007	33,825,000	24,840,000
Sisters of Mercy Services Corporation Asheville, North Carolina		9/13/2007	4,400,000	4,200,000
Lutheran Retirement Ministries dba Twin Lakes Alamance County Burlington, North Carolina		10/10/2007	39,800,000	0 (ccccc)
DePaul Community Facilities, Inc. Rochester, New York	Series A Series B	10/25/2007 10/25/2007	30,125,000 1,765,000	0 (ddddd) 0
Lower Cape Fear Hospice Wilmington, North Carolina		11/15/2007	4,000,000	3,800,000
Southminster, Inc. Charlotte, North Carolina	Series A & B Series C	11/15/2007 11/15/2007	64,180,000 25,500,000	63,965,000 0
Carol Woods Residential Retirement Center Chapel Hill, North Carolina		11/28/2007	29,510,000	0



SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
CaroMont Health Gastonia, North Carolina		1/31/2008	\$118,400,000	\$100,210,000
Carolina Village Hendersonville, North Carolina	Series A	2/28/2008	19,575,000	19,305,000
	Series B	2/28/2008	10,000,000	0
	Series C	2/28/2008	15,000,000	0 (ggggg)
Catholic Health East Newtown Square, Pennsylvania		4/24/2008	30,475,000	27,475,000
Moses Cone Health System Greensboro, North Carolina		4/30/2008	48,140,000	48,140,000
Transylvania Community Hospital Brevard, North Carolina		6/6/2008	5,000,000	2,113,249
Deerfield Episcopal Retirement Asheville, North Carolina	Series A	8/13/2008	47,945,000	47,945,000
	Series B	8/13/2008	50,350,000	50,350,000
Novant Health Winston-Salem, North Carolina	Series A	8/19/2008	70,000,000	0 (vvvvv)
	Series B	8/19/2008	75,090,000	0 (vvvvv)
	Series C	8/19/2008	50,870,000	0 (vvvvv)
Cape Fear Valley Health System Fayetteville, North Carolina	Series 2008 A	9/23/2008	152,000,000	152,000,000
	Series 2008 B	9/23/2008	133,335,000	130,915,000
Hugh Chatham Memorial Hospital Elkin, North Carolina		9/24/2008	45,455,000	44,860,000
Wake Forest Univeristy Health Sciences Winston-Salem, North Carolina		10/16/2008	188,640,000	182,305,000
The Moses H. Cone Memorial Hospital Greensboro, North Carolina		10/23/2008	61,600,000	0 (vvvvvvv)
Duke University Health System Durham, North Carolina		12/4/2008	40,000,000	13,666,647

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
FirstHealth of the Carolinas	Series A	12/9/2008	\$75,015,000	\$44,600,000 (eeeeee)
Pinehurst, North Carolina	Series B	12/9/2008	31,830,000	0 (zzzzz)
University Health Systems of Eastern Carolina	Series A	12/10/2008	112,690,000	109,125,000
	Series B	12/10/2008	123,850,000	119,970,000
Greenville, North Carolina	Series C	12/10/2008	74,455,000	73,740,000
	Series D	12/10/2008	119,715,000	119,715,000
	Series E	12/10/2008	77,900,000	77,525,000
Hospice of Alamance-Caswell Burlington, North Carolina		12/23/2008	5,000,000	4,900,000
North Carolina Baptist Hospital Winston-Salem, North Carolina	Series A	1/29/2009	77,000,000	0 (wwwww)
	Series B	1/29/2009	40,000,000	0 (wwwww)
	Series C	1/29/2009	40,000,000	0 (wwwww)
WakeMed Raleigh, North Carolina	Series A	2/10/2009	169,750,000	166,850,000
	Series B	2/26/2009	75,000,000	75,000,000
Transylvania Regional Hospital Brevard, North Carolina		3/9/2009	13,240,000	12,400,000
Wayne Memorial Hospital Goldsboro, North Carolina		3/19/2009	35,720,000	35,720,000
FirstHealth of the Carolinas Pinehurst, North Carolina	Series A	4/19/2009	45,505,000	45,505,000
	Series B	4/15/2009	45,505,000	0 (zzzzz)
WakeMed Raleigh, North Carolina		7/16/2009	81,780,000	81,780,000
Duke University Health System Durham, North Carolina	Series 2005 A	8/21/2009	107,380,000	107,380,000
	Series 2005 B	8/21/2009	107,380,000	107,380,000
	Series 2005 C	8/21/2009	107,380,000	107,380,000
DePaul/Community Facilities, Inc. Rochester, New York	Series 2007 A	9/17/2009	30,000,000	29,815,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Mission Health System Asheville, North Carolina		10/9/2009	\$30,000,000	\$19,700,840
Cypress Glen Retirement Community Greenville, North Carolina		10/15/2009	6,585,000	6,585,000
CN Davis Wilmington, North Carolina		10/29/2009	5,705,000	5,475,000
High Point Regional High Point, North Carolina		11/4/2009	9,540,000	6,160,000
Duke University Health System Durham, North Carolina		11/10/2009	180,000,000	180,000,000
FirstHealth of the Carolinas Pinehurst, North Carolina	Series 2009 C	12/9/2009	54,500,000	54,500,000
	Series 2009 D	12/9/2009	40,830,000	40,830,000
Lutheran Services for the Aging Salisbury, North Carolina		12/17/2009	27,364,250	26,735,592
Lutheran Retirement Services (Twin Lakes) Burlington, North Carolina		12/29/2009	29,630,000	29,630,000
Aldersgate United Methodist Retirement Community Charlotte, North Carolina		12/30/2009	29,995,000	29,995,000
First Health of the Carolinas Pinehurst, North Carolina		1/6/2010	29,535,000	29,535,000
Lutheran Retirement Services Burlington, North Carolina		1/14/2010	5,495,000	3,705,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
The Episcopal Home for the Ageing in Diocese of North Carolina (Penick Village) Southern Pines, NC	1/20/2010	\$30,000,000	\$30,000,000
University Health Systems of Eastern Carolina Greenville, North Carolina	1/28/2010	22,425,000	16,774,000
United Methodist Retirement Homes Durham, North Carolina	2/4/2010	14,300,000	14,300,000
Mission Health System Asheville, North Carolina	2/24/2010	65,000,000	65,000,000
United Methodist Retirement Homes Durham, North Carolina	2/19/2010	12,880,000	12,565,000
Carolina Village Hendersonville, North Carolina	2/25/2010	15,000,000	15,000,000
North Carolina Baptist Hospitals Winston-Salem, North Carolina	3/1/2010	322,750,000	315,045,000
Catholic Health East / St. Joseph of the Pines Pinehurst, North Carolina	4/7/2010	15,360,000	14,230,000
Aldersgate United Methodist Retirement Community Charlotte, North Carolina	4/14/2010	8,605,000	7,245,000
Duke University Health System Durham, North Carolina	4/28/2010	120,000,000	120,000,000
Arbor Acres Winston-Salem, North Carolina	6/10/2010	28,875,000	28,875,000
The Presbyterian Home at Charlotte, Inc. (Sharon Towers) Charlotte, North Carolina	9/24/2010	11,515,000	11,515,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Blue Ridge Healthcare System, Inc. Morganton, North Carolina		10/7/2010	\$51,195,000	\$48,750,000
Ashe Memorial Hospital Jefferson, North Carolina		10/15/2010	1,229,000	1,229,000
Galloway Ridge, Inc. Pittsboro, North Carolina	Series A	10/21/2010	61,180,000	61,180,000
	Series B	10/21/2010	15,000,000	15,000,000
	Series C	10/21/2010	19,930,000	19,930,000
Chapel Hill Residential Retirement Center dba Carol Woods Chapel Hill, North Carolina		10/22/2010	30,000,000	29,200,000
Rex Hospital Raleigh, North Carolina		10/26/2010	122,965,000	122,965,000
Novant Health, Inc. Winston-Salem, North Carolina		11/3/2010	264,165,000	264,165,000
Maryfield, Incorporated (Pennybyrn at Maryfield) High Point, North Carolina		11/9/2010	5,000,000	4,752,362
Well-Spring Retirement Community Greensboro, North Carolina		11/10/2010	7,065,000	6,515,000
Rutherford Hospital Rutherfordton, North Carolina		12/16/2010	22,160,000	22,160,000
The Presbyterian Homes, Inc. High Point, North Carolina		12/17/2010	14,375,000	14,375,000
Lutheran Services for the Aging, Inc. Salisbury, North Carolina		12/16/2010	8,300,000	524,168
United Church Homes and Services Newton, North Carolina		12/21/2010	23,225,000	23,225,000
Hospice and Palliative Care Charlotte Region Charlotte, North Carolina		12/21/2010	4,995,000	4,995,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2011
Carolina Meadows Chapel Hill, North Carolina		12/22/2010	\$17,810,000	\$17,810,000
Moses Cone Health System Greensboro, North Carolina		2/16/2011	60,170,000	60,170,000
Appalachian Regional Healthcare System Boone, North Carolina		2/16/2011	35,310,000	35,310,000
Novant Health Winston-Salem, North Carolina	Series A	3/23/2011	65,605,000	65,605,000
	Series B	3/23/2011	70,695,000	70,695,000
	Series C	3/23/2011	47,165,000	47,165,000
Lower Cape Fear Hospice, Inc. Wilmington, North Carolina		4/13/2011	3,400,000	3,400,000
WhiteStone, A Masonic & Eastern Star Community Greensboro, North Carolina	Series A	4/28/2011	22,395,000	22,395,000
	Series B	4/28/2011	4,700,000	4,700,000
Cleveland County Healthcare System Shelby, North Carolina		5/12/2011	39,560,000	39,560,000
Iredell Memorial Hospital Statesville, North Carolina		6/30/2011	35,000,000	35,000,000
University Health Systems of Eastern Carolina, Inc. Greenville, North Carolina		6/23/2011	50,000,000	12,500,000
Totals			<u>\$17,476,806,052</u>	<u>\$7,297,062,952</u>

- (a) Defeased by 5/24/85 Presbyterian Hospital Bond Issue
- (b) Defeased by 7/1/85 Duke University Hospital Refunding Bond Issue
- (c) Defeased by 12/1/85 Memorial Mission Bond Issue
- (d) Defeased by 12/1/85 Moore Memorial Bond Issue
- (e) Defeased by 8/1/85 Mercy Hospital Bond Issue
- (f) Defeased by 7/1/83 Grace Hospital Bond Issue
- (g) Defeased by 7/1/85 Southeastern General Hospital Bond Issue
- (h) Defeased by 8/1/85 The Episcopal Home for the Ageing in the Diocese of North Carolina Bond Issue
- (i) Defeased by 12/1/85 Presbyterian Hospital Bond Issue
- (j) Defeased by 2/1/87 Grace Hospital Bond Issue
- (k) Defeased by 2/1/87 High Point Regional Hospital Bond Issue
- (l) Defeased by 8/1/87 Carolina Medicorp Bond Issue
- (m) Defeased by 6/1/88 Scotland Memorial Hospital Bond Issue
- (n) Defeased by 11/1/88 St. Joseph's Hospital Bond Issue
- (o) Defeased by 11/1/88 Blumenthal Jewish Home Bond Issue
- (p) Defeased by 11/1/89 Stanly Memorial Hospital Bond Issue
- (q) Defeased by 10/1/90 Community General Hospital Bond Issue
- (r) Defeased by 10/1/90 Presbyterian Hospital Bond Issue
- (s) Defeased by 11/1/90 Forest at Duke Bond Issue
- (t) Defeased by 11/1/91 Annie Penn Memorial Hospital Bond Issue
- (u) Defeased by 2/15/92 Alamance Health Services Bond Issue
- (v) Defeased by 11/1/91 Southeastern General Hospital Bond Issue
- (w) Defeased by 1/1/92 North Carolina Baptist Hospitals Bond Issue
- (x) Defeased by 11/1/91 McDowell Hospital Bond Issue
- (y) Defeased by 1/1/93 Rex Hospital Bond Issue
- (z) Defeased by 5/1/93 Morehead Memorial Hospital Bond Issue
- (aa) Defeased by 1/29/93 The Moses H. Cone Memorial Hospital Bond Issue
- (bb) Defeased by 11/1/92 Mercy Hospital Bond Issue
- (cc) Defeased by 8/1/92 Carolina Medicorp, Inc. Bond Issue
- (dd) Defeased by 6/1/93 Presbyterian Health Services Corp. Bond Issue
- (ee) Defeased by 11/15/93 Wesley Long Community Hospital, Series 1993 Bond Issue
- (ff) Defeased by 10/1/93 Penick Memorial Home Series 1993A Bond Issue
- (gg) Defeased by 7/15/93 Memorial Mission Hospital Series 1993 Bond Issue
- (hh) Defeased by 12/1/93 Scotland Memorial Hospital Series 1993 Bond Issue
- (ii) Defeased in part by 1/1/94 The Pines at Davidson Series 1994 Bond Issue
- (jj) Defeased by 1/1/94 St. Joseph's Hospital Series 1994 Bond Issue
- (kk) Defeased in part by 3/1/94 The Forest at Duke Series 1994 Bond Issue
- (ll) Defeased by 3/15/94 C.J. Harris Community Hospital Series 1994 Bond Issue
- (mm) Defeased in part by 8/12/93 Duke University Hospital Series 1993A Bond Issue
- (nn) Defeased by 9/15/94 United Church Retirement Homes Series 1994 Bond Issue

(oo) Defeased by 7/1/94 Southminster Series 1994 Bond Issue

(pp) Defeased by 10/15/95 Gaston Memorial Hospital Series 1995 Bond Issue

(qq) Defeased by 5/1/96 Stanly Memorial Hospital Series 1996 Bond Issue

(rr) Defeased by 2/15/96 Glenaire Project Series 1996 Bond Issue

(ss) Defeased by 4/9/97 Lexington Memorial Hospital Series 1997 Bond Issue

(tt) Defeased by 8/15/96 Grace Hospital Series 1996 Bond Issue

(uu) Defeased by 2/1/97 Wilson Memorial Hospital Series 1997 Bond Issue

(vv) Defeased by 12/1/96 Friends Home West Series 1996 Bond Issue

(ww) Defeased by 2/15/97 Well Spring Retirement Community Series 1997 Bond Issue

(xx) Defeased by 11/1/97 High Point Regional Health System Series 1997 Bond Issue

(yy) Defeased by 11/1/97 Transylvania Community Hospital Series 1997 Bond Issue

(zz) Defeased by 11/21/97 Angel Medical Center Series 1997 Bond Issue

(aaa) Defeased by 4/1/98 Novant Health System Series 1998A Bond Issue

(bbb) Defeased by 3/15/98 Annie Penn Memorial Hospital Series 1998 Bond Issue

(ccc) Defeased in part by 3/15/98 Rex Healthcare Series 1998 Bond Issue

(ddd) Defeased by 9/1/98 Pitt County Memorial Hospital Series 1998A Bond Issue

(eee) Defeased by 6/15/98 Catholic Health East 1998C and 1998D Bond Issues

(fff) Defeased by 9/15/98 Wayne Memorial Hospital Series 1998 Bond Issue

(ggg) Defeased by 9/3/98 Valdese General Hospital, Inc. Series 1998 Bond Issue

(hhh) Defeased by 7/1/98 Alamance Regional Medical Center, Inc. Series 1998 Bond Issue

(iii) Defeased by 9/1/98 Halifax Regional Medical Center Series 1998 Bond Issue

(jjj) Defeased by 11/1/98 Mission-St. Joseph's Health System Series 1998 Bond Issues

(kkk) Defeased by 7/1/98 United Church Retirement Homes Series 1998 Bond Issue

(lll) Defeased by 12/16/99 The McDowell Hospital, Inc., Series 1999 Bond Issue

(mmm) Defeased in part by 6/15/2000 North Carolina Baptist Hospitals Project Series 2000 Bond Issue

(nnn) Defeased by July 2, 2001 Carol Woods Project Bond Issue

(ooo) Defeased by August 1, 2001 The Presbyterian Home at Charlotte, Inc. Bond Issue

(ppp) Defeased by 2003 FirstHealth of the Carolinas Bond Issue

(qqq) Defeased by 2002 WestCare Bond Issue

(rrr) Defeased by 2002 Southminster, Inc. Bond Issue

(sss) Defeased by 2002 ACTS Bond Issue

(ttt) Defeased by 2002 NorthEast Medical Bond Issue

(uuu) Defeased in part by 2003 Gaston Healthcare Bond Issue

(vvv) Defeased by July 1, 2003 Novant Health Bond Issue

(www) Defeased by October 1, 2003 Mission-St. Joseph's Health System Bond Issue

(xxx) Defeased by February 1, 2004 Penick Village Bond Issue

(yyy) Defeased in part by November 1, 2003 The Forest at Duke Bond Issue

(zzz) Defeased by October 16, 2003 Friends Home Bond Issue

(aaaa) Defeased March 15, 2004 Cypress Glen Bond Issue

(bbbb) Defeased in part by December 1, 2003 Well Spring Bond Issue



(cccc) Defeased in part by March 1, 2004 Deerfield Episcopal Retirement Community Bond Issue

(dddd) Defeased by July 15, 2003 Givens Estates Bond Issue

(eeee) Defeased by reissuance of debt January 13, 2005

(ffff) Defeased in part by October 2002 NC Baptist Bond Issue

(gggg) Defeased by June 15, 2005 Morehead Memorial Hospital Bond Issue

(hhhh) Defeased by October 19, 2004 Moses Cone Bond Issue

(iiii) Defeased in part by May 4, 2005 Presbyterian Home Bond Issue

(jjjj) Defeased in part by May 19, 2005 Duke University Health System Bond Issue

(kkkk) Defeased by November 7, 2004 Carolina Meadows Bond Issue

(llll) Defeased in part by April 21, 2005 United Church Bond Issue

(mmmm) Defeased by June 9, 2005 Blue Ridge Health System Bond Issue

(nnnn) Defeased by February 16, 2005 United Methodist Retirement Homes Bond Issue

(oooo) Reissued for tax purposes July 15, 2004

(pppp) Defeased in part by February 16, 2006 University Health Systems of Eastern Carolina Bond Issue

(qqqq) Defeased by September 8, 2005 United Methodist Retirement Homes Bond Issue

(rrrr) Reissued for tax purposes by May 3, 2006 bond issue in amount of \$196,050,000

(ssss) Reissued for tax purposes by May 3, 2006 NC Baptist Hospital Bond Issue

(tttt) Reissued for tax purposes by May 9, 2006 CaroMont Bond Issue

(uuuu) Defeased by March 22, 2007 Angel Medical Center Bond Issue

(vvvv) Defeased in part by January 31, 2007 Mission Health Bond Issue

(wwww) Defeased by October 19, 2006 CrossRoad Rest and Retirement Bond Issue

(xxxx) Defeased by June 14, 2007 Randolph Hospital Bond Issue

(yyyy) Defeased by November 14, 2006 Moravian Homes, Inc. (Salem towne) Bond Issue

(zzzz) Defeased by July 13, 2006 Presbyterian Homes, Inc. Bond Issue

(aaaa) Defeased in part by May 18, 2007 Alamance Extended Care, Inc. Bond Issue

(bbbb) Defeased by March 21, 2007 Arbor Acres (United Methodist Retirement Community) Bond Issue

(cccc) Defeased in part by April 4, 2007 Givens Estates Bond Issue

(dddd) Defeased in part by July 7, 2006 The Pines at Davidson Bond Issue

(eeee) Defeased by January 31, 2008 CaroMont Health Bond Issue

(ffff) Defeased in part by August 7, 2007 Wilson Medical Center Bond Issue

(gggg) Defeased by October 25, 2007 DePaul Community Facilities, Inc. Bond Issue

(hhhh) Defeased by April 24, 2008 Catholic Health East Bond Issue

(iiii) Defeased by October 10, 2007 Lutheran Retirement Ministries in Alamance County Bond Issue

(jjjj) Reissued for tax purposes on November 28, 2007

(kkkk) Defeased by July 12, 2007 The Forest at Duke Bond Issue

(mmmm) Defeased by April 30, 2008 Moses Cone Bond Issue

(nnnn) Reissued for tax purposes October 23, 2008

(oooo) Defeased by December 9, 2008 First Health of the Carolinas Bond Issue

(pppp) Defeased by August 19, 2008 Novant Health Bond Issue

(qqqq) Defeased by CaroMont Health January 31, 2008 Bond Issue

(rrrrr) Defeased by August 13, 2008 Deerfield Bond Issue

(sssss) Defeased by December 10, 2008 University Health Systems Bond Issue

(ttttt) Defeased by September 23, 2008 Cumberland County Hospital System Bond Issue

(uuuuu) Converted to VRDO October 16, 2008

(vvvvv) Defeased/Converted by January 29, 2009 North Carolina Baptist Hospital Bond Issue

(wwwwww) Defeased by March 1, 2010 North Carolina Baptist Hospital Bond issue

(xxxxx) Defeased by July 16, 2009 WakeMed Bond Issue

(yyyyy) Defeased by December 30, 2009 and April 8, 2010 Aldersgate Bond Issue

(zzzzz) Defeased in whole or in part by December 9, 2009 FirstHealth of the Carolinas Bond Issue

(aaaaa) Defeased by October 15, 2009 Cypress Glen Bond Issue

(bbbbb) Defeased by August 21, 2009 Duke University Health System Bond Issue

(ccccc) Defeased by January 14, 2010 Lutheran Retirement Homes (Twin Lakes) Bond Issue

(ddddd) Defeased by September 17, 2009 DePaul Bond Issue

(eeeeee) Defeased in part by January 6, 2010 FirstHealth of the Carolinas Bond Issue

(ffffff) Defeased /Converted by UMRH February 19, 2010 Bond Issue

(ggggg) Defeased /Converted by February 25, 2010 Carolina Village Bond Issue

(hhhhh) Defeased in part by April 7, 2010 Catholic Health East Bond Issue

(iiiiii) Defeased by August 14, 2002 Southeastern General Bond Issue

(jjjjj) Defeased by October 7, 2010 Blue Ridge HealthCare Bond Issue

(kkkkkk) Defeased by December 17, 2010 Presbyterian Homes Bond Issue

(lllll) Defeased by October 26, 2010 Rex Healthcare Bond Issue

(mmmmm) Defeased by December 16, 2010 Rutherford Hospital Bond Issue

(nnnnn) Converted to Bank Qualified Bonds September 25, 2010

(ooooo) Converted to Bank Qualified Bonds November 10, 2010

(ppppp) Defeased by May 12, 2011 Cleveland County Healthcare Bond Issue

(rrrrr) Defeased by February 16, 2011 Appalachian Regional Healthcare Bond Issue

(sssss) Converted to Bank Bought Bonds June 30, 2011

(ttttt) Defeased by December 21, 2010 United Church Bond Issue

(uuuuu) Defeased by October 22, 2010 Carol Woods Bond Issue

(vvvvv) Converted to Bank Bought Bonds March 23, 2011

(wwwwww) Defeased by February 16, 2011 Moses Cone Bond Issue

(xxxxxx) Defeased by November 9, 2010 Pennybyrn of Maryfield Bond Issue

(yyyyyy) Converted to Bank Qualified Bonds December 22, 2010

## REVENUE BOND AND NOTE ISSUES

*July 1, 2010-June 30, 2011*

### 1. **The Presbyterian Home at Charlotte dba Sharon Towers - \$11,515,000**

On September 25, 2010, the Commission converted its North Carolina Medical Care Commission Variable Rate Demand Health Care Facilities Revenue Bonds (The Presbyterian Home at Charlotte, Inc. Project) Series 2001 to a Bank Bought Rate Mode. The Bonds were originally issued in the aggregate principal amount of \$23,500,000 of which \$11,515,000 aggregate principal amount was outstanding at the time of the conversion. The conversion is a reissuance of bonds for federal tax purposes. The Bonds are being converted from a Weekly Rate Mode secured by a letter of credit to a Bank Qualified Bond Mode in which they will carry an interest rate of 68% of one month LIBOR plus 1.24%. The initial put period is for seven years and the Bonds are being purchased by Branch Banking and Trust Company. The Series 2001 Bonds refunded the Series 1998 Bonds which were issued to finance a project at Sharon Towers.

BB&T Capital Markets served as placement agent for the transaction. Robinson Bradshaw & Hinson, P.A. served as bond counsel. US Bank serves as trustee for the Issue. The Bonds are subject to scheduled redemption in years 2011-2024.

Sharon Towers is located on a 23 acre site in the South Park area of Charlotte. It offers a modified contract for services to residents and has 211 independent units, 40 assisted living units and 96 nursing beds. The original facility opened in 1969, although it is affiliated with The Presbyterian Church it is open to persons of all dominations and faiths.

### 2. **Blue Ridge HealthCare System, Inc. – \$51,195,000**

On October 7, 2010, the Commission issued its \$51,195,000 North Carolina Medical Care Commission Health Care Facilities Refunding Revenue Bonds (Blue Ridge HealthCare) Series 2010A dated as of the Date of Delivery (October 7, 2010). The proceeds of the Bonds are being used to refund the \$11,995,000 outstanding amount of the 1996 Bonds and \$38,750,000 outstanding amount of the Series 2005B Bonds. The refunding of the 1996 Bonds is being done to achieve debt service savings and the refunding of the 2005B Bonds is being done to reduce Blue Ridge's exposure to variable rate demand bonds.

Blue Ridge HealthCare System, Inc., a nonprofit corporation organized under the laws of the State of North Carolina ("Blue Ridge"), operates a unified healthcare system in Burke County, North Carolina that does business as Blue Ridge HealthCare. Blue Ridge HealthCare includes acute care, mental health and long-term care facilities and an integrated primary and specialty care physician practice network. Blue Ridge HealthCare was formed in 1999 when Grace Hospital, Inc., Valdese General Hospital, Inc., The Charlotte-Mecklenburg Hospital Authority dba Carolinas HealthCare System (the

“Authority”) and Blue Ridge entered into an Integration Agreement. Blue Ridge HealthCare is managed by the Carolinas Health Care System pursuant to a Management Services Agreement. The entities which are obligated on the debt under the Master Trust Indenture are:

- Blue Ridge
- Grace Hospital, Inc. dba Valdese Hospital
- Grace Lifecare, Inc. dba Grace Ridge Retirement Community
- Grace Nursing Center, Inc. dba Grace Heights Health and Rehabilitation Center
- Valdese Nursing Home, Inc. dba College Pines Health and Rehabilitation Center
- Blue Ridge HealthCare Medical Group, Inc

The Bonds are rated A3 by Moody’s and A by Standard & Poor’s based on the credit worthiness of the System. The \$16, 255,000 in Serial Bonds mature in the years 2011 through 2020 and have stated interest rates ranging from 2.50% to 3.75% with yields ranging from 1.28% to 3.93%. The \$14,450,000 4.25% Term Bonds due January 1, 2025 yield 4.40%. The \$4,000,000 4.75% Term Bonds due January 1, 2030 yield 4.81%. The \$16,490,000 5.00% Term Bonds due January 1, 2036 yield 5.00%.

McGuire Woods, LLP served as counsel for the transaction. Parker Poe Adams & Bernstein, LLP served as counsel for the underwriters. Bank of America Merrill Lynch served as senior manager for the transaction with Barclays Capital as co-manager. US Bank National Association serves as Bond Trustee and as Master Trustee.

### **3. Ashe Memorial Hospital - \$1,229,000**

On October 15, 2010, the Commission closed a tax exempt lease transaction for Ashe Memorial Hospital to provide funds for a project to generate operational savings for Ashe Memorial Hospital by implementation of energy conservation measures at the main hospital and at the Mountain Hearts Center for Preservation and Wellness. The scope of work includes replacement of the old boiler and air handler units with new energy efficient units, fuel switching and updating of HVAC control and monitoring system. The lease is being accounted for as a capital lease and reflected as debt on the hospital’s books and records. The Master Project Lease and Sublease Agreement is between the Commission, the Hospital and PNCEF, LLC dba PNC Equipment Finance pursuant to which the Lessor will lease the project to the Commission and the Commission will sublease the project to the Hospital. The Commission has agreed to make the lease payment due under the agreement, but only from the revenues received from the Corporation with respect to the Agreement. The proceeds of the lease are also being used to pay certain fees and expenses incurred in connection with the execution and delivery of the agreement.

The lease term is October 15, 2010 through May 15, 2022, with payments due quarterly. Womble Carlyle Sandridge & Rice, PLLC served as bond counsel for the transaction.

#### **4. Galloway Ridge - \$76,180,000 and \$19,930,000**

On October 21, 2010, the Commission issued its \$76,180,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (Galloway Ridge Project) Series 2010 consisting of \$61,180,000 Series 2010A (Fixed Rate) dated as of the Date of Delivery and \$15,000,000 Series 2010B (Adjustable Rate) scheduled to mature July 1, 2041. The Commission simultaneously issued its \$19,930,000 Retirement Facilities First Mortgage Revenue Bonds (Galloway Ridge Project) Series 2010. The Series 2010C Bonds are being issued as Bank Qualified Bonds.

The proceeds of the Bonds will be used to (a) refinance a portion of certain existing indebtedness incurred to finance a portion of the costs of the acquisition, construction and equipping of the Existing Facilities, (b) finance a portion of the costs of the Project, (c) pay interest accruing on the new money portion of the Bonds for approximately 24 months, (d) fund Reserve Fund No. 1, and (e) pay certain expenses incurred in connection with the issuance of the Bonds.

Galloway Ridge, Inc. (“Galloway Ridge” or the “Corporation”) was formed on September 4, 2001, as a nonprofit corporation under the laws and regulations of the State of North Carolina. The Corporation has received an exemption from state income taxes under Section 501 (C)(3) of the Internal Revenue Code and an exemption for federal taxes in North Carolina under its applicable tax provisions. The Corporation operates a continuing care retirement community (“CCRC”) in Chatham County, North Carolina, known as Galloway Ridge at Ferrington.

The Community is located on approximately 50 acres adjacent to Ferrington Village, an upscale, mixed-use community located just south of Chapel Hill in Pittsboro, North Carolina. Ferrington Village offers residential housing, amenities, shops and restaurants, including the renowned Ferrington House Country Inn and Restaurant, and is home to approximately 2,000 residents, most of whom are older, active adults. It was largely the vision of RB Finch, the original owner and developer of Ferrington Village, that led to the creation of the Community so that residents of Ferrington Village would have a CCRC choice in their own community. While the Community continues to attract residents from all over the country, Ferrington Village provides a significant number of resident referrals to the community. Residents of Ferrington Village and the Community share various amenities and programs offered by both communities.

Affiliates of the Duke University Health System (the Duke University Health System and its affiliates that have been associated with Galloway Ridge are hereinafter referred to individually and collectively as “Duke”) assisted in the development and marketing of the Community and currently provide management services to the community, including the management of the wellness center, referred to as the “Duke Center for Living,” and the primary care clinic. It is anticipated that Duke will provide similar management services for the Project.

The stated mission of Galloway Ridge is to provide a retirement community of superior quality at a reasonable cost to those individuals who entrust Galloway Ridge with their future health, social, spiritual and recreational needs and who wish to continue the

standard of living they previously enjoyed. Galloway ridge strives to provide a complement of services in a caring, supportive and attractive atmosphere through dedicated professionals. Respect and empathy for the individuality, privacy and independence of the residents are of paramount importance.

The Community currently consists of 234 independent living units (“independent living units” or ILUs”), including 183 independent living apartments and 51 independent living villas, 22 assisted living units, 16 skilled nursing beds, the Duke Center for Living wellness center, a primary care clinic and other amenities and related commons areas (the “Existing Facilities”). The Community was developed on approximately 50 acres of land, and development and construction of the Community was substantially completed and available for initial occupancy in June 2005.

The Community is in the process of developing an additional phase to the Existing Facilities to include 67 independent living units (66 independent living apartments and 1 independent living villa), 29 assisted living units, of which 15 are designated for dementia care, and 24 skilled nursing units as well as additional and renovated supportive common areas. Construction of the Project is expected to begin in October 2010, and the independent living units available for occupancy in June 2012 and skilled nursing beds available for occupancy in August 2012. Galloway Ridge projects that stabilized occupancy for the independent living units will be in October 2013, in December 2012 for the assisted living units and July 2013 for the skilled nursing units.

The Bonds are not rated. The \$61,180,000 Series 2010A (Fixed Rate) Bonds consists of \$14,950,000 Serial Bonds maturing January 1, 2012 through January 1, 2023 and bear stated interest rates ranging from 2.90% to 5.00% and yields ranging from 2.90% to 5.10%. The \$20,675,000 5.875% Term Bonds due January 1, 2031 were priced at 99.69% to yield 5.90%. The \$25,555,000 6.00% Term Bonds due January 1, 2039 were priced at 99.719% to yield 6.02%. The Series 2010B Bonds in the amount of \$15,000,000 carry an initial rate of 4.25% and have initial reset date of July 1, 2015. The \$19,930,000 Bank Qualified Bonds bear interest at a rate of 68% of one month LIBOR plus 2.44% and mature October 21, 2013. Robinson Bradshaw & Hinson, P.A. served as bond counsel for the Issue with McGuire Woods, LLP serving as counsel to the underwriters. BB&T Capital Markets served as senior manager for the Issue with Ziegler Capital Markets as co-manger. BB&T Capital Markets serves as remarketing agent for the Series 2010B Bonds. The Series 2010C Bonds were purchased by Branch Banking and Trust Company. The Bank of New York Mellon Trust Company serves as trustee for the Bonds. Dixon Hughes, PLLC prepared the financial feasibility study of the project.

**5. Chapel Hill Residential Retirement Center dba Carol Woods - \$30,000,000**

On October 22, 2010, the Commission issued its \$30,000,000 North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Bonds (Carol Woods Project) Series 2010 dated as of October 22, 2010, the proceeds of which are being used to (1) pay or reimburse Carol Woods for the costs of the Project, (2) refund the Commission’s Variable Rate Demand Health Care Facilities First Mortgage Revenue Bonds (Carol Woods Project), Series 2001 outstanding in the amount of \$27,315,000 and

(3) pay certain expenses incurred in connection with the issuance of the Bonds. The project consists of capital expenditures for expansion of the central apartments upon turnover, refurbishing of the original building, replacement of the campus wide emergency call system, improvements to the Health Care Fire Alarm System and to fund maintenance items throughout the campus.

The Bonds are being issued as Bank Qualified Bonds and are being purchased by Branch Banking and Trust Company. The Bonds will bear interest at 68% of one month LIBOR plus a fixed spread of 1.14% and has an initial put period of 10 years. McGuire Woods, LLP served as bond counsel for the transaction. BB&T Capital Markets served as placement agent and the Bank of New York Mellon Trust Company serves as Bond Trustee.

#### **6. Rex Hospital, Inc. - \$122,965,000**

On October 26, 2010, the Commission issued its \$122,965,000 North Carolina Medical Care Commission Health Care Facilities Revenue and Revenue Refunding Bonds (Rex Healthcare) Series 2010A dated as of the Date of Delivery (October 26, 2010).

Rex Hospital will use the proceeds of the 2010A Bonds to (1) refund certain bonds we have previously issued for the benefit of the Rex Healthcare (2) pay, and reimburse the Corporation for paying, the costs of constructing a new central energy plant on the main campus of Rex Hospital and routine capital expenditures for the Corporation, (3) fund a portion of the interest accruing on the 2010A Bonds during the acquisition and construction of the Project and (4) pay certain expenses of issuing the 2010A Bonds.

Rex Healthcare, Inc., (the “Parent”) is a private, nonprofit corporation organized to provide a wide range of healthcare services to the residents of Wake County, North Carolina and surrounding counties, primarily through its network of operating affiliates; Rex Hospital, Inc. (the “Corporation”), Rex Enterprises Company, Inc. (“Rex Enterprises”), The Rex Healthcare Foundation, Inc. (the “Foundation”) and Rex Holdings, LLC (“Rex Holdings”). The Parent Corporation and its affiliates are referred to as “Rex Healthcare.”

The University of North Carolina Health Care System (“UNCHCS”) is the sole member of the Parent Corporation. UNCHUS was established by the North Carolina General Assembly in 1998. The original legislation included only The University of North Carolina Hospitals at Chapel Hill and the clinical patient care programs of the University of North Carolina at Chapel Hill and the clinical patient care programs of The University of North Carolina at Chapel Hill School of Medicine. UNCHCS acquired the Parent Corporation in 2000. UNCHCS is not a Member of the Obligated Group and it not liable for payment of the principal of or interest on the Series 2010A Bonds.

The Corporation is a private, nonprofit corporation and is the Parent Corporation’s principal operating affiliate. The Corporation owns and operates Rex Hospital (“Rex Hospital”). Rex Hospital was founded in 1894 by John Rex, a Raleigh tanner. The achievements of Rex Hospital in its first century are numerous, beginning with the



establishment of North Carolina's first school of nursing shortly after the hospital opened. In addition, Rex Hospital offered the first master's degree in Hospital Administration in North Carolina, and in 1969 was the first business in North Carolina to open a child care center for its employees' children. The Rex Cancer Center was the first recognized comprehensive community cancer center in North Carolina.

### **The Obligated Group**

The Obligated Group under the Master Indenture consists of the Parent Corporation and the Corporation.

### **The Parent Corporation**

The Parent Corporation was incorporated in 1986 as a North Carolina nonprofit corporation and is exempt from federal and North Carolina income taxation as a charitable organization described in Section 501 (C)(3) of the Internal Revenue Code of 1986, as amended. The Parent Corporation does not conduct active operations but serves as the parent corporation for a multi-entity health care delivery system composed of directly and indirectly controlled affiliates which are providers of health care and ancillary services.

### **The Corporation**

The Corporation was formed in 1986 and owns and operates Rex Hospital. The Corporation is a North Carolina nonprofit organization described in Section 501 (C)(3) of the Code. As of June 30, 2010, Rex Hospital had 431 licensed acute care beds and 227 licensed nursing beds.

The Corporation will use the proceeds from the sale of the 2010A Bonds to:

- Refund all of the outstanding 1998 Bonds;
- Pay, and reimburse the Corporation for paying, the costs of the Project;
- Fund a portion of the interest accruing on the 2010A Bonds during the acquisition and construction of the Project; and
- Pay certain expenses of issuing the 2010A Bonds

### **The Refunding**

The 1998 Bonds will be called for optional redemption in whole on November 9, 2010 at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. A portion of the proceeds of the 2010A Bonds will be deposited with the trustee for the 1998 Bonds. The amount of proceeds so deposited will be sufficient, without investment, to pay, when due, the principal of, and interest on, the 1998 Bonds through the redemption date. Therefore, the 1998 Bonds will no longer be deemed to be outstanding after issuance of the 2010A Bonds.



## **The Project**

The Project consists of the construction of a new central energy plant on the main campus of Rex Hospital and routine capital expenditures for the Corporation, including renovating portions of Rex Hospital and acquiring medical, computer and other equipment for Rex Hospital. The central energy plant project received an exemption from certificate of need review by the State. Construction of the central energy plant is expected to begin in 2011 with completion expected in 12 to 18 months from the commencement of construction. The central energy plant is estimated to cost approximately \$26.6 million.

The Bonds are rated A1 by Moody's, A+ by Standard & Poor's and A+ by Fitch based on the credit worthiness of the Obligated Group. The \$86,085,000 in Serial Bonds mature on July 1 in the years 2011-2025 and have stated interest rates ranging from 2.00% to 4.250% and yields ranging from .850% to 4.360%. The \$36,880,000 5.000% Term Bonds due July 1, 2030 yield 4.530%.

Robinson Bradshaw & Hinson, P.A. served as bond counsel with McGuire Woods, LLP serving as counsel to the underwriters. Bank of America Merrill Lynch served as senior underwriter for the Issue with BB&T Capital Markets and Wells Fargo Securities as co-managers. US Bank serves as Master Trustee and as Bond Trustee. Kaufmann Hall served as financial advisor to Rex Hospital for the transaction.

### **7. Novant Health, Inc. - \$264,165,000**

On November 3, 2010, the Commission issued its \$264,165,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Novant Health Obligated Group) Series 2010A dated as of the Date of Delivery (November 3, 2010). The proceeds of the Bonds are being used to finance the cost of additional health care facilities and pay certain expenses of issuing the Bonds.

#### **Novant Health, Inc.**

Novant Health, Inc. ("Novant") is a North Carolina nonprofit corporation created on July 1, 1997, when Carolina Medicorp, Inc. merged with and into Presbyterian Health Services Corp., which then changed its name to Novant Health, Inc.

#### **The Health System**

Novant and its affiliates operate an integrated health care delivery system (the "Health System") that primarily serves North and South Carolina and parts of Virginia and Georgia. To facilitate governance and management of the Health System, Novant divides its primary market presence into three principal geographic areas: (1) the Triad Region, which consists of Forsyth County, North Carolina and eight contiguous counties; and (2) the Southern Piedmont Region, which consists of Mecklenburg County, North Carolina and eight contiguous counties; and (3) the Coastal Region, which consists of Brunswick County, North Carolina and two contiguous counties. In addition, Novant operates in

other geographic markets including Northern Virginia, Raleigh/Durham/Chapel Hill, North Carolina, Northern South Carolina, and Atlanta Georgia.

The Health System consists of twelve acute care hospitals, including two flagship tertiary care hospitals: Forsyth Medical Center and Presbyterian Hospital. The Health System's other acute care hospitals are Medical Park Hospital, Thomasville Medical Center, Presbyterian Hospital Matthews, Presbyterian Orthopaedic Hospital, Presbyterian Hospital Huntersville, Brunswick Community Hospital, Rowan Regional Medical Center, Prince William Hospital, Upstate Carolina Medical Center, and Franklin Regional Medical Center.

### **Plan of Finance**

Novant will use the proceeds from the sale of the Bonds to

- Finance part of the cost of the project, and
- Pay certain expenses of issuing the Bonds.

The Project consists of:

- Constructing and equipping an approximately 110,000 square-foot, 4 story vertical addition to The Presbyterian Hospital in Charlotte, North Carolina, which will include 90 new patient rooms, 19-bed cardiac triage unit, classroom space and a public safety office,
- Constructing and equipping a new 50-bed, approximately 195,000 square-foot Forsyth Medical Center-Kernersville, North Carolina, and
- Constructing and equipping a 74-bed, approximately 232,000 square-foot replacement for Brunswick Community Hospital, to be located in Supply, North Carolina.

Novant has received all required certificates of need for the Project from the State of North Carolina.

The Bonds are rated A1 by Moody's, A+ by Standard & Poor's and AA- by Fitch based on the analysis of the credit worthiness of Novant. The \$6,020,000 in Serial Bonds mature November 1 in the years 2022-2025 and have stated interest rates of 4.00% to 4.125% and yields ranging from 4.05% to 4.21%. The \$9,855,000 4.375% Term Bonds maturing November 1, 2030 yield 4.55%. The \$17,435,000 5.00% Term Bonds maturing November 1, 2030 yield 4.55%. The \$19,375,000 4.625% Term Bonds maturing November 1, 2035 yield 4.80%. The \$35,315,000 4.75% Term Bonds maturing November 1, 2040 yield 4.90%. The \$28,500,000 5.25% Term Bonds maturing November 1, 2040 yield 4.80%. The \$114,165,000 4.75% Term Bonds maturing November 1, 2043 yield 5.00%. The \$33,500,000 5.00% Term Bonds maturing November 1, 2043 yield 5.00%.

Robinson Bradshaw & Hinson, P.A. served as bond counsel for the Issue with McGuire Woods, LLP as counsel for the underwriters. J.P. Morgan served as senior manager for the Issue with Bank of America Merrill Lynch, Wells Fargo Securities, BB&T Capital

Markets and SunTrust Robinson Humphrey serving as co-managers. The Bank of New York Mellon Trust Company, NA serves as Master Trustee and as Bond Trustee.

**8. Maryfield, Incorporated (Pennybyrn at Maryfield) - \$5,000,000**

Pennybyrn at Maryfield is a continuing care retirement facility in High Point, North Carolina that is sponsored by the Sisters of the Poor Servant of Mother of God.

On November 9, 2010, the Commission issued its \$5,000,000 North Carolina Medical Care Commission Retirement Facilities Revenue Refunding Bonds (Pennybyrn at Maryfield Project) Series 2010. The proceeds of the Issue, together with other available funds, will be used to refund the Commission's outstanding Variable Rate Demand Health Care Facilities First Mortgage Revenue Bonds (Pennybyrn at Maryfield Project) Series 2005C in the aggregate principal amount of \$24,000,000 of which \$6,045,000 is outstanding. The refunding bonds are being issued in the Bank Qualified Bond Mode and are being purchased by High Point Bank and Trust and have a 10 year term and carry a fixed rate for the first five years of 3.38%. This will negate the risk of variable rate debt and free up the existing reserve fund and redemption fund associated with the Series 2005C Bonds.

Womble Carlyle Sandridge & Rice, PLLC served as bond counsel for the Issue. High Point Bank purchased the Bonds. The Bank of New York Mellon Trust Company serves as Bond Trustee.

**9. Well-Spring Retirement Community - \$7,065,000**

Well-Spring is a nonprofit life care retirement community located in Greensboro, North Carolina. Well-Spring offers both Life Care (Type A) contracts and Modified LifeCare (Type B) contracts. Well-Spring opened in 1993.

On November 10, 2010, the Commission effected a conversion of the North Carolina Medical Care Commission Health Care Facilities First Mortgage Weekly Adjustable Rate Revenue Refunding Bonds Series 2003C (Well-Spring Retirement Community Project) to a Bank-Bought Rate Mode. The Bonds were originally issued in the aggregate principal amount of \$10,000,000 of which \$7,065,000 aggregate principal amount was outstanding at the time of the conversion. The conversion is a reissuance of bonds for federal tax purposes and serves to negate the risks associated with letter of credit renewal terms and fees. The Bonds are bearing interest at 68% of one month LIBOR plus 1.170%. The initial put period is seven years. Robinson Bradshaw & Hinson, P.A. served as bond counsel. BB&T Capital Markets served as placement agent. Branch Banking and Trust Company is purchasing the bonds.

**10. Rutherford Hospital, Incorporated - \$22,160,000**

On December 16, 2010, the Commission issued its \$22,160,000 North Carolina Medical Care Commission Health Care Facilities Revenue and Revenue Refunding Bonds (Rutherford Hospital, Incorporated) Series 2010 dated as of December 1, 2010. The proceeds of the Issue, together with other available funds, will be used to (1) refund the Commission's outstanding Health Care Facility Revenue Bonds (Rutherford Hospital, Incorporated Project) Series 2001 issued in the original aggregate principal amount of \$16,800,000 and outstanding in the amount of \$8,140,000 (2) pay or reimburse Rutherford Hospital for paying all or a portion of the cost of various capital improvements and equipment purchases, including (a) information technology equipment for an electronics records system (b) biomedical equipment including beds, a telemetry system and operating room equipment (c) renovations to an existing home health building in Forest City, North Carolina to convert it to a health clinic and (d) additional renovations to Rutherford Hospital to improve hot water, air handler and sewer systems and (3) pay or reimburse Rutherford Hospital for certain expenses incurred in connection with the issuance of the Bonds.

Rutherford Hospital, Incorporated, Rutherfordton, North Carolina operates a nonprofit general acute care hospital with a licensed bed capacity of 143 beds of which 116 are staffed. The Bonds are being issued in the Bank-Bought Rate Mode and will bear interest at 68% of one month LIBOR plus 1.4625% for the initial put period of seven years. The Bonds are subject to Sinking Fund Redemption in the years 2012-2030. BB&T Capital Markets served as the placement agent for the Bonds. The Bank of New York Mellon Trust Company serves as Bond Trustee. Robinson Bradshaw and Hinson, P.A. served as bond counsel for the Issue.

**11. The Presbyterian Homes, Inc. - \$14,375,000**

On December 17, 2010, the Commission issued its \$14,375,000 North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Refunding Bonds (The Presbyterian Homes Obligated Group) Series 2010 dated December 1, 2010. The proceeds of the Issue, together with other available funds, will be used to refund \$11,290,000 outstanding amount of the \$14,395,000 North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Bonds (Glenaire Project) Series 1997 and the \$4,090,000 outstanding amount of the Series 2005B Adjustable Rate Reset Bonds of the \$17,355,000 North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Refunding Bonds (The Presbyterian Homes Obligated Group) Series 2005 Bonds. The 2010 Bonds are being issued in the Bank Qualified Bond Mode and are being purchased by First Tennessee Bank. The Bonds have an interest rate of 68% of one month LIBOR plus 1.25% for an initial put period of seven years.

US Bank National Association serves as Bond Trustee. First Tryon Securities served as financial advisor for the Issue. Parker Poe Adams & Bernstein, LLP served as bond counsel. The Bonds are subject to sinking fund redemption in the years 2011-2031.

Presbyterian Homes, Inc., a nonprofit healthcare entity, operates continuing care centers in Cary, Colfax and Laurinburg, North Carolina.

**12. Lutheran Services for the Aging, Inc. - \$8,300,000**

On December 16, 2010, the Commission issued its \$8,300,000 North Carolina Medical Care Commission Health Care Facility Revenue Bonds (Lutheran Services for the Aging) Series 2010 dated December 1, 2010. The proceeds of the Issue will be used, together with other available funds, to pay for or reimburse Lutheran Services for the Aging for paying (1) the costs of the construction of a 117-bed skilled nursing facility to replace the existing Lutheran Homes in Winston-Salem and (2) pay certain expenses incurred in connection with the issuance of the Bonds.

The Bonds are being issued in the Bank Qualified Rate Mode and will bear interest at 68% of one-month LIBOR plus 1.3975% for the initial put period of seven years. The Bonds have a final maturity of December 1, 2037. The Bonds are being purchased by Branch Banking and Trust Company. BB&T Capital Markets served as placement agent for the Issue. McGuire Woods, LLP served as bond counsel for the Issue.

Lutheran Services for the Aging, a nonprofit health care provider, operates facilities in Wilmington, Winston-Salem, Hickory, Salisbury and Albemarle providing adult day care, nursing services, assisted living and continuing care retirement services.

**13. United Church Homes and Services - \$23,225,000**

On December 21, 2010, the Commission issued its \$23,225,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (United Church Homes and Services) Series 2010 Bonds dated December 1, 2010. The proceeds of the Issue will be used to refund the North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (United Church Homes and Services) Series 2007 in the aggregate principal amount of \$15,780,000. The proceeds of the Issue are also being used to fund the relocation of 60 nursing home beds from Centerclair to Piedmont Crossing by the construction of a 54 bed addition to the Piedmont Crossing. Proceeds of the Issue are also being used to fund certain expenses incurred in connection with the issuance of the Bonds. The Bonds are being issued in the Bank Bought Rate Mode and will bear interest at the rate of 68% of one month LIBOR plus .95% for the initial put period of nine years. The Bonds are being purchased by SunTrust Bank. BB&T Capital Markets served as placement agent for the Issue. McGuire Woods, LLP served as bond counsel. The Bank of New York Mellon Trust Company serves as Bond Trustee.

The Bonds are subject to sinking fund redemption in the years 2011-2038. United Church Homes and Services, a private nonprofit corporation, owns and operates continuing care retirement communities in Thomasville and Newton, North Carolina, a skilled nursing facility in Lexington, North Carolina and a continuing care retirement community in Suffolk, Virginia.

**14. Hospice & Palliative Care Charlotte Region - \$4,995,000**

On December 21, 2010, the Commission issued its \$4,995,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Hospice & Palliative Care Charlotte Region) Series 2010 dated December 1, 2010. The proceeds of the Issue are being used together with other available funds, to refund a taxable loan with Wachovia Bank (Wells Fargo), the proceeds of which were used to construct the Levine Dickson Hospice House in Huntersville, North Carolina. The Levine Dickson Hospice House is an approximately 30,000 square foot facility consisting of 11 hospice inpatient beds and five residential beds. The proceeds are also being used to pay certain expenses incurred in connection with the issuance of the Bonds. The 2010 Bonds are being issued as Bank Qualified Bonds and are being purchased by Branch Banking and Trust Company and will have an initial put period of five years with an interest rate of 68% of one month LIBOR plus 1.30%.

Robinson Bradshaw & Hinson, P.A. served as bond counsel. Branch Banking & Trust Company serves as Bond Trustee. The Bonds are subject to scheduled redemption in the years 2011-2025. Hospice & Palliative Care Charlotte Region has served the Charlotte region for over 30 years and provides hospice & palliative care for adults and children.

**15. Carolina Meadows - \$17,810,000**

On December 22, 2010, the Commission effected a conversion of the North Carolina Medical Care Commission Health Care Facilities Weekly Adjustable Rate Revenue Bond Series 2004 (Carolina Meadows, Inc. Project) [in the original principal amount of \$20,110,000 of which \$17,810,000 is outstanding] from a letter of credit backed variable rate mode to the Bank Qualified Rate Mode. The conversion is a reissuance of bonds for federal tax purposes. The Bonds are being purchased by SunTrust Bank and are being held for an initial put period of ten years during which the Bonds will have an interest rate of 68% of one month LIBOR plus .90%. BB&T Capital Markets served as placement agent for this conversion. The Bank of New York Trust Company serves as Bond Trustee. Robinson Bradshaw & Hinson, P.A. served as bond counsel. The outstanding Series 2004 Bonds mature in the years 2011-2034.

Carolina Meadows, a nonprofit corporation, operates a continuing care retirement center in Chatham County, near Chapel Hill, North Carolina and has been operating for 25 years.

**16. Moses Cone Health System - \$60,170,000**

On February 16, 2011, the Commission issued its \$60,170,000 North Carolina Medical Care Commission Hospital Revenue Refunding Bonds (Moses Cone Health System) Series 2011A, dated as of the Date of Delivery (February 16, 2011).

The proceeds of the Issue are being used, together with other available funds, to (1) redeem the outstanding North Carolina Medical Care Commission Hospital Revenue Bonds (The Moses H. Cone Memorial Hospital Project) Series 1993 in the aggregate principal amount of \$61,600,000 of which \$61,600,000 is outstanding and (2) pay certain expenses incurred in connection with the authorization and issuance of the Bonds.

The Moses H. Cone Memorial Hospital is a North Carolina nonprofit corporation. The Parent Corporation is the sole member of The Moses H. Cone Memorial Hospital Operating Corporation. The Operating Corporation is a North Carolina nonprofit corporation. The Moses Cone ~ Wesley Long Community Health Foundation, Inc. is a charitable, tax-exempt foundation. The Parent Corporation, the Operating Corporation and the Foundation are organizations described under Section 501 (C )(3) of the Internal Revenue Code of 1986, as amended.

The Operating Corporation operates inpatient acute care hospital facilities on five campuses. Four are located in Greensboro, North Carolina with the fifth being located in Reidsville, North Carolina. The four Greensboro locations are: The Moses H. Cone Memorial Hospital, The Women's Hospital of Greensboro, Wesley Long Hospital and the Behavioral Health Center. The Reidsville location is Annie Penn Hospital. The Operating Corporation has a 1,035 licensed acute care bed complement as follows: (i) 887 general care beds, (ii) 80 psychiatric care beds, (iii) 49 rehabilitation beds and (iv) 19 nursing beds. The Operating Corporation currently has 920 acute care beds staffed and in service. In addition, the Penn Nursing Center has 82 nursing and 10 home-for-the-aged beds.

The Bonds are rated AA by Standard & Poor's Rating Services and AA by Fitch, Inc. The Series 2011A Bonds mature on October 1 of the years 2013-2023. The Bonds have interest rates ranging from 4.00% to 5.00% and yields ranging from 1.94% to 5.08%. The Bonds were sold at a net original issue premium of \$2,389,511.50. Morgan Stanley served as senior manager underwriter for the Issue with BB&T Capital Markets, Edwards Jones, Bank of America Merrill Lynch and Wells Fargo Securities serving as co-managers. McGuire Woods, LLP served as bond counsel. Bode Call & Stroupe, LLP served as counsel to the underwriters. The Bank of New York Mellon Trust Company, NA serves as Bond Trustee. Ponder & Co. served as financial advisor to the Moses Cone Health System for the transaction.

**17. Appalachian Regional Healthcare System - \$35, 310,000**

On February 16, 2011, the Commission issued its \$35,310,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Appalachian Regional Healthcare System, Inc.) Series 2011A, dated as of the Date of Delivery (February 16, 2011).

The proceeds of the Bonds are being used to make a loan to Appalachian Regional Healthcare System, Inc. to (1) refund all of the Commission's (a) Health Care Facilities Revenue Bonds (Watauga Medical Center Project) Series 2005, originally issued in the aggregate principal amount of \$31,350,000 and outstanding in the aggregate principal



amount of \$29,985,000 and (b) Hospital Revenue Bonds (Pooled Financing Project) Series 1991B loan outstanding in the amount of \$1,300,000, (2) fund a debt service reserve fund for the Series 2011A Bonds and (3) pay certain expenses incurred in connection with the issuance of the Series 2011A Bonds.

Appalachian Regional Healthcare System was created in June 2004 to provide, coordinate and support the delivery of healthcare and healthcare-related services by its affiliates in the areas served by the affiliates. The Healthcare system serves as the Parent organization for Watauga Medical Center, Cannon Memorial Hospital, Blowing Rock Hospital and Appalachian Regional Medical Associates.

Watauga Medical Center is 117-bed acute and specialty care hospital. Cannon Memorial Hospital and Blowing Rock Hospital are each 25-bed Critical Access Hospitals. Blowing Rock Hospital also has a 72-bed skilled nursing facility.

The Bonds are rated BBB+ by Standard & Poor's Ratings Services. The \$35,310,000 Series 2011A Bonds mature July 1 in the years 2012-2034 and have interest rates ranging from 2.000% to 6.625% with yields ranging from 1.750% to 6.750%. Lancaster Pollard served as senior manager (underwriter) for the Issue with Davenport Company, LLC as co-manager. Parker Poe Adams & Bernstein, LLP served as bond counsel for the Issue. Peck Shaffer & Williams, LLP served as counsel to the underwriters. US Bank National Association serves as Bond Trustee for the Issue.

**18. Novant Health - \$65,605,000 , \$70,695,000 and \$47,165,000**

On March 23, 2011, the Commission effected a conversion of its North Carolina Medical Care Commission Variable Rate Demand Health Care Facilities Revenue Refunding Bonds (Novant Health Obligated Group) Series 2008 consisting of (a) Series 2008A in the aggregate principal amount of \$70,000,000, \$65,605,000 of which are outstanding (the 2008A Bonds), (b) Series 2008B in the aggregate principal amount of \$75,090,000, \$70,695,000 of which are outstanding (the 2008B Bonds) and (c) Series 2008C in the aggregate principal amount of \$50,870,000, \$47,165,000 of which are outstanding (the 2008C Bonds) from bearing interest at the Weekly Interest Rate Mode supported by a Standby Bond Purchase Agreement for each of the Series to a Bank Bond Purchase Mode. The conversion is a reissuance of bonds for federal tax purposes. Wells Fargo National Association will purchase and hold the Series 2008A Bonds for five years at a variable rate equal to 68% of one month LIBOR plus .75% for the first three years and .75% of one month LIBOR plus .75% for the last two years. Branch Banking and Trust Company will purchase and hold the 2008B Bonds and 2008C Bonds for five years at a variable interest rate equal to 68% of one month LIBOR plus .82%. The transaction constitutes a refunding for federal tax purposes.

The Series 2008A and 2008B Bonds mature November 2009-2028. The Series 2008C Bonds mature November 2009-2026. Novant Health is rated A1 by Moody's, A+ by Standard & Poor's Ratings Services and AA- by Fitch. JP Morgan served as senior underwriter with Bank of America Merrill Lynch, Wells Fargo Securities, BB&T Capital Markets, Citigroup and SunTrust Robinson Humphrey as co-managers. Robinson



Bradshaw & Hinson, P.A. served as bond counsel with McGuire Woods, LLP as counsel to the underwriters.

**19. Lower Cape Fear Hospice, Incorporated - \$3,400,000**

On April 13, 2011, the Commission issued its \$3,400,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Lower Cape Fear Hospice, Incorporated Project) Series 2011, dated as of April 1, 2011. The proceeds of which will be used to pay all or part of the cost of the project.

Lower Cape Fear Hospice, Incorporated located in Wilmington, North Carolina, is a non-stock, nonprofit, North Carolina corporation formed in 1978. The Corporation is governed by a 20 person volunteer board of directors and is an affiliate of New Hanover Health Network. The Corporation is approved by the Accreditation Commission for Healthcare, Inc. and is a member of the National Hospice and Palliative Care Organization, the Carolina Center for Hospice and End of Life Care and The Hospice Provider Network.

The Corporation was formed to provide palliative and supportive care for terminally ill patients under the direction of a licensed physician, as well as education to the general public regarding the availability of palliative and supportive care for terminally ill patients. The Corporation seeks to increase communications between health professionals, the clergy and members of the community regarding the care of the terminally ill on an outpatient and inpatient basis.

The Corporation's Hospice Care Center is southeastern North Carolina's only hospice inpatient facility. Patients receive short-term medical and respite care in a homelike setting in twelve private patient and family suites, with separate living areas and courtyard gardens. More than 4,200 patients have been cared for at the Hospice Care Center since its opening in 1997.

The Project consists of the construction and equipment for a new 7-bed inpatient facility located in Boliva, North Carolina. The facility will provide hospice comfort care, which emphasizes the control of pain and other symptoms. The Brunswick County Hospice Life Care Center Facility (the Project) will provide a complete plan of family centered care for residents.

The Bonds are being issued in the Bank-Bought Rate Period Mode in dominations of \$100,000. The Bonds are being purchased by Branch Banking and Trust Company. The Bonds have an initial put period of seven years and will bear interest at 78% of one month LIBOR plus 1.30%. Branch Banking and Trust Company serves as Bond Trustee. BB&T Capital Markets served as placement agent. The Bonds mature in the years 2014-2033.

Robinson Bradshaw and Hinson, P.A. served as bond counsel for the transaction. The Bonds are not rated.

**20. WhiteStone, A Masonic & Eastern Star Community - \$22,395,000 and \$4,700,000**

On April 28, 2011, the Commission issued its \$22,395,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (WhiteStone Project) Series 2011A and \$4,700,000 Series 2011B Bonds. The proceeds of the Issues will be used for the purpose of assisting Masonic and Eastern Star Home of North Carolina, Incorporated (the “Corporation”) in (1) paying, or reimbursing the Corporation for paying, a portion of the costs of the construction and equipping of an expansion to the Corporation’s existing facility, (2) refunding certain indebtedness of the Corporation incurred to finance a portion of the Project, (3) paying interest accruing on the 2011A Bonds for approximately 30 months and on the 2011 B Bonds for approximately 24 months, (4) funding a debt service reserve fund for the 2011A Bonds and (5) paying certain expenses incurred in connection with the issuance of the 2011A and 2011B Bonds.

The Masonic and Eastern Star Home of North Carolina, Incorporated owns and operates a continuing care retirement community known as “WhiteStone”: A Masonic and Eastern Star Community” (the “Community”) located in Greensboro, North Carolina. The Corporation was created in 1910 and the first residents moved into the Community in 1913. Originally, the Community was established for members of The Grand Lodge of Ancient Free & Accepted Masons of North Carolina (“The Grand Lodge”) and The Grand Chapter of North Carolina, The Order of Eastern Star (“The Grand Chapter”). The Community is now open to everyone who is 60 years of age or older and capable of meeting the financial and occupancy requirements, without regard to race or gender. No affiliation with The Grand Lodge or The Grand Chapter is required for admission. The Corporation is organized as a nonprofit corporation under the laws of the State of North Carolina and has been determined to be an organization exempt from federal income taxes under Section 501 (C)(3) of the Internal Revenue Code. The Community currently holds a skilled nursing and home care license in North Carolina.

The Community was inspired in the early 1900s by two Masonic individuals (Mr. Clymer and Mr. Monroe) who were visiting a fellow Mason at a country home and were dismayed by the living conditions of the elderly gentleman. They were determined The Grand Lodge could do a better job of taking care of its older members. In 1903, a resolution was passed by The Grand Lodge to start a home for the aged, and in 1908 The Grand Chapter decided to join as well. In 1912, 26 acres of land were purchased in Greensboro and construction began on the site of a former nursery. In 1913, the home was finished and the first administrator, Mr. White, as well as the first couple, Mr. and Mrs. Stone, moved in (it was from these two historical names that the Community would later get its name WhiteStone). Through the next 98 years, the Community would continue to grow and fulfill its mission of serving thousands of elderly Masonic and Eastern Star members thanks to the continued generous support of both The Grand Lodge and The Grand Chapter members through North Carolina. Today, the Community continues to receive annual financial support from over 44,000 Masons and over 13,000 Eastern Star members as well as their respective foundations.

In 2007, the Corporation made three important strategic decisions to re-position the Community in the marketplace. First, the Corporation decided to allow people without a fraternal affiliation to enter the Community. Accordingly, approximately 80% of the current independent living and residential population is fraternally related, and approximately 50% of the Health Center (as defined below) population is fraternally related. The composition of the depositors for the Project are comprised of approximately 50% fraternally related individuals and 50% non-fraternal.

The Community is situated on 42 acres of land. The Community currently has (a) three residential buildings containing a total of 61 independent living apartments, (b) an administrative office building, (c) a kitchen and dining room complex (designed to serve the independent living residents) and (d) a chapel. In addition, a health center (the "Health Center") built in 1999 contains 100 licensed beds (12 are Alzheimer dementia care beds and 88 are nursing care beds, of which 68 are dually certified for Medicare and Medicaid), a kitchen, two separate dining areas for residents, a clinic, a physical therapy room, a therapy pool, meeting rooms, and administrative offices. In 2010, a new fitness center was added. Additionally, there are 8 one-bedroom duplex units, 8 two-bedroom duplex units and 48 houses, all of which are for independent living. In total, there are currently 125 independent living units, 88 nursing care beds and 12 memory care beds. The Community also provides home care services for those living in independent living units.

The Project includes (a) construction of 46 new independent living apartments in a variety of sizes and floor plans complete with balconies and granite countertops, (b) a full renovation of the existing kitchen/dining room complete with new kitchen equipment, a new roof, added outdoor dining area, private dining, lower level finish to add a wood working shop, and staff break room, (c) full renovation of an existing rotunda which will be a pre-function space to the new dining room with a lounge setting, (d) renovations throughout the Community to upgrade finishes to existing corridors, and (e) a new parking lot, full service spa, picnic shelter, resident gardens, and outdoor dining areas. The Project also includes an addition to the Linville building, to include (a) a new arts and crafts studio, (b) a new fellowship hall or auditorium, and (c) an alternate dining venue café' with an outdoor grill and patio.

The Bonds (Series 2011A and Series 2011B) are not rated. The Series 2011A Bonds mature as follows: the \$285,000 4.625% Serial Bonds due March 1, 2015 yield 4.625%, the \$615,000 5.25% Term Bonds due March 1, 2017 yield 5.375%, the \$1,480,000 6.25% Term Bonds due March 1, 2017 yield 6.50%, the \$6,315,000 7.75% Term Bonds due March 1, 2031 yield 7.80%, the \$13,700,000 7.75% Term Bonds due March 1, 2041 yield 8.00%.

The Series 2011B Bonds are being purchased by RBC Bank (USA) as tax-exempt Non-Bank Qualified Bonds. The 2011B Bonds mature September 11, 2014 and bear interest at a rate of one-month LIBOR plus 1.50% for the initial Bank-Bought Rate Period.

Cain Brothers served as senior manager for the Series 2011A and Janney Montgomery Scott served as co-manager for the Issue. Robinson Bradshaw & Hinson, P.A. serves as bond counsel. Parker Poe Adams & Bernstein served as counsel for the underwriters.

Dixon Hughes, PLLC prepared the financial feasibility study. The Bank of New York Mellon Trust Company serves as Bond Trustee.

**21. Cleveland County HealthCare System - \$39,560,000**

On May 12, 2011, the Commission issued its \$39,560,000 North Carolina Medical Care Commission Health Care Facilities Revenue and Refunding Revenue Bonds (Cleveland County HealthCare System) Series 2011A dated as of the Date of Delivery (May 12, 2011). The proceeds of the Bonds will be used to (1) pay or reimburse the System for paying a portion of the cost of the Project, (2) refund the \$27,000,000 outstanding aggregate principal balance of the 2001 Bonds and (3) pay certain expenses of issuing the 2011A Bonds.

Cleveland County HealthCare System, a nonprofit corporation organized under the laws of the State of North Carolina (the "System"), operates a unified healthcare system in Cleveland County, North Carolina (the "County"). The System was formed on January 1, 2003, as a result of the merger of Kings Mountain Hospital, Incorporated with and into Cleveland Memorial Hospital, Incorporated, dba Cleveland Regional Medical Center, which then changed its name to Cleveland County HealthCare System. The System, which primarily does business as Cleveland Regional Medical Center and Kings Mountain Hospital, is affiliated with The Charlotte-Mecklenburg Hospital Authority. The System operates those two acute care hospitals and a long-term care facility under a long-term lease agreement with the County. The System's income is exempt from federal and state income taxation.

The System leases and operates a 241-licensed bed, general acute care facility known as Cleveland Regional Medical Center (the "Medical Center") that provides a broad range of inpatient and outpatient services to patients who reside in the County and surrounding counties in North and South Carolina. Services provided at the Medical Center include but are not limited to: a full-service surgical suite with seven operating rooms, four endoscopy rooms, and one special procedure room; and 18-bed intensive care/coronary care unit; a pharmacy; diagnostic radiology services, including ultrasound, mammography and nuclear medicine, bone densitometry, mobile positron emission tomography, computerized axial tomographic scanner service, magnetic resonance imaging; a complete clinical and pathology laboratory, including chemistry, hematology, histopathology, a blood bank and bacteriology; respiratory therapy; rehabilitation services including physical therapy, occupational therapy and speech therapy; cardiology; wound/hyperbaric therapy; cardiac rehabilitation; an emergency room/Level 3 Trauma Center; labor, delivery, recovery and postpartum services; an inpatient pediatrics unit; cardiac catheterization; extra-corporeal shock wave lithotripsy; social work services; radiation oncology; and a diabetes program.

The Medical Center is situated on an approximately 29-acre campus in the City of Shelby, North Carolina along U.S. Highway 18 and only 2.5 miles from U.S. Highway 74, a major east/west artery that provides access to the Medical Care Center from within the County and surrounding areas. The Medical Center was established by the County in 1923 to provide essential acute care services to its residents and was first known as

Shelby Hospital. Expansions were completed in 1935 and 1955. In 1957, the County leased the facilities to Cleveland Memorial Hospital, Incorporated (which became Cleveland County HealthCare System in 2003). Additional expansions occurred in 1967, 1975 and 1983. In 1992 a new, five-story, 230-licensed bed acute care replacement facility opened. With the completion of the Women's Life Center in 2003, the current licensed bed count of 241 was achieved. An addition/expansion of the emergency department and surgical pavilion was completed in 2007.

The Project consists of acquiring, constructing, improving, renovating, rehabilitating, expanding and equipping various health care facilities of the System, including (i) acquisition and installation of various upgrades to general plant facilities at Cleveland Regional Medical Center, Kings Mountain Hospital and Cleveland Pines Nursing Center, including, without limitation, the lobby area, the cafeteria, restroom facilities, patient rooms and nurses stations, (ii) renovating and equipping the outpatient radiology facilities of Cleveland Regional Medical Center and (iii) other routine capital expenditures at Cleveland Regional Medical Center, Kings Mountain Hospital and Cleveland Pines Nursing Center, including the acquisition and installation of additional health care equipment.

The 2001 Bonds are being refunded to reduce the System's exposure to variable rate demand bonds. The 2001 Bonds are being called for redemption on the Date of Issuance of the 2011A Bonds at a redemption price of 100% of their principal amount, plus accrued interest to the date of redemption.

The Bonds are rated A by Fitch and A by Standard & Poor's Rating Services. The \$11,190,000 Serial Bonds mature in the years 2012-2021 and carry interest rates of 2.50% to 4.25% with yields ranging from 1.30% to 4.25%. The \$2,905,000 4.375% Term Bonds due January 1, 2023 yield 4.68%. The \$4,925,000 5.00% Term Bonds due January 1, 2026 yield 5.12%. The \$10,135,000 5.375% Term Bonds yield 5.53%. The \$10,405,000 5.75% Term Bonds due January 1, 2035 yield .587%.

McGuire Woods, LLP served as bond counsel with Parker Poe Adams & Bernstein, LLP serving as counsel to the underwriters. The Bank of New York Mellon Trust Company serves as Bond Trustee. Banc of America Merrill Lynch served as senior manager with BB&T Capital Markets serving as co-manager.

## **22. Iredell Memorial Hospital - \$35,000,000**

On June 30, 2011, the Commission effected a conversion of the North Carolina Medical Commission Variable Rate Demand Hospital Revenue Bonds (Iredell Memorial Hospital) Series 2007 issued in an original principal amount of \$39,465,000 and outstanding in the amount of \$35,000,000. The conversion is a reissuance of bonds for federal tax purposes. The Bonds were originally issued in the Daily Interest Rate Mode and were secured by an irrevocable letter of credit issued by Wachovia Bank, National Association, succeeded by Wells Fargo Bank. The Bonds are being converted to the Non-Bank Qualified Bond Mode and are being purchased by Wells Fargo and will bear interest at 70% of one month LIBOR plus .80% for an initial put period of two years.

The \$35,000,000 outstanding balance is subject to mandatory redemption in the years 2011-2037. Robinson Bradshaw & Hinson, P.A. served as bond counsel. US Bank National Association serves as Bond Trustee for the Issue.

**23. University Health Systems of Eastern Carolina - \$50,000,000**

On June 23, 2011, the Commission issued its \$50,000,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (University Health Systems of Eastern Carolina) Series 2011 dated as of June 1, 2011. The proceeds of the Issue together with other available funds will be used to (1) fund the prepayment of or the reimbursement of the expenditure for a thirty-year capital lease of Beaufort Health System in Washington, North Carolina in the amount of \$25,000,000, (2) fund the cost of land acquisition for future expansion (\$1,330,130), capital equipment (\$9,967,453), project expenditures (\$3,109,161) and information technology (\$10,593,256) and (3) costs incurred in connection with the issuance of the Bonds.

The Bonds are being issued as Non-Bank Qualified Bonds and are being purchased by Bank of America, NA. The Bonds will have an initial put period of seven years and will bear an interest rate of 65.1% of one month LIBOR plus a spread of .88225%. The Bonds mature December 1, 2040. The transaction is structured as a draw down issue in which the amount of the debt increases to a cumulative maximum of \$50,000,000 as each draw down to pay costs of the project is executed. US Bank serves as Bond Trustee. Womble Carlyle Sandridge & Rice, PLLC served as bond counsel.

*"The North Carolina Department of Health and Human Services does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services."*

*Sixteen copies of this report were printed internally for members of the North Carolina Medical Care Commission at an immaterial cost.*

