

THE
NORTH CAROLINA
MEDICAL CARE COMMISSION

THE
HEALTH CARE
FACILITIES FINANCE ACT
ANNUAL REPORT

JUNE 30, 2012

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, 2012, the Commission has closed 423 revenue bonds, notes and leases. The total authorized principal amount of all such financings was \$18,805,396,052 and the total outstanding principal amount of all such financings as of June 30, 2012, was \$7,456,353,735 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, 2012, the Commission consisted of the following 16 members with one vacancy:

Name	Term	Principal Occupation	Residence
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	Retired 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 550 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

Crystal Watson-Abbott, Auditor, North Carolina 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 6/30/2012
Presbyterian Hospital Charlotte, North Carolina	12/21/1977	\$20,000,000	\$0 (a)
Lexington Memorial Hospital Lexington, North Carolina	3/1/1978	6,510,000	0 (ss)
Rex Hospital Raleigh, North Carolina	6/1/1978	31,535,000	0 (y)
Duke University Hospital Durham, North Carolina	7/1/1978	79,000,000	0 (b)
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 (c)
Duke University Hospital Durham, North Carolina	1/1/1979	6,650,000	0 (b)
Annie Penn Memorial Hospital Reidsville, North Carolina	5/1/1979	7,650,000	0 (t)
Stanly Memorial Hospital Albemarle, North Carolina	5/1/1979	7,535,000	0 (p)
Moore Regional Healthcare Corporation Pinehurst, North Carolina	8/23/1979	10,710,000	0 (d)
Duke University Hospital Durham, North Carolina	6/25/1980 7/1/1980	6,736,000 7,930,000	0 0 (b)
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 6/30/2012
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 6/30/2012
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 (l)
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 6/30/2012
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>(l)</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

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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	0
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 6/30/2012
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>(eeee)</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>

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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	11/1/1990	53,630,000	0 <i>(kk)</i>
	Series B	11/15/1990	965,000	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>(www)</i>
Southeastern General Hospital Lumberton, North Carolina	11/1/1991	27,835,626	0 <i>(iiiiii)</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

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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	33,050,000
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	0
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>(iii)</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	9,285,000
North Carolina Baptist Hospitals, Inc. Winston-Salem, North Carolina		6/27/1996	50,000,000	0 <i>(mmm), (wwwwww)</i>
Grace Hospital Morganton, North Carolina		8/15/1996	26,240,000	0 <i>(jjjjj)</i>
Saint Joseph of the Pines Pinehurst, North Carolina		9/24/1996	10,000,000	0 <i>(eee)</i>
Duke University Hospital Durham, North Carolina		10/1/1996	121,379,383	0 <i>(jjj)</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	27,104,230
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 Greenville, North Carolina		12/11/1996	20,130,000	0 <i>(aaaa)</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	0 <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	1,335,000
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	0 <i>(zzzzzz)</i>
High Point Regional Health System High Point, North Carolina	11/1/1997	29,880,000	4,040,000
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	0
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	16,880,000
Stanley Total Living Center Stanley, North Carolina	4/23/1998	4,210,000	1,610,000
Cornelia Nixon Davis Health Care Center Wilmington, North Carolina	6/17/1998	7,500,000	4,660,000
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 6/30/2012
Catholic Health East (St. Joseph of the Pines) Pinehurst, North Carolina	Series C Series D	6/15/1998 7/15/1998	\$41,945,000 30,000,000	\$0 <i>(aaaaaa)</i> 0 <i>(hhhhh)</i>
United Church Retirement Homes Newton, North Carolina		7/1/1998	19,705,000	0 <i>(lll)</i>
Alamance Regional Medical Center Burlington, North Carolina		7/1/1998	16,575,000	8,845,000
The Presbyterian Home at Charlotte (Sharon Towers) Charlotte, North Carolina		8/25/1998	8,500,000	0 <i>(ooo)</i>
Gaston Health Care Gastonia, North Carolina		8/1/1998	82,935,000	0 <i>(qqqqq)</i>
Duke University Health System Durham, North Carolina		8/1/1998	83,235,000	0 <i>(jjj)</i>
Valdese General Hospital Valdese, North Carolina		9/3/1998	11,030,000	0 <i>(mmm)</i>
Pitt County Memorial Hospital Greenville, North Carolina		9/1/1998	207,170,000	7,579,000 <i>(pppp)</i>
Halifax Regional Medical Center Roanoke Rapids, North Carolina		9/1/1998	33,670,000	15,125,000
Wayne Memorial Hospital Goldsboro, North Carolina		9/15/1998	41,310,000	0
Duke University Health System Durham, North Carolina		10/1/1998	199,300,000	0 <i>(jjj)</i>
Carolina Village Hendersonville, North Carolina		10/21/1998	7,700,000	4,000,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2012
Novant Health Winston-Salem, North Carolina	10/1/1998	\$57,925,000	\$0 <i>(ppppp)</i>
Pitt County Memorial Hospital Greenville, North Carolina	10/1/1998	84,000,000	0
J. Arthur Doshier Memorial Hospital Southport, North Carolina	11/12/1998	5,000,000	2,270,000
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	0 <i>(vvvv) (bbbbbb)</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>(www)</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	38,755,000
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 6/30/2012
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	7,265,000
Moravian Home, Incorporated (Salemtowne) Winston-Salem, North Carolina	10/1/1999	15,595,000	0 (yyyy)
Stanly Memorial Hospital Albemarle, North Carolina	10/15/1999	15,000,000	11,915,000
Southeastern Regional Medical Center Lumberton, North Carolina	10/15/1999	25,270,000	14,960,000
DePaul Community Facilities Rochester, New York	12/7/1999	14,315,000	0 (ggggg)
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	10,025,000
Grace Hospital, Inc. Morganton, North Carolina	3/16/2000	20,700,000	0 (mmmm)
North Carolina Baptist Hospitals, Inc. Winston-Salem, North Carolina	6/15/2000	150,800,000	0 (wwwww)
United Methodist Retirement Homes Croasdaile Village Durham, North Carolina	9/28/2000	46,465,000	0 (qqqq)
United Methodist Retirement Homes Croasdaile Village Durham, North Carolina	Series A 9/28/2000	15,795,000	0 (nnnn)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2012
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	0 0
WakeMed Raleigh, North Carolina		4/5/2001	150,000,000	138,800,000
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 6/30/2012
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	35,055,000 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	12,930,000 (aaaaa) 0 (aaaaa) 0
Aston Park Health Care Center, Inc. Asheville, North Carolina		2/14/2002	4,100,000	0
FirstHealth of the Carolinas Pinehurst, North Carolina		2/27/2002 2/27/2002	29,400,000 50,000,000	0 29,000,000
Arbor Acres United Methodist Retirement Community, Inc. Winston-Salem, North Carolina		3/1/2002	23,105,000	0 (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	6,400,000 800,000
Union Regional Medical Center Monroe, North Carolina	Series A Series B	7/11/2002 7/11/2002	25,000,000 15,000,000	0 0
Southeastern Regional Medical Center Lumberton, North Carolina		8/14/2002	48,980,000	33,460,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2012
Wake Forest University Health Sciences Winston-Salem, North Carolina		8/22/2002	\$198,800,000	\$0 <i>(rrrr)</i>
NorthEast Medical Center Concord, North Carolina	Series A Series B	9/10/2002 9/10/2002	30,000,000 30,000,000	0 0
Southminster, Inc. Charlotte, North Carolina		10/1/2002	13,320,000	4,290,000
North Carolina Baptist Hospitals Winston-Salem, North Carolina		10/31/2002	162,400,000	0 <i>(ssss)</i>
WestCare Health System Sylva, North Carolina	Series A Series B	11/14/2002 11/14/2002	26,860,000 880,000	15,735,000 605,000
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	4,760,000
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	33,850,000
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 6/30/2012
Novant Health Winston-Salem, North Carolina		7/1/2003	\$164,325,000	\$107,225,000
Givens Estates, Inc. Asheville, North Carolina	Series A	7/15/2003	63,385,000	2,990,000 (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	0
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	10,030,000
Friends Homes, Inc. Greensboro, North Carolina		10/16/2003	45,165,000	0 (cccccc)
The Forest at Duke, Inc. Durham, North Carolina	Series A	11/1/2003	25,990,000	14,505,000
	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	8,850,000
	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	0
	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 6/30/2012
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	\$25,390,000 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	10,305,000 0 <i>(aaaaaa)</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	0
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	75,070,000
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	31,745,000 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 6/30/2012
United Methodist Retirement Homes Durham, North Carolina	Series A	2/16/2005	\$20,790,000	\$20,170,000
	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	9,340,000
	Series B	4/21/2005	5,000,000	5,000,000
Presbyterian Homes Jamestown, North Carolina	Series A	5/4/2005	13,465,000	10,035,000
	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 (rrrrrr)
Morehead Memorial Hospital Eden, North Carolina		6/15/2005	47,675,000	40,390,000
Alamance Regional Medical Center Burlington, NC		8/1/2005	10,000,000	1,229,332
Duke University Health System Durham, North Carolina		8/12/2005	40,000,000	1,003,146
United Methodist Retirement Homes Durham, North Carolina	Series C	9/8/2005	47,835,000	44,420,000
Mission Hospitals, Inc. Asheville, North Carolina		9/13/2005	25,000,000	4,571,858
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 6/30/2012
Lenoir Memorial Hospital Kinston, North Carolina		9/22/2005	\$22,000,000	\$18,940,000
Novant Health Winston-Salem, North Carolina		12/12/2005	50,000,000	4,993,889
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	0
Pennybyrn at Maryfield High Point, North Carolina	Series A	12/29/2005	67,315,000	65,025,000
	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 Greenville, North Carolina	Series A & B	2/16/2006	227,970,000	0 (sssss)
	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	10,565,000
	Series B	5/4/2006	262,650,000	0 (ttttt)
CaroMont Health Gastonia, North Carolina		5/9/2006	119,800,000	119,200,000
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 6/30/2012
The Pines at Davidson Davidson, North Carolina		7/7/2006	\$30,980,000	\$21,045,000
Presbyterian Homes Jamestown, North Carolina	Series B	7/13/2006 8/9/2006	79,235,000 33,290,000	79,235,000 24,720,000
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	7,065,000
Moravian Homes, Inc. dba Salemtowne Winston-Salem, North Carolina		11/14/2006	35,225,000	31,155,000
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	0 0 0
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	251,805,000
Chatham Hospital Siler City, North Carolina		2/8/2007	30,540,000	27,835,000
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	17,175,000
Angel Medical Center Franklin, North Carolina		3/22/2007	18,500,000	0 (EEEEEEE)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2012
Givens Estates, Inc. Asheville, North Carolina		4/4/2007	\$66,900,000	\$65,475,000
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	28,500,000
Randolph Hospital Asheboro, North Carolina		6/14/2007	49,230,000	44,930,000
The Forest at Duke, Inc. Durham, North Carolina		7/12/2007	28,200,000	26,250,000
Wilson Medical Center Wilson, North Carolina		8/7/2007	33,825,000	21,575,000
Sisters of Mercy Services Corporation Asheville, North Carolina		9/13/2007	4,400,000	4,000,000
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	3,700,000
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 6/30/2012
CaroMont Health Gastonia, North Carolina		1/31/2008	\$118,400,000	\$93,770,000
Carolina Village Hendersonville, North Carolina	Series A	2/28/2008	19,575,000	19,005,000
	Series B	2/28/2008	10,000,000	0
	Series C	2/28/2008	15,000,000	0 (gggggg)
Catholic Health East Newtown Square, Pennsylvania		4/24/2008	30,475,000	26,475,000
Moses Cone Health System Greensboro, North Carolina		4/30/2008	48,140,000	0
Transylvania Community Hospital Brevard, North Carolina		6/6/2008	5,000,000	1,073,236
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	129,690,000
Hugh Chatham Memorial Hospital Elkin, North Carolina		9/24/2008	45,455,000	44,240,000
Wake Forest Univeristy Health Sciences Winston-Salem, North Carolina		10/16/2008	188,640,000	178,225,000
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	11,076,304

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2012
FirstHealth of the Carolinas	Series A	12/9/2008	\$75,015,000	\$42,700,000 (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	105,910,000
Greenville, North Carolina	Series B	12/10/2008	123,850,000	116,600,000
	Series C	12/10/2008	74,455,000	1,545,000 (GGGGGGG)
	Series D	12/10/2008	119,715,000	119,715,000
	Series E	12/10/2008	77,900,000	1,195,000
Hospice of Alamance-Caswell Burlington, North Carolina		12/23/2008	5,000,000	4,800,000
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	163,865,000
	Series B	2/26/2009	75,000,000	75,000,000
Transylvania Regional Hospital Brevard, North Carolina		3/9/2009	13,240,000	0 (zzzzzzz)
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	0 (HHHHHHH)
	Series B	4/15/2009	45,505,000	0 (zzzzz)
WakeMed Raleigh, North Carolina		7/16/2009	81,780,000	78,240,000
Duke University Health System Durham, North Carolina	Series 2005 A	8/21/2009	107,380,000	0 (JJJJJJJ)
	Series 2005 B	8/21/2009	107,380,000	0 (JJJJJJJ)
	Series 2005 C	8/21/2009	107,380,000	0 (JJJJJJJ)
DePaul/Community Facilities, Inc. Rochester, New York	Series 2007 A	9/17/2009	30,000,000	29,705,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2012
Mission Health System Asheville, North Carolina		10/9/2009	\$30,000,000	\$15,882,313
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	5,245,000
High Point Regional High Point, North Carolina		11/4/2009	9,540,000	4,025,000
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	0 (kkkkkkk)
Lutheran Services for the Aging Salisbury, North Carolina		12/17/2009	27,364,250	24,722,509
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
FirstHealth 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	1,880,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2012
The Episcopal Home for the Ageing in Diocese of North Carolina (Penick Village) Southern Pines, NC	1/20/2010	\$30,000,000	\$29,000,000
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	14,275,000
Mission Health System Asheville, North Carolina	2/24/2010	65,000,000	63,405,000
United Methodist Retirement Homes Durham, North Carolina	2/19/2010	12,880,000	12,070,000
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	307,185,000
Catholic Health East / St. Joseph of the Pines Pinehurst, North Carolina	4/7/2010	15,360,000	13,030,000
Aldersgate United Methodist Retirement Community Charlotte, North Carolina	4/14/2010	8,605,000	5,880,000
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	10,960,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2012
Blue Ridge Healthcare System, Inc. Morganton, North Carolina		10/7/2010	\$51,195,000	\$46,830,000
Ashe Memorial Hospital Jefferson, North Carolina		10/15/2010	1,229,000	1,189,101
Galloway Ridge, Inc. Pittsboro, North Carolina	Series A	10/21/2010	61,180,000	60,780,000
	Series B	10/21/2010	15,000,000	15,000,000
	Series C	10/21/2010	19,930,000	16,920,000
Chapel Hill Residential Retirement Center dba Carol Woods Chapel Hill, North Carolina		10/22/2010	30,000,000	28,365,000
Rex Hospital Raleigh, North Carolina		10/26/2010	122,965,000	119,845,000
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	4,459,662
Well-Spring Retirement Community Greensboro, North Carolina		11/10/2010	7,065,000	5,950,000
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	13,575,000
Lutheran Services for the Aging, Inc. Salisbury, North Carolina		12/16/2010	8,300,000	6,439,246
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	4,760,000
Carolina Meadows Chapel Hill, North Carolina		12/22/2010	17,810,000	17,305,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2012
Moses Cone Health System Greensboro, North Carolina		2/16/2011	\$60,170,000.00	\$60,170,000.00
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	62,205,000
	Series B	3/23/2011	70,695,000	67,295,000
	Series C	3/23/2011	47,165,000	44,950,000
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	38,845,000
Iredell Memorial Hospital Statesville, North Carolina		6/30/2011	35,000,000	33,395,000
University Health Systems of Eastern Carolina, Inc. Greenville, North Carolina		6/23/2011	50,000,000	49,040,000
Halifax Regional Medical Center Roanoke Rapids, North Carolina		7/26/2011	6,500,000	6,500,000
Cone Health Greensboro, North Carolina		8/4/2011	47,980,000	47,980,000
Mission Health Asheville, North Carolina		8/17/2011	32,270,000	31,405,000
Angel Medical Center Franklin, North Carolina		8/17/2011	14,485,000	13,100,000
Transylvania Regional Hospital Brevard, North Carolina		8/24/2011	14,655,000	14,420,000
Cone Health Greensboro, North Carolina	Series C	9/21/2011	50,000,000	50,000,000
	Series D	9/21/2011	50,000,000	50,000,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2012
Duke University Health System Durham, North Carolina	Series A	10/6/2011	\$63,205,000	\$61,000,000
	Series B	10/6/2011	63,210,000	60,975,000
	Series C	10/6/2011	19,300,000	18,575,000
Friends Homes Greensboro, North Carolina		11/1/2011	37,745,000	37,745,000
FirstHealth of the Carolinas Pinehurst, North Carolina		3/4/2012	40,830,000	40,830,000
Duke University Health System Durham, North Carolina		3/6/2012	40,000,000	3,282,548
Duke University Health System Durham, North Carolina		3/22/2012	107,380,000	107,380,000
Carolina Adventist Retirement System Candler, North Carolina		3/27/2012	13,050,000	13,050,000
FirstHealth of the Carolinas Pinehurst, North Carolina		4/24/2012	45,610,000	45,610,000
University Health Systems of Eastern Carolina dba Vidant Health Greenville, North Carolina		5/3/2012	150,500,000	149,100,000
Duke University Health System Durham, North Carolina	Series B	5/30/2012	107,380,000	107,380,000
	Series C	5/30/2012	107,380,000	107,380,000
Catholic Health East / St. Joseph of the Pines Pinehurst, North Carolina		6/27/2012	17,110,000	17,110,000
Duke University Health System Durham, North Carolina		6/28/2012	300,000,000	300,000,000
Totals			<u>\$18,805,396,052</u>	<u>\$7,456,353,735</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. (Salemtowne) 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

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

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

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

(zzzzz) Defeased by August 24, 2011 Transylvania Bond Issue

(aaaaa) Defeased by June 27, 2012 Catholic Health East Bond Issue

(bbbbb) Defeased by August 17, 2011 Mission Health Bond Issue

(ccccc) Defeased by November 1, 2011 Friends Homes Bond Issue

(ddddd) Converted by October 6, 2011 to Bank Bought Bonds

(eeeeee) Converted to Bank Bought Bonds August 17, 2011

(ffffff) Defeased by August 4, 2011 Moses Cone Bond Issue

(ggggggg) Defeased by May 3, 2012 University Health Systems of Eastern Carolina
(hhhhhhh) Defeased by April 24, 2012 FirstHealth Bond Issue
(lllllll) Converted to Bank Bought Bonds March 22, 2012
(jjjjjjj) Converted to Bank Bought Bonds May 30, 2012
(kkkkkkk) Converted to Bank Bought Bonds March 4, 2012

REVENUE BOND AND NOTE ISSUES

July 1, 2011-June 30, 2012

1. Halifax Regional Medical Center - \$6,500,000

On July 26, 2011, the Commission issued its \$6,500,000 North Carolina Medical Commission Hospital Revenue Bonds (Halifax Regional Medical Center), Series 2011. The Bonds were issued as Non-Bank Qualified Bonds (the Bank Bought Rate Mode). During the initial period of seven years the Bonds will bear interest at the rate of 4.90% per annum. The Bonds were purchased by Branch Banking and Trust Company. The Bonds mature July 1 subject to a mandatory sinking fund redemption schedule in the years 2014-2033. The Bonds are not rated. The proceeds of the Bonds are being used to fund a project for Halifax Regional Medical Center to add to and renovate the facility for staff and patient flow, quality, efficiency, and patient satisfaction. The project consist of 2,805 square feet of new construction, including the addition of five ambulatory care unit beds, expansion of the PACU from six to eight bays including an isolation bay. Renovations of 6,774 square feet include the expansion of the recovery area from ten to sixteen beds, and an additional set of surgical doors to decrease public flow of traffic, the relocation of staff locker rooms and showers, family waiting areas, patient tracking board and a physician's consultant room for a HIPPA compliant environment. Additionally, renovations of the outpatient parking lot will increase the number of parking spaces from ninety-two to one hundred thirty-eight spaces and improving outpatient and emergency entrances. Renovating and refinishing the outpatient services entrance, hallway and registration will provide private areas to perform outpatient registration and a better atmosphere for outpatient surgery patients.

Halifax Regional Medical Center located in Roanoke Rapids, North Carolina, operates an acute care medical center and outpatient clinics. The Hospital has a licensed bed capacity of 204 beds of which 130 beds are staffed. McGuire Woods, LLP served as bond counsel for the transaction. US Bank serves as Bond Trustee.

2. Cone Health - \$47,980,000

On August 4, 2011, the Commission issued its \$47,980,000 North Carolina Medical Care Commission Hospital Revenue Refunding Bonds (Cone Health) Series 2011B, dated as of the Date of Delivery (August 4, 2011). The proceeds of the Issue are being used, together with other available funds, to refund the Commission's outstanding Hospital Revenue Refunding Bonds (Moses Cone Health System), Series 2008 in the aggregate principal amount of \$48,140,000.

The Moses H. Cone Memorial Hospital (the "Parent Corporation") serves as the parent corporation for a multi-entity, fully integrated health care delivery system serving the Greensboro area known as Cone Health ("Cone Health"). Cone Health is the overarching brand for the network of services which today consists of The Moses H. Cone Memorial Hospital, Wesley Long Community Hospital, The Women's Hospital of Greensboro, Annie Penn Hospital, Cone Behavioral Health Hospital, LeBauer HealthCare, MedCenter High Point, MedCenter Kernersville and various outpatient clinics and programs. Cone Health includes five acute care hospitals encompassing 1,035 licenses beds as well as multiple sites that serve patients in an outpatient setting. In the fiscal year ended

September 30, 2010, Cone Health provided care for 48,973 hospital admissions, 476,872 outpatient visits, and 210,211 emergency department visits. As of March 31, 2011, Cone Health's physicians include 295 employed physicians and another 191 physicians who are aligned with Cone Health through various affiliation arrangements.

The Parent Corporation is the sole member of The Moses H. Cone Memorial Hospital Operating Corporation (the "Operating Corporation"). The Moses Cone-Wesley Long Community Health Foundation, Inc. (the "Foundation") is a charitable, tax-exempt foundation. Each of the Parent Corporation, the Operating Corporation and the Foundation is a North Carolina non-profit corporation and "non-profit agency" within the meaning of the Act. 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 Parent Corporation was founded through a Trust established by Bertha Lindau Cone as a memorial to her late husband, Moses H. Cone. The facility opened with 30 beds in 1953 in Greensboro, North Carolina.

The Bonds are rated AA/A-1+ by Standard & Poor's Rating Services and AA/F1+ by Fitch, Inc. The Bonds are being issued in denominations of \$100,000 and will initially bear interest at the Window Rate. The Bonds mature October 1, 2035 and have an Initial Window Spread .12% with the interest rate on the Bonds being the Municipal Index plus the Initial Window Spread. The Municipal Index is The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. The Initial Mandatory Tender Window is 210 days. The Bonds are subject to Mandatory Sinking Fund Redemption in the years 2013-2035.

Morgan Stanley served as underwriter for the Issue. McGuire Woods, LLP served as bond counsel. Bode Call & Stroupe served as counsel to the underwriters. The Bank of New York Mellon Trust Company serves as Bond Trustee.

3. Angel Medical Center - \$14,485,000

On August 17, 2011, the Commission effected a conversion (refunding for federal tax purposes) of its North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Angel Medical Center Project) Series 2007 to an Index Interest Rate Mode. The Series 2007 Bonds were originally issued in the aggregate principal amount of \$18,500,000 of which \$14,485,000 is outstanding. The Bonds have been bearing interest at the Weekly Rate and have been secured by an irrevocable letter of credit issued by Wachovia Bank National Association, succeeded by Wells Fargo Bank National Association. The Bonds are being converted to a Non-Bank Qualified Bond Mode and are being purchased by Wells Fargo National Association. During the initial holding period of five years the Bonds will bear interest of 70% of one month LIBOR plus .60%. The outstanding balance of the Series 2007 Bonds mature on October 1 in the years 2011-2028. Payment of principal and interest on the Bonds is guaranteed by Mission Health System.

Angel Medical Center, a general acute care hospital is located in Franklin North Carolina and is licensed for 25 beds of which 25 are staffed. The Medical Center is affiliated with Mission Health System and is a member of the Western North Carolina Health Network.

Robinson Bradshaw & Hinson, PA served as bond counsel and Parker Poe Adams & Bernstein, LLP served as counsel to Wells Fargo Bank National Association as purchaser for the Bonds. Wells Fargo Bank, National Association serves as Bond Trustee.

4. **Mission Health System - \$32,270,000**

On August 17, 2011, the Commission issued its \$32,270,000 North Carolina Medical Care Commission Variable Rate Demand Health System Refunding Revenue Bonds (Mission Health Combined Group), Series 2011 dated as of August 1, 2011. The proceeds of the Issue are being used, together with other available funds, to advance and refund the Commission's Hospital Revenue Bonds (Mission-St. Joseph's Health System) Series 1998, outstanding in the amount of \$32,270,000.

The proceeds of the 1998 Bonds were used to (i) finance, together with certain other funds, (A) the construction and equipping of an addition to Memorial Mission Hospital, (B) renovations to them existing portions of Memorial Mission Hospital, including emergency care facilities, (C) the acquisition of equipment for use at the Heart Center of Memorial Mission Hospital, and (D) expansion of a parking deck, (ii) pay a portion of the interest on the 1992 Bonds during construction of the projects being financed with the 1992 Bonds, (iii) refinance indebtedness incurred under the Commission's 1986 pooled hospital financing program, the proceeds of which had been used to finance the acquisition and construction of a parking deck and a generator building and other certain equipment, and (b) pay, or reimburse the Parent Corporation for paying, certain expenses incurred in connection with the issuance of the 1998 Bonds by the Commission.

The Bonds are being issued as Non-Bank Qualified Bonds and are being purchased by Wells Fargo Bank. During the initial holding period of five years the Bonds will bear interest at the rate of 2.50%. The Bonds are subject to Sinking Fund Redemption in the years 2011-2028 with the final maturity being October 1, 2028.

The Mission Health System includes the following Members and Affiliates: Mission Hospital, Inc. (730 bed tertiary care hospital), Blue Ridge Regional Hospital (46 bed acute care hospital in Spruce Pine, NC), Mission Medical Associates (provides management information technology and support services for physicians and their practices), The Foundation, Horizon Health, McDowell Hospital (65 bed acute care hospital in Marion, NC), Imaging Realty, LLC, Asheville Imaging, LLP, Asheville Specialty Hospital and Horizon Management. The System provides primary, secondary and tertiary healthcare services in the westernmost 18 counties of North Carolina.

Wells Fargo Bank, National Association serves as Bond Trustee for the Bonds. Robinson Bradshaw & Hinson, PA served as bond counsel and Parker Poe Adams & Bernstein, LLP served as counsel to Wells Fargo as purchaser of the Bonds.

5. Transylvania Regional Hospital - \$14,655,000

On August 24, 2011, the Commission issued its \$14,655,000 North Carolina Medical Care Commission Variable Rate Demand Health System Refunding Revenue Bonds (Transylvania Regional Hospital) Series 2011 dated as of August 1, 2011. The proceeds of the Series 2011 Bonds are being used, together with other available funds, to refund the outstanding aggregate principal amount of (a) the Commission's Hospital Revenue Bonds (Transylvania Community Hospital, Inc.) Series 1997 and (b) the Commission's Variable Rate Demand Hospital Revenue Bonds (Transylvania Regional Hospital) Series 2009.

The proceeds of the 1997 Bonds were used to, among other things, (a) advance refund the Commission's Hospital Revenue Bonds (Transylvania Community Hospital Project), Series 1989, the proceeds of which were used to, among other things, (a) advance refund the Commission's Hospital Revenue Bonds (Transylvania Community Hospital Project), Series 1989, the proceeds of which were used to, among other things, finance the costs of the expansion and renovation of the Corporation's hospital facilities and the acquisition of certain fixed and moveable equipment and (b) pay all or a portion of the costs of acquiring, constructing, furnishing and equipping an expansion, consisting of approximately 2,700 square feet of new construction and approximately 2,600 square feet of renovation, of the Corporation's hospital facilities for outpatient services.

The proceeds of the 2009 Bonds were used to, among other things, refund a portion of a taxable loan, the proceeds of which were used to pay the costs of (a) the acquisition, construction and equipping of a new, approximately 25,000 square-foot inpatient hospital wing, (b) the renovation and relocation of office space and (c) the acquisition of new furniture and equipment.

Transylvania Regional Hospital is located in Brevard, North Carolina and is licensed for 94 Beds. The Hospital is affiliated with Mission Health System and is part of the WNC Health Network.

During initial holding period of five years the Bonds will bear interest at the rate of 70% of one month LIBOR plus .60%. The Bonds are being purchased by Wells Fargo Bank, National Association in the Non-Bank Qualified Mode. Wells Fargo Bank National Association serves as Bond Trustee. The Bonds are subject to Sinking Fund Redemption on October 1 of the years 2011-2028. Payment of principal and interest on the Bonds is guaranteed by Mission Health System.

Robinson Bradshaw & Hinson, PA served as bond counsel and Parker Poe Adams & Bernstein, LLP served as counsel to Wells Fargo Bank.

6. Cone Health - \$50,000,000 and \$50,000,000

On September 21, 2011, the Commission issued its North Carolina Medical Care Commission \$50,000,000 Hospital Revenue Bonds (Cone Health) Series 2011C and its \$50,000,000 Hospital Revenue Bonds (Cone Health) Series 2011D dated as of the Date of Delivery (September 21, 2011). The proceeds of the two series of Bonds are to be used, together with other available funds, to fund the construction of the North Tower Project. The Series 2011C and 2011D Bonds are being purchased by Bank of America, NA as Non-Bank Qualified Bonds. The Series 2011C

Bonds will have an initial put period of four years and the Series 2011D Bonds will have an initial put period of five years. Both Series of Bonds carry an average coupon of 3.50%. The Series 2011C Bonds carry an interest rate of 65% of one month LIBOR plus 31 basis points. The Series 2011D Bonds carry an interest rate of 65% of one month LIBOR plus 40 basis points. The Bonds are not rated and have a final maturity in 2044.

The Bank of New York Mellon Trust Company serves as Bond Trustee. McGuire Woods, LLP served as bond counsel and Parker Poe Adams & Bernstein, LLP served as counsel to Bank of America.

7. Duke University Health System – \$63,205,000, \$63,210,000 and \$19,300,000

On October 6, 2011, the Commission effected a conversion (refunding for federal tax purposes) of the Health Care Facilities Revenue Bonds (Duke University Health System) Series 2006 consisting of (a) Series 2006A in the aggregate principal amount of \$65,355,000 of which \$63,205,000 is outstanding and (b) Series 2006B in the aggregate principal amount of \$65,360,000 of which \$63,210,000 aggregate principal amount is outstanding and (c) Series 2006C in the aggregate principal amount of \$20,000,000 of which \$19,300,000 aggregate principal amount is outstanding. The Bonds are being converted from an Index Put Rate Mode to a Bank Bought Index Floating Rate Mode. The Bonds are being purchased by Bank of America and will be held for an initial put period of seven years at a rate equal to 67% of one-month LIBOR plus .48%.

Robinson Bradshaw & Hinson, PA served as bond counsel for the transaction. The Bank of New York Mellon Trust Company serves as Bond Trustee.

8. Friends Homes, Inc. - \$37,745,000

On November 1, 2011, the Commission issued its \$37,745,000 North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Refunding Bonds (Friends Homes, Inc.) Series 2011 dated as of November 1, 2011. The proceeds of the Issue are being used to refund the Health Care Facilities First Mortgage Revenue Bonds (Friends Homes, Inc.) Series 2003 originally issued in the aggregate principal amount of \$45,165,000 of which \$37,745,000 principal amount is currently outstanding. The Series 2003 Bonds are secured by an Irrevocable Letter of Credit issued by Bank of America.

The Series 2011 Bonds are being purchased by Branch Banking and Trust Company as Non Bank Qualified Bonds and will bear interest at the Bank Bought Rate. The initial Bank Bought minimum holding period will be for ten years. The Bank Bought Rate will be 78% of one month LIBOR plus 1.60%.

Friends Homes, Inc. operates a continuing care retirement center in Greensboro, North Carolina. McGuire Woods, LLP served as bond counsel and US Bank serves as Bond Trustee for the Issue. The Series 2011 Bonds have the same amortization as the Series 2003 Bonds and mature in the years 2012-2033.

9. **FirstHealth of the Carolinas, Inc. - \$40,830,000**

On March 4, 2012, the Commission effected a reduction in the Bank-Bought Rate Mode from 68% of one-month LIBOR plus .89375% per annum to 68% of one month LIBOR plus 60% per annum and an extension of the Bank-Bought Minimum Holding Period to February 2017 for the \$40,830,000 North Carolina Medical Care Commission Variable Rate Health Care Facilities Revenue Refunding Bonds (FirstHealth of the Carolinas Project) Series 2009D. The Bonds continue to be held by Branch Banking and Trust Company. The transaction will constitute a reissuance for Federal tax purposes. Robinson Bradshaw & Hinson, PA served as bond counsel for the Issue. The Bank of New York Mellon Trust Company serves as Trustee for the Bonds.

10. **Duke University Health System, Inc. - \$40,000,000**

On March 6, 2012, the Commission executed a Master Lease and Sublease Agreement, dated March 1, 2012 between Banc of America Public Capital Corp., Duke University Health System, Inc. and the North Carolina Medical Care Commission to establish a \$40,000,000 tax-exempt operating lease program for Duke University Health System. The program will cover the period July 1, 2011 through June 30, 2012. The leases will be for moveable equipment and any installation costs. A separate schedule will be put in place for each lease. The first two schedules are for the lease of (1) a General Electric CT Scanner in the amount of \$1,174,768.20 and (2) a Siemens MRI Scanner for \$2,238,867.00. Robinson Bradshaw & Hinson PA served as bond counsel for the lease program, which is classified as debt for Federal tax purposes and as an operating lease for accounting treatment.

11. **Carolina Adventist Systems, Inc. - \$13,050,000**

On March 27, 2012, the Commission issued its \$13,050,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue and Revenue Refunding Bonds (Carolina Adventist Retirement Systems) Series 2012, dated as of the Date of Issuance. Carolina Adventist Retirement Systems, Inc. ("CARS") is a not-for-profit corporation existing under the laws of the State of North Carolina for the purpose of providing senior housing and long-term care services. CARS was established in 2006 through a name change and/or merger of three corporations-Pisgah Manor, Inc. (incorporated in 1975), W.R. Winslow Memorial Home, Inc. (incorporated in 1959) and Carolina Living, Inc. (incorporated in 1980).

CARS owns and/or operates a continuing care retirement community, licensed by the North Carolina Department of Insurance, consisting of 72 independent living condominium units (the "Estates"), a 24-unit multi-unit assisted housing with services facility (the "Villa"), a 118-bed skilled nursing facility (the "Manor"), and a wellness center (the "Wellness Center") in Candler North Carolina, called Pisgah Valley Retirement Community ("PVRC"). CARS also operates a retirement community consisting of a 24-unit independent living apartment building ("Carolina Living") and a 146-bed skilled nursing facility ("Winslow Home") in Elizabeth City, North Carolina, called Winslow ("Winslow").

The Pisgah Estates Unit Owners Association (the "Unit Owners Association") was created in accordance with the North Carolina Condominium Act to own and manage the commonly owned

property of the Estates. The Unit Owners Association began operations in 1975 as an unincorporated non-profit association and became a not-for-profit corporation under the laws of the State of North Carolina in September 2008. CARS has majority voting rights in the Unit Owners Association and performs program, maintenance and administrative services to the Unit Owners Association under the terms of a management agreement (the "Management Agreement"). Services are billed monthly and the Management Agreement is renewable each calendar year. The Unit Owners Association's revenue is generated primarily through maintenance fees from Estates unit owners.

At September 30, 2011 owned eighteen (18), respectively, of the Estates condominium units. The remaining units were owned by the Carolina Conference of Seventh-day Adventists, Inc. (the "Conference") and individuals.

CARS is governed by the Executive Committee of the Board of Directors of the Conference. Each voting member of the Executive Committee of the Conference serves ex officio as a voting member of the CARS Board of Directors (the "Board") and the President and Chief Executive Officer of CARS serves as a nonvoting member of the Board.

At September 30, 2011, the Conference owned the property upon which the Winslow buildings are situated and leased the buildings under long-term lease arrangement to CARS. CARS also has, and continues to have, a year to year lease arrangement with the Conference whereby CARS leases space in a maintenance building near the PVRC, which the Conference owns.

Through a work/study program PVRC hires students from the adjacent Pisgah Academy ("Pisgah Academy"), a boarding school for students in grades nine through twelve, controlled by the Conference. PVRC pays the students directly. The students, in turn, voluntarily provide their earnings to the Pisgah Academy.

The proceeds of the Series 2012 Bonds are being used for the purpose of proving funds, together with other available funds, to (1) refund a portion of an existing taxable bank loan, the proceeds of which were used to refinance a portion of the costs of acquiring, constructing, renovating and equipping the Corporation's retirement facilities, including (a) the construction and equipping of the assisted living facility and a wellness center at the Pisgah Valley Retirement Community, located at 102 Holcombe Cove Road, Candler, Buncombe County, North Carolina and (b) the construction and equipping of a skilled nursing facility and a 24-unit independent living apartment building at the Winslow facility, located in Elizabeth City, Pasquotank County, North Carolina at 1075 U.S. Highway 17 South and 1079 US Highway 17 South, respectively; (2) pay or reimburse the Corporation for paying, a portion of the cost of acquiring, constructing and equipping a new approximately 66,000 square-foot, 118-bed skilled nursing facility to replace the existing skilled nursing facility at the Pisgah Valley Retirement Community, located at 95 Holcombe Cove Road, Candler, Buncombe County, North Carolina; (3) pay interest accruing on the new money portion of the Bonds by the Commission;

The Series 2012 Bonds are being issued as fully registered Bonds in denominations of \$100,000 and any integral multiples of \$5,000 in excess of \$100,000 during any Bank-Bought Rate Period. During the initial Bank-Bought Rate Period the Bonds will bear interest at 78% of one month LIBOR plus 1.42%. The initial put period is for ten years. The Bonds are being purchased by Branch

Banking and Trust Company. The Bonds mature April 1, 2037 and are subject to Sinking Fund Redemption in the years 2016 - 2037.

Robinson Bradshaw & Hinson, PA served as bond counsel. Moore Van Allen served as counsel to the Bank (the purchaser of the Bonds). U.S. Bank serves as Trustee for the Bonds. First Tryon Advisors served as financial advisor to CARS.

12. **Duke University Health System, Inc. - \$107,380,000**

On March 22, 2012, the Commission reissued for federal tax purposes its North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Duke University Health System) Series 2005A (\$107,380,000). The conversion of the Series 2005A Bonds to the Bank-Bought Index Floating Rate Mode was accomplished by amending the Series 2005A Trust Agreement, and Loan Agreement. The Series 2005A Bonds are being purchased by JP Morgan Chase and will carry an initial interest rate of 74% of one month LIBOR plus 100 basis points for an approximate 16 year period to June 1, 2028. June 1, 2028 is the final maturity date of the Bonds. The conversion is being done in order to eliminate bank credit risks.

Robinson Bradshaw & Hinson, PA served as bond counsel. The Bank of New York Mellon Trust Company, N.A. serves as Trustee. Alston and Bird, LLP served as counsel to JP Morgan Chase.

13. **FirstHealth of the Carolinas, Inc. - \$45, 610,000**

On April 24, 2012, the Commission issued its \$45,610,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (FirstHealth of the Carolinas Project) Series 2012A, dated as of the Date of Delivery, April 24, 2012.

The proceeds of the Issue are being used to refund the \$45,505,000 outstanding principal amount of the Series 2009A Bonds, which were issued by the Commission to finance a project, consisting of improvements to FirstHealth Moore Regional, including the construction and equipping of a four story, approximately 180,750 square foot heart hospital addition and to fund capitalized interest during the period of construction and pay certain expenses of issuing the 2009A Bonds. The issuance of the Series 2012A Bonds will result in a Net Present Value Savings of approximately \$6 million which equate to approximately 13% savings.

FirstHealth of the Carolinas, Inc. ("FirstHealth") is a private North Carolina nonprofit health care system head quartered in Pinehurst, North Carolina. FirstHealth and its Affiliates own and operate a health care delivery system (the "Health System") that provides health care services to patients throughout a 15-county service area in North Carolina and South Carolina. The Health System consists of three licensed, acute care hospitals with a total of 582 licensed beds: FirstHealth Moore Regional, which has two separate campus locations, and FirstHealth Montgomery Memorial Hospital, FirstHealth Moore Regional Hospital is located in both Pinehurst, North Carolina (the main campus location) and Rockingham, North Carolina (the remote campus location). In addition to the hospitals, the Health System includes the following: an 11-bed inpatient hospice; a

traditional in-home hospice; eight primary care medical clinics; specialty services at nine medical clinics including neurosurgery, cardiothoracic surgery, pain management, infectious disease, medical oncology and orthopaedics; home health services; health and fitness centers; dental clinics; inpatient and outpatient behavioral health programs; occupational health programs; mobile health services; inpatient and outpatient behavioral health programs; occupational health programs; mobile health services; inpatient and outpatient rehabilitation services; and regional emergency medical and non-emergency medical transport services.

FirstHealth was created in 1995 following the consolidation of Moore Regional Hospital, Inc., and Montgomery Memorial Hospital, Inc. Moore County Hospital, Inc., predecessor of Moore Regional Hospital, Inc., was organized as a North Carolina nonprofit corporation in 1929 to operate a short-term acute care hospital in Pinehurst, North Carolina. Montgomery Memorial Hospital, Inc., was founded in 1944, and began serving residents of Montgomery County, North Carolina, in 1950. In March 2001, FirstHealth acquired Richmond Memorial Hospital. Richmond Memorial Hospital opened in November 1952. Richmond Hospital was converted to a remote location of FirstHealth Moore Regional Hospital in 2009 under the Medicare program's provider based rules. As a remote location of FirstHealth Moore Regional, it serves patients in Richmond County, North Carolina, and surrounding communities.

FirstHealth has six affiliates: The Foundation of FirstHealth, Inc. (the "Foundation"), a North Carolina nonprofit corporation; Montgomery County Primary Corp. ("MCPC"), a North Carolina nonprofit corporation; First Health Professional Services, Inc. ("FPS"), a North Carolina for-profit corporation; First Health Professional Services, Inc. ("FirstCarolinaCare Insurance"), a North Carolina for-profit corporation; FirstCarolinaCare Insurance Services, LLC; and StarFirst, LLC a taxable nonprofit captive insurance company (collectively, the "Affiliates"). FirstHealth, the Foundation, and MCPC, are exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), by virtue of being organizations described in Section 501 (c)(3) of the Code. FirstHealth also has an ownership interest in several joint ventures.

The Bonds are rated Aa3 by Moody's Investors Service and AA- by Standard & Poor's Rating Services and AA by Fitch, Inc. The \$1,825,000 Serial Bonds mature October 1 in the years 2012-2032 with stated interest rates ranging from 2.00% to 4.00% with yields ranging from .55% to 3.89%. The \$11,255,000 4.00% Term Bonds due October 1, 2034 yield 4.06%. The \$32,530,000 4.00% Term Bonds due October 1, 2039 yield 4.16%. Citigroup served as senior manager for the Issue with Edward Jones and Wells Fargo Securities as co-managers. Robinson Bradshaw & Hinson, PA served as bond counsel with Parker Poe Adams & Bernstein, LLP as counsel to the underwriters. The Bank of New York Mellon Trust Company serves as Bond Trustee.

14. University Health Systems of Eastern Carolina, Inc. d/b/a Vidant Health - \$150,500,000

On May 3, 2012, the Commission issued its \$150,500,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Vidant Health) Series 2012A, dated as of the Date of Issuance May 3, 2012. The proceeds of the Issue will be used to: (1) refund certain Bonds issued by the Commission for the benefit of Vidant Health and (2) pay the expenses incurred in connection with the sale and issuance of the Bonds.

University Health Systems of Eastern Carolina, Inc. d/b/a Vidant Health is a North Carolina nonprofit corporation with headquarters in Greenville, North Carolina. Vidant Health was organized in 1998 to serve as the corporate parent of Pitt County Memorial Hospital, Incorporated d/b/a Vidant Medical Center, a North Carolina nonprofit corporation (the "Corporation" operates Vidant Medical Center and other direct and indirect affiliates that operate acute care hospitals and provide health services in eastern North Carolina. Vidant Medical Center is affiliated with the Brody School of Medicine at East Carolina University, which is adjacent to Vidant Medical Center in Greenville, North Carolina. Vidant Medical Center is the primary teaching hospital for the School of Medicine, and together they comprise one of five academic medical centers in North Carolina.

Vidant Health and its affiliates operate an integrated health care delivery system that serves a total market of approximately 1.4 million people in 29 contiguous counties in eastern North Carolina. The Health System includes hospitals, physician practices, outpatient services, long-term care, home health, hospice and wellness services.

Hospitals in the Health System include Vidant Medical Center, a tertiary care hospital, and eight other acute care hospitals: Vidant Roanoke-Chowan Hospital, Vidant Edgecombe Hospital, Vidant Chowan Hospital, Vidant Bertie Hospital, Vidant Beaufort Hospital, Vidant Duplin Hospital, Vidant Pungo Hospital and The Outer Banks Hospital.

In addition to these nine owned or leased hospitals, Vidant Health manages Albemarle Hospital, an acute care hospital in Elizabeth City, North Carolina owned by the Albemarle Hospital Authority d/b/a Albemarle Health. Vidant Health also has affiliation agreements with several other hospitals in eastern North Carolina, including Carteret General Hospital, Onslow Memorial Hospital, CarolinaEast Medical Center, Nash Health Care Systems and Halifax Regional Medical Center.

Proceeds of the Bonds will be used to refund all of the outstanding Series 1998A Bonds. The Series 1998A Bonds will be redeemed on June 1, 2012. Upon the issuance of the Bonds, an amount sufficient to pay the principal of and interest on the Series 1998A Bonds on June 1, 2012 will be deposited with the bond trustee for the Series 1998A Bonds. At that time, the Series 1998A Bonds and the Master Obligation, Series 1998A will no longer be "Outstanding" under the Trust Agreement under which the Series 1998A Bonds were issued and the Master Indenture, respectively.

Proceeds of the Bonds will also be used to refund (1) \$71,525,000 of the outstanding Series 2008C Bonds, which is all of the Series 2008C Bonds except for those Series 2008C Bonds maturing on December 1, 2012 and 2013, (2) \$21,750,000 of the Series 2008E-1 Bonds, which is all of the Series 2008E-1 Bonds except the portion of the Series 2008E-1 Bonds subject to mandatory sinking fund redemption on December 1, 2012 and 2013, and (3) \$54,185,000 of the Series 2008E-2 Bonds (the "Refunded 2008E-2 Bonds" and together with the Refunded 2008E-1 Bonds, the "refunded 2008E Bonds"), which is all of the Series 2008E-2 Bonds except the portion of the Series 2008E-2 Bonds subject to mandatory Sinking Fund Redemption on December 1, 2012, 2013 and 2014. The Refunded 2008C Bonds and the Refunded 2008E Bonds are collectively referred to as the "Refunded 2008 Bonds". A portion of the debt service reserve funds for the Series 2008C Bonds and the Series 2008E Bonds will be released and deposited in the Escrow Deposit Agreements.

The Bonds are rated A1 by Moody's Investors Service, Inc. and A+ by Standard & Poor's Rating Services. The \$54,120,000 Serial Bonds mature June 1 in the years 2012 through 2027 and have stated interest rates ranging from 2 % to 5% and have yields ranging from .35% to 3.78%. The \$33,185,000 4% Term Bonds due June 1, 2033 yield 4.12%. The \$63,195,000 5% Term Bonds due June 1, 2036 yield 4.20%.

Citigroup served as senior manager for the Issue with Bank of America Merrill Lynch, Edward Jones and Wells Fargo Securities as co-managers. Womble Carlyle Sandridge & Rice, PLLC served as bond counsel with Robinson Bradshaw and Hinson, PA as counsel to the underwriters. US Bank National Association serves as Trustee for the Issue. Ponder & Co. serves as financial advisor.

15. **Duke University Health Systems, Inc. - \$107,380,000 and \$107,380,000**

On May 30, 2012, the Commission reissued for federal tax purposes its North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Duke University Health System) Series 2005B (\$107,380,000) and its Series 2005C (\$107,380,000). The conversion of the Series 2005B and 2005C Bonds to the Bank-Bought Index Floating Rate was accomplished by amending the Series 2005B and Series 2005C Trust Agreements and Loan Agreements. The Series 2005B Bonds are being purchased by TD Bank, NA and will carry an interest rate 75% of one month LIBOR plus .675% and will have a mandatory tender at the end of the eleventh year (May 30, 2033). The Series 2005C Bonds are being purchased by SunTrust Bank and will carry an interest rate of 77% of one month LIBOR plus .85% for a ten year period ending May 31, 2022. The conversions are being done in order to eliminate bank credit risks.

Robinson Bradshaw & Hinson, PA served as bond counsel. The Bank of New York Mellon Trust Company serves as Bond Trustee.

16. **Catholic Health East/St. Joseph of the Pines - \$17,110,000**

On June 27, 2012, the Commission issued its \$17,110,000 North Carolina Medical Care Commission Health System Revenue Bonds Catholic Health East Issue, Series 2012A, dated June 27, 2012. The Proceeds of the Issue are being used to refund the North Carolina Medical Care Commission Health System Revenue Bonds, Catholic Health East Issue, Series 1998C outstanding in the amount of \$17,810,000. The proceeds of the 2012A Bonds consisting of the par amount of the Bonds (\$17,810,000) plus the net premium of \$927,064.63 and the CHE equity contribution of \$103,891.67 for a total amount of \$18,140,956.32 will find an Escrow of \$17,913,891.67 and pay the related costs of issuance of the Bonds.

Catholic Health East (CHE) was incorporated as a Pennsylvania nonprofit corporation in 1997. CHE controls, directly or indirectly, various affiliates which own and operate and manage health care facilities and provide health care and related services in eleven states: Alabama, Connecticut, Delaware, Florida, Georgia, Maine, Massachusetts, New Jersey, New York, North Carolina and Pennsylvania. The health care facilities include general acute care hospitals, long-term care

facilities, skilled nursing facilities, behavioral health facilities, residential facilities for elderly and Programs For All Inclusive Care for Elderly (PACE). Additional health care services include physician services, home health, outpatient surgery, dental clinics, occupational health, mobile health care services, school-based health clinics and others.

In North Carolina the St. Joseph of the Pines affiliate of CHE owns and operates Bell Meade and Pine Knoll Retirement Villages located in Southern Pines. St. Joseph of the Pines' service programs include independent retirement living, assisted living, rehabilitation service, short term skilled nursing care, long term nursing care and affordable housing for senior adults.

The Bonds are rated A2 by Moody's Investors Service, A by Standard & Poor's Rating Services and A+ by Fitch, Inc. The Serial Bonds have a combination of 5 and 10 year calls and have a final maturity on October 15, 2028 and have coupons ranging from 4.00% to 5.250% with yields ranging from 3.25% to 4.15%.

Hawkins Delafield and Wood, LLP served as bond counsel. Bank of America Merrill Lynch served as senior manager for the transaction with JP Morgan as co-manger. The Bank of New York Mellon Trust Company, NA serves as Bond Trustee.

17. **Duke University Health System, Inc. - \$300,000,000**

On June 28, 2012, the Commission issued its \$300,000,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Duke University Health System) Series 2012A dated as of the Date of Issuance (June 28, 2012). The proceeds of the Issue will be used to finance part of the cost of the Project and pay certain expenses of issuing the 2012A Bonds. The Project consists of the construction of a major tertiary care addition to Duke University Hospital, referred to as Duke Medicine Pavilion (DMP) and will include:

- A new 609,000 square-foot tertiary-care addition that will include four 24-bed intensive care units, two 32-bed intermediate/step-down units, 16 additional operating rooms, expanded imaging facilities, and patient-and family-oriented amenities;
- A new two-story 9,000 square-foot South Concourse connector corridor between the existing Cancer Center and Duke Clinics and the DMP;
- A new two-story 46,000 square-foot North Concourse connector between the DMP and existing Duke University Hospital-North;
- The renovation of approximately 29,000 square-feet of space in the existing Duke University Hospital North to accommodate the connection to the new building; and
- A road-improvement project required to complete and operate the new addition.

Duke University Health System, Inc. ("DUHS") is a private, nonprofit corporation exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501(C)(3) of the Code. DUHS is a controlled affiliate of Duke University (the "University"), a private, nonprofit institution of higher education, research, and health care based in Durham, North Carolina. The University organized DUHS in March 1998 primarily for the purpose of

operating the University's integrated academic health system. The University leased or transferred its health system assets to DUHS in April 1999.

DUHS's primary hospital facility is Duke University Hospital. Duke University Hospital, an academic medical center, is recognized nationally and internationally for excellence in patient care, medical education, and biomedical research. With 957 licensed beds, Duke University Hospital is one of the largest private hospitals in the Southeast and is located on the campus of the University. The hospital, together with various other facilities located on campus, including the Duke University School of Medicine, the Duke University School of Nursing, the faculty practice plan (organized as the Private Diagnostic Clinic, PLLC and various research facilities.

DUHS also operates two general acute care community hospital facilities. The 369-bed Durham Regional Hospital provides both secondary and tertiary care, and the 186-bed Duke Raleigh Hospital provides secondary care.

The Series 2012A Bonds are rated Aa2 by Moody's Investors Service and AA by Fitch, Inc. The \$31,985,000 Serial Bonds mature in the years 2013-2027 and have coupons ranging from 2.00% to 5.00% and carry yields ranging from .20% to 3.32%. The 5.00% \$59,910,000 Term Bonds maturing June 1, 2032 yield 3.680%. The 5.00% \$52,210,000 Term Bonds maturing June 1, 2035 yield 3.870%. The 5.00% \$155,895,000 Term Bonds maturing June 1, 2042 yield 4.00%.

Robinson Bradshaw & Hinson, PA served as bond counsel with Parker Poe Adams & Bernstein, LLP serving as counsel to the underwriters. JP Morgan served as senior manager for the Issue with Bank of America Merrill Lynch, SunTrust Robinson Humphrey and TD Securities (USA) LLC as co-managers. The Bank of New York Mellon Trust Company serves a Bond Trustee.

"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.