

THE
NORTH CAROLINA
MEDICAL CARE COMMISSION

THE
HEALTH CARE
FACILITIES FINANCE ACT
ANNUAL REPORT

JUNE 30, 2013

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, 2013, the Commission has closed 440 revenue bonds, notes and leases. The total authorized principal amount of all such financings was \$20,044,205,453 and the total outstanding principal amount of all such financings as of June 30, 2013, was \$7,296,147,463 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, 2013, the Commission consisted of the following 16 members with one vacancy:

Name	Term	Principal Occupation	Residence
Lucy Hancock Bode Chairman	1993-2016	Housewife/Health Consultant	Raleigh
Joseph D. Crocker Vice-Chairman	1988-2016	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	2008-2016	Retired Hospital Administrator	Pinehurst
Elizabeth P. Kanof, MD	2008-2016	Physician	Raleigh
Eileen C. Kugler, RN, MSN, MPH, FNP	2005-2014	Registered Nurse	Durham
Paul A. McGill, DDS	2012-2016	Orthodontist	Charlotte
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, NC Medical Care Commission

Diana Barbry, Administrative Assistant, Division of Health Service Regulation

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

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
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 6/30/2013
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>
Community General Hospital Thomasville, North Carolina	12/1/1982	3,100,000	0 <i>(q)</i>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
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)
Alamance County Hospital Burlington, North Carolina	2/22/1985	2,504,000	0 (u)
Wesley Long Community Hospital Greensboro, North Carolina	4/1/1985	10,670,000	0 (ee)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
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>(j)</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>
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>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
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>
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>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
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>
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>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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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>
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

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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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
Duke University Hospital Durham, North Carolina	6/1/1991	14,872,987	0 (<i>mm</i>)
C. J. Harris Community Hospital Sylva, North Carolina	7/26/1991	1,384,246	0 (<i>ll</i>)
Glenaire, Inc. Cary, North Carolina	10/1/1991	27,565,000	0 (<i>rr</i>)
Annie Penn Memorial Hospital Reidsville, North Carolina	11/1/1991	13,140,000	0 (<i>bbb</i>)
Well Spring Retirement Community, Inc. Greensboro, North Carolina	11/1/1991	44,495,000	0 (<i>ww</i>)
Southeastern General Hospital Lumberton, North Carolina	11/1/1991	27,835,626	0 (<i>iiiiii</i>)
The McDowell Hospital Marion, North Carolina	11/1/1991	8,780,000	0 (<i>lll</i>)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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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 Services, 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>)
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, Inc. 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</i>), (<i>wwwww</i>)
Rex Hospital Raleigh, North Carolina	1/1/1993	68,060,075	0 (<i>ccc</i>)

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Alamance Health Services, Inc. Burlington, North Carolina		3/1/1993	\$53,000,000	\$0
Morehead Memorial Hospital Eden, North Carolina		5/1/1993	11,010,000	0 (gggg)
Presbyterian Health Services Corp. Charlotte, North Carolina		6/1/1993	114,595,000	0 (vvv)
Duke University Hospital Durham, North Carolina		8/12/1993	28,650,000	0 (llllll)
Memorial Mission Hospital Asheville, North Carolina		7/15/1993	24,245,000	0 (www)
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 (xxx) 0
Moore Regional Hospital Pinehurst, North Carolina		10/1/1993	50,150,373	0 (ppp)
Wesley Long Community Hospital Greensboro, North Carolina		11/15/1993	39,065,000	0 (hhhh)
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 (jjj)
Davidson Retirement Community, Inc. Davidson, North Carolina		1/1/1994	17,090,000	100,000 (dddd)
The Forest at Duke, Inc. Durham, North Carolina		3/1/1994	35,685,000	300,000 (yyy)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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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 Homes 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
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	8,030,000
North Carolina Baptist Hospitals, Inc. Winston-Salem, North Carolina	6/27/1996	50,000,000	0 (<i>mmm</i>), (<i>wwwww</i>)
Grace Hospital Morganton, North Carolina	8/15/1996	26,240,000	0 (<i>jjjjj</i>)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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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>(jjjj)</i>
Lincoln Health System Lincolnton, North Carolina	Series A	11/20/1996	12,800,000	0
Southminster, Inc. Charlotte, North Carolina		11/1/1996	5,055,000	5,055,000
Carolina Medicorp, Inc. Winston-Salem, North Carolina		11/1/1996	104,428,199	0
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>
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	4,439,626 <i>(fffff)</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>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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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	1,135,000
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	2,070,000
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>
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>

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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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 (lllll)
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 (ppppp)
Lutheran Services for the Aging Salisbury, North Carolina		4/2/1998	23,625,000	15,675,000
Stanley Total Living Center Stanley, North Carolina		4/23/1998	4,210,000	1,410,000
Cornelia Nixon Davis Health Care Center Wilmington, North Carolina		6/17/1998	7,500,000	0 (mmmmmm)
Carolina Meadows Chapel Hill, North Carolina		6/23/1998	5,000,000	0 (kkkk)
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 (aaaaaa) 0 (hhhhh)
United Church Retirement Homes Newton, North Carolina		7/1/1998	19,705,000	0 (lll)
Alamance Regional Medical Center Burlington, North Carolina		7/1/1998	16,575,000	0
The Presbyterian Home at Charlotte (Sharon Towers) Charlotte, North Carolina		8/25/1998	8,500,000	0 (ooo)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
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>(jjjj)</i>
Valdese General Hospital Valdese, North Carolina	9/3/1998	11,030,000	0 <i>(mmmm)</i>
Pitt County Memorial Hospital Greenville, North Carolina	9/1/1998	207,170,000	0 <i>(pppp)</i>
Halifax Regional Medical Center Roanoke Rapids, North Carolina	9/1/1998	33,670,000	14,270,000
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>(jjjj)</i>
Carolina Village Hendersonville, North Carolina	10/21/1998	7,700,000	0 <i>(nnnnnnn)</i>
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	1,945,000
The Moses Cone Health System Greensboro, North Carolina	11/12/1998	15,000,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
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 (vvvv) (bbbbbb)
Lutheran Retirement Ministries of Alamance County (Twin Lakes) Burlington, North Carolina	1/14/1999	20,465,000	0 (iiii)
The Cross Road Rest and Retirement Center Asheboro, North Carolina	3/11/1999	5,700,000	0 (www)
Randolph Hospital Asheboro, North Carolina	3/18/1999	25,970,000	0 (xxxx)
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	37,390,000
Transylvania Community Hospital Brevard, North Carolina	8/1/1999	1,000,000	0
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	7,020,000
Moravian Home, Incorporated (Salem towne) Winston-Salem, North Carolina	10/1/1999	15,595,000	0 (yyy)
Stanly Memorial Hospital Albemarle, North Carolina	10/15/1999	15,000,000	11,540,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Southeastern Regional Medical Center Lumberton, North Carolina		10/15/1999	\$25,270,000	\$0 (oooooooo)
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	0
North Carolina Housing Foundation Winston-Salem, North Carolina		2/1/2000	11,970,000	0
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)
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	4/29/2001	11,235,000	0
	Series B	4/29/2001	175,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
WakeMed Raleigh, North Carolina		4/5/2001	\$150,000,000	\$0 (ppppppp)
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)
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)
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 (nnnnnn)
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	0 0 0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
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	\$11,960,000 (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 (zzzzz) 0
Arbor Acres United Methodist Retirement Community, Inc. Winston-Salem, North Carolina		3/1/2002	23,105,000	0 (bbbbb)
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	6,285,000 670,000
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	0 (oooooooo)
Wake Forest University Health Sciences Winston-Salem, North Carolina		8/22/2002	198,800,000	0 (rrrr)
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	340,000
North Carolina Baptist Hospitals Winston-Salem, North Carolina		10/31/2002	162,400,000	0 (ssss)
WestCare Health System Sylva, North Carolina	Series A Series B	11/14/2002 11/14/2002	26,860,000 880,000	14,385,000 560,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
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 (tttt)
Cornelia Nixon Davis Nursing Home Wilmington, North Carolina		1/23/2003	7,000,000	0 (mmmmmmm)
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	32,960,000
Memorial Mission Hospital, Inc. Asheville, North Carolina		5/29/2003	25,000,000	0
Novant Health Winston-Salem, North Carolina		7/1/2003	164,325,000	64,245,000
Givens Estates, Inc. Asheville, North Carolina	Series A	7/15/2003	63,385,000	1,535,000 (ccccc)
	Series B	7/15/2003	7,000,000	0 (ccccc)
	Series C	8/14/2003	39,000,000	0 (ccccc)
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	8,780,000
Friends Homes, Inc. Greensboro, North Carolina		10/16/2003	45,165,000	0 (ccccccc)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
The Forest at Duke, Inc. Durham, North Carolina	Series A Series B	11/1/2003 11/1/2003	\$25,990,000 5,210,000	\$12,735,000 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 Series B Series C	12/1/2003 12/1/2003 12/23/2003	15,450,000 2,000,000 10,000,000	7,865,000 2,000,000 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 Series B	2/1/2004 2/1/2004	3,185,000 2,470,000	0 0
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	23,610,000 5,000,000 0 (rrrrr)
Cypress Glen Retirement Community Greenville, North Carolina	Series A Series B	3/15/2004 3/15/2004	15,410,000 5,000,000	0 (rrrrrr) 0 (aaaaa)
Cleveland County Healthcare System Shelby, North Carolina	Series A	6/30/2004 7/15/2004	38,600,000 29,475,000	0 (pppppp) 0
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	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Cypress Glen Retirement Community	Series C	8/19/2004	\$12,960,000	\$7,960,000
Greenville, North Carolina	Series D	8/19/2004	2,500,000	0
Moses Cone Health System	Series A	10/19/2004	47,500,000	47,500,000
Greensboro, North Carolina	Series B	10/19/2004	47,500,000	0 (mmmmm)
The ARC of North Carolina	Series A	10/21/2004	34,650,000	31,745,000
Raleigh, North Carolina	Series B	10/21/2004	1,270,000	0
Carolina Meadows		11/7/2004	20,110,000	0 (yyyyyy)
Chapel Hill, North Carolina				
Novant Health		11/8/2004	135,000,000	135,000,000
Winston-Salem, North Carolina				
Fletcher Hospital dba Park Ridge Hospital		1/13/2005	14,000,000	0
Fletcher, North Carolina				
United Methodist Retirement Homes	Series A	2/16/2005	20,790,000	19,985,000
Durham, North Carolina	Series B	2/16/2005	24,250,000	0 (ffffff)
United Church Homes and Services	Series A	4/21/2005	13,755,000	8,520,000
Newton, North Carolina	Series B	4/21/2005	5,000,000	5,000,000
Presbyterian Homes	Series A	5/4/2005	13,465,000	9,120,000
Jamestown, North Carolina	Series B	5/4/2005	4,090,000	0 (kkkkkk)
Duke University Health System	Series A	5/19/2005	107,380,000	0 (bbbbbb)
Durham, North Carolina	Series B	5/19/2005	107,380,000	0 (bbbbbb)
	Series C	5/19/2005	107,380,000	0 (bbbbbb)
Blue Ridge Health System	Series A	6/19/2005	35,000,000	35,000,000
Morganton, North Carolina	Series B	6/19/2005	43,075,000	0 (jjjjj)
Watauga Medical Center		6/14/2005	31,350,000	0 (rrrrrr)
Boone, North Carolina				

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Morehead Memorial Hospital Eden, North Carolina		6/15/2005	\$47,675,000	\$0
Alamance Regional Medical Center Burlington, NC		8/1/2005	10,000,000	0
Duke University Health System Durham, North Carolina		8/12/2005	40,000,000	0
United Methodist Retirement Homes Durham, North Carolina	Series C	9/8/2005	47,835,000	43,190,000
Mission Hospitals, Inc. Asheville, North Carolina		9/13/2005	25,000,000	0
Southeastern Regional Medical Center Lumberton, North Carolina		9/15/2005	20,000,000	19,430,000
Lenoir Memorial Hospital Kinston, North Carolina		9/22/2005	22,000,000	18,485,000
Novant Health Winston-Salem, North Carolina		12/12/2005	50,000,000	2,589,591
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	63,975,000
	Series B	12/29/2005	3,000,000	0
	Series C	12/29/2005	24,000,000	0 (xxxxxx)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
University Health Systems of Eastern Carolina	Series A & B	2/16/2006	\$227,970,000	\$0 (sssss)
Greenville, North Carolina	Series C & D	2/16/2006	246,025,000	0 (sssss)
Wake Forest University Health Sciences Winston-Salem, North Carolina		4/6/2006	196,050,000	0 (uuuuu)
North Carolina Baptist Hospital Winston-Salem, North Carolina		5/3/2006	162,400,000	0 (vvvvv)
Cumberland County Hospital System dba Cape Fear Valley Health Fayetteville, North Carolina	Series A Series B	5/4/2006 5/4/2006	37,020,000 262,650,000	5,380,000 0 (ttttt)
CaroMont Health Gastonia, North Carolina		5/9/2006	119,800,000	119,100,000
NorthEast Medical Concord, North Carolina		6/27/2006	50,000,000	0
The Pines at Davidson Davidson, North Carolina		7/7/2006	30,980,000	20,105,000
Presbyterian Homes Jamestown, North Carolina	Series B	7/13/2006 8/9/2006	79,235,000 33,290,000	79,135,000 22,755,000
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	6,720,000
Moravian Home, Inc. dba Salemtowne Winston-Salem, North Carolina		11/14/2006	35,225,000	30,145,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Duke University Health System Durham, North Carolina	Series A	11/15/2006	\$65,355,000	\$0 (uuuuuuu)
	Series B	11/15/2006	65,360,000	0 (uuuuuuu)
	Series C	11/15/2006	20,000,000	0 (uuuuuuu)
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	247,785,000
Chatham Hospital Siler City, North Carolina		2/8/2007	30,540,000	27,265,000
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	17,010,000
Angel Medical Center Franklin, North Carolina		3/22/2007	18,500,000	0 (eeeeeee)
Givens Estates, Inc. Asheville, North Carolina		4/4/2007	66,900,000	65,085,000
United Church Homes and Services Newton, North Carolina		4/18/2007	15,780,000	0 (tttttt)
Alamance Extended Care, Inc. (The Village at Brookwood) Burlington, North Carolina		5/18/2007	29,280,000	28,320,000
Randolph Hospital Asheboro, North Carolina		6/14/2007	49,230,000	0
The Forest at Duke, Inc. Durham, North Carolina		7/12/2007	28,200,000	25,455,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Wilson Medical Center Wilson, North Carolina		8/7/2007	\$33,825,000	\$21,210,000
Sisters of Mercy Services Corporation Asheville, North Carolina		9/13/2007	4,400,000	3,800,000
Lutheran Retirement Ministries dba Twin Lakes Alamance County Burlington, North Carolina		10/10/2007	39,800,000	0 (cccccc)
DePaul Community Facilities, Inc. Rochester, New York	Series A Series B	10/25/2007 10/25/2007	30,125,000 1,765,000	0 (dddddd) 0
Lower Cape Fear Hospice Wilmington, North Carolina		11/15/2007	4,000,000	3,500,000
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
CaroMont Health Gastonia, North Carolina		1/31/2008	118,400,000	87,135,000
Carolina Village Hendersonville, North Carolina	Series A Series B Series C	2/28/2008 2/28/2008 2/28/2008	19,575,000 10,000,000 15,000,000	18,770,000 0 0 (gggggg)
Catholic Health East Newtown Square, Pennsylvania		4/24/2008	30,475,000	25,275,000
Moses Cone Health System Greensboro, North Carolina		4/30/2008	48,140,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Transylvania Community Hospital Brevard, North Carolina		6/6/2008	\$5,000,000	\$0
Deerfield Episcopal Retirement Community Asheville, North Carolina	Series A	8/13/2008	47,945,000	47,630,000
	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 (vvvvvv)
	Series B	8/19/2008	75,090,000	0 (vvvvvv)
	Series C	8/19/2008	50,870,000	0 (vvvvvv)
Cape Fear Valley Health System Fayetteville, North Carolina	Series A	9/23/2008	152,000,000	152,000,000
	Series C	9/23/2008	133,335,000	0 (sssssss)
Hugh Chatham Memorial Hospital Elkin, North Carolina		9/24/2008	45,455,000	43,600,000
Wake Forest Univeristy Health Sciences Winston-Salem, North Carolina		10/16/2008	188,640,000	0 (ttttttt)
The Moses H. Cone Memorial Hospital Greensboro, North Carolina		10/23/2008	61,600,000	0 (wwwwwww)
Duke University Health System Durham, North Carolina		12/4/2008	40,000,000	8,429,974
FirstHealth of the Carolinas Pinehurst, North Carolina	Series A	12/9/2008	75,015,000	41,695,000 (eeeeee)
	Series B	12/9/2008	31,830,000	0 (zzzzz)
University Health Systems of Eastern Carolina Greenville, North Carolina	Series A	12/10/2008	112,690,000	101,265,000
	Series B	12/10/2008	123,850,000	111,800,000
	Series C	12/10/2008	74,455,000	790,000 (gggggg)
	Series D	12/10/2008	119,715,000	119,715,000
	Series E	12/10/2008	77,900,000	755,000
Hospice of Alamance-Caswell Burlington, North Carolina		12/23/2008	5,000,000	4,700,000
North Carolina Baptist Hospital Winston-Salem, North Carolina	Series A	1/29/2009	77,000,000	0 (wwwwww)
	Series B	1/29/2009	40,000,000	0 (wwwwww)
	Series C	1/29/2009	40,000,000	0 (wwwwww)
WakeMed Raleigh, North Carolina	Series A	2/10/2009	169,750,000	0
	Series B	2/26/2009	75,000,000	75,000,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
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	74,415,000
Duke University Health System Durham, North Carolina		8/21/2009	107,380,000	0 (jjjjj)
		8/21/2009	107,380,000	0 (jjjjj)
		8/21/2009	107,380,000	0 (jjjjj)
DePaul Community Facilities, Inc. Rochester, New York		9/17/2009	30,000,000	29,590,000
Mission Health System Asheville, North Carolina		10/9/2009	30,000,000	11,948,035
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	0 (mmmmmm)
High Point Regional High Point, North Carolina		11/4/2009	9,540,000	2,450,000
Duke University Health System Durham, North Carolina		11/10/2009	180,000,000	180,000,000
FirstHealth of the Carolinas Pinehurst, North Carolina	Series C	12/9/2009	54,500,000	54,500,000
	Series D	12/9/2009	40,830,000	0 (kkkkkkk)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Lutheran Services for the Aging Salisbury, North Carolina	12/17/2009	\$27,364,250	\$0 (uuuuuuu)
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	29,575,000
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	0
The Episcopal Home for the Ageing in Diocese of North Carolina (Penick Village) Southern Pines, NC	1/20/2010	30,000,000	0
University Health Systems of Eastern Carolina Greenville, North Carolina	1/28/2010	22,425,000	15,493,000
United Methodist Retirement Homes Durham, North Carolina	2/4/2010	14,300,000	13,970,000
Mission Health System Asheville, North Carolina	2/24/2010	65,000,000	61,780,000
United Methodist Retirement Homes Durham, North Carolina	2/19/2010	12,880,000	11,900,000
Carolina Village Hendersonville, North Carolina	2/25/2010	15,000,000	0 (nnnnnnn)
North Carolina Baptist Hospitals Winston-Salem, North Carolina	3/1/2010	322,750,000	299,010,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Catholic Health East / St. Joseph of the Pines Pinehurst, North Carolina		4/7/2010	\$15,360,000	\$11,795,000
Aldersgate United Methodist Retirement Community Charlotte, North Carolina		4/14/2010	8,605,000	4,880,000
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	28,845,000
The Presbyterian Home at Charlotte, Inc. (Sharon Towers) Charlotte, North Carolina		9/24/2010	11,515,000	10,375,000
Blue Ridge Healthcare System, Inc. Morganton, North Carolina		10/7/2010	51,195,000	44,860,000
Ashe Memorial Hospital Jefferson, North Carolina		10/15/2010	1,229,000	1,108,162
Galloway Ridge, Inc. Pittsboro, North Carolina	Series A	10/21/2010	61,180,000	59,965,000
	Series B	10/21/2010	15,000,000	15,000,000
	Series C	10/21/2010	19,930,000	0
Chapel Hill Residential Retirement Center dba Carol Woods Chapel Hill, North Carolina		10/22/2010	30,000,000	27,490,000
Rex Hospital Raleigh, North Carolina		10/26/2010	122,965,000	115,200,000
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	3,865,329

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Well-Spring Retirement Community Greensboro, North Carolina		11/10/2010	\$7,065,000	\$5,115,000
Rutherford Hospital Rutherfordton, North Carolina		12/16/2010	22,160,000	22,085,000
The Presbyterian Homes, Inc. High Point, North Carolina		12/17/2010	14,375,000	13,025,000
Lutheran Services for the Aging, Inc. Salisbury, North Carolina		12/16/2010	8,300,000	0 (uuuuuuu)
United Church Homes and Services Newton, North Carolina		12/21/2010	23,225,000	23,170,000
Hospice and Palliative Care Charlotte Region Charlotte, North Carolina		12/21/2010	4,995,000	4,475,000
Carolina Meadows Chapel Hill, North Carolina		12/22/2010	17,810,000	16,785,000
Moses Cone Health System Greensboro, North Carolina		2/16/2011	60,170,000	60,170,000
Appalachian Regional Healthcare System Boone, North Carolina		2/16/2011	35,310,000	34,710,000
Novant Health Winston-Salem, North Carolina	Series A	3/23/2011	65,605,000	58,705,000
	Series B	3/23/2011	70,695,000	63,795,000
	Series C	3/23/2011	47,165,000	42,675,000
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

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Cleveland County Healthcare System Shelby, North Carolina		5/12/2011	\$39,560,000	\$0
Iredell Memorial Hospital Statesville, North Carolina		6/30/2011	35,000,000	31,730,000
University Health Systems of Eastern Carolina, Inc. Greenville, North Carolina		6/23/2011	50,000,000	48,045,000
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	30,495,000
Angel Medical Center Franklin, North Carolina		8/17/2011	14,485,000	12,170,000
Transylvania Regional Hospital Brevard, North Carolina		8/24/2011	14,655,000	13,650,000
Cone Health Greensboro, North Carolina	Series C	9/21/2011	50,000,000	50,000,000
	Series D		50,000,000	50,000,000
Duke University Health System Durham, North Carolina		10/6/2011	63,205,000	58,460,000
		10/6/2011	63,210,000	58,465,000
		10/6/2011	19,300,000	17,760,000
Friends Homes Greensboro, North Carolina		11/1/2011	37,745,000	36,665,000
FirstHealth of the Carolinas Pinehurst, North Carolina		3/4/2012	40,830,000	40,830,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Duke University Health System Durham, North Carolina		3/6/2012	\$40,000,000	\$21,819,345
		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	45,395,000
University Health Systems of Eastern Carolina dba Vidant Health Greenville, North Carolina		5/3/2012	150,500,000	147,765,000
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	293,360,000
Wayne Memorial Hospital Goldsboro, North Carolina		7/3/2012	23,290,000	21,445,000
WakeMed Raleigh, North Carolina	Series A	7/11/2012	294,840,000	289,205,000
Carol Woods Retirement Community Chapel Hill, North Carolina		7/18/2012	22,000,000	22,000,000
Duke University Health System Durham, North Carolina	Series B	8/28/2012	28,650,000	28,650,000
	Series C	8/28/2012	19,575,000	10,875,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2013
Cornelia Nixon Davis Wilmington, North Carolina		9/27/2012	\$27,665,000	\$27,665,000
FirstHealth of the Carolinas Pinehurst, North Carolina	Series B	10/3/2012	28,435,000	28,435,000
Southeastern Regional Medical Center Lumberton, North Carolina		10/31/2012	40,210,000	37,835,000
Wake Forest Baptist Obligated Group Winston-Salem, North Carolina	Series A	11/15/2012	118,405,000	118,405,000
	Series B	11/15/2012	112,605,000	112,605,000
	Series C	11/15/2012	59,045,000	59,045,000
	Series D	12/13/2012	80,000,000	62,900,000
Lutheran Services for the Aging Salisbury, North Carolina	Series A	12/5/2012	44,790,000	44,570,000
	Series B	12/5/2012	26,254,401	26,254,401
Cape Fear Valley Health System Fayetteville, North Carolina	Series A	12/19/2012	108,195,000	108,195,000
Columbus Regional Healthcare System Whiteville, North Carolina	Series A	2/7/2013	25,605,000	25,605,000
Carolina Village Hendersonville, North Carolina	Series A	2/20/2013	18,475,000	18,430,000
United Methodist Retirement Homes / Cypress Glen Retirement Community Durham / Greenville, North Carolina	Series A	4/11/2013	8,370,000	8,370,000
Novant Health Winston-Salem, North Carolina	Series A	5/7/2013	152,400,000	152,400,000
Total			<u>\$20,044,205,453</u>	<u>\$7,296,837,463</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 January 13, 2005 Fletcher Hospital Bond Issue

(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 Cleveland Regional Medical Center

(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 Wake Forest University Health Sciences Bond Issue

(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

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

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

(ccccc) 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

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

(hhhhh) 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 November 28, 2007 Carol Woods Bond Issue

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

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

(nnnnn) Reissued for tax purposes October 23, 2008 Moses Cone Memorial Hospital

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

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

(qqqqq) 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 Wake Forest University Health Sciences

(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 by December 9, 2009 FirstHealth of the Carolinas Bond Issue

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

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

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

(dddddd) 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

(gggggg) Defeased /Converted by February 25, 2010 Carolina Village Bond Issue
(hhhhhh) Defeased in part by April 7, 2010 Catholic Health East Bond Issue
(iiiii) 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
(mmmmmm) Defeased by December 16, 2010 Rutherford Hospital Bond Issue
(nnnnnn) Converted to Bank Qualified Bonds September 25, 2010
(oooooo) Converted to Bank Qualified Bonds November 10, 2010
(pppppp) Defeased by May 12, 2011 Cleveland County Healthcare Bond Issue
(rrrrrr) Defeased by February 16, 2011 Appalachian Regional Healthcare Bond Issue
(ssssss) Converted to Bank Bought Bonds June 30, 2011
(ttttt) Defeased by December 21, 2010 United Church Bond Issue
(uuuuuu) Defeased by October 22, 2010 Carol Woods Bond Issue
(vvvvvv) Converted to Bank Bought Bonds March 23, 2011
(wwwwww) Defeased by February 16, 2011 Moses Cone Bond Issue
(xxxxxx) Defeased by November 9, 2010 Pennybyrn of Maryfield Bond Issue
(yyyyyy) Converted to Bank Qualified Bonds December 22, 2010
(zzzzzz) Defeased by August 24, 2011 Transylvania Bond Issue
(aaaaaa) Defeased by June 27, 2012 Catholic Health East Bond Issue
(bbbbbb) Defeased by August 17, 2011 Mission Health Bond Issue
(cccccc) Defeased by November 1, 2011 Friends Homes Bond Issue
(dddddd) Converted to Duke University Health System Bank Bought Bonds October 6, 2011
(eeeee) Converted Angel Medical Center to Bank Bought Bonds August 17, 2011
(ffffff) Defeased by August 4, 2011 Moses Cone Bond Issue
(gggggg) Defeased by May 3, 2012 University Health Systems of Eastern Carolina
(hhhhhh) Defeased by April 24, 2012 FirstHealth Bond Issue
(iiiii) Converted to Bank Bought Bonds March 22, 2012
(jjjjj) Converted to Bank Bought Bonds May 30, 2012
(kkkkkk) Converted to Bank Bought Bonds March 4, 2012
(llllll) Defeased by August 28, 2012 Duke University Health System Bond Issue
(mmmmmm) Defeased by October 3, 2012 CN Davis Bond Issue
(nnnnnn) Defeased by February 20, 2012 Carolina Village Bond Issue
(oooooo) Defeased by October 31, 2012 Southeastern Regional Medical Center Bond Issue
(pppppp) Defeased by July 11, 2012 WakeMed Bond Issue
(qqqqqq) Defeased by October 3, 2012 FirstHealth Bond Issue
(rrrrrr) Defeased by April 11, 2013 United Methodist Retirement Homes (Cypress Glen) Bond Issue
(ssssss) Defeased by December 18, 2012 Cape Fear Valley Health System Bond Issue
(ttttt) Defeased by November 15, 2012 Wake Forest Baptist Bond Issue
(uuuuuu) Defeased by December 5, 2012 Lutheran Services for the Aging Bond Issue

REVENUE BOND AND NOTE ISSUES

July 1, 2012-June 30, 2013

1. Wayne Memorial Hospital - \$23,290,000

On July 3, 2012, the Commission issued its \$23,290,000 North Carolina Medical Care Commission Hospital Revenue Refunding Bonds (Wayne Memorial Hospital) Series 2012 dated as of the Date of Issuance. The proceeds of the Issue will be used to refund the North Carolina Medical Care Commission Hospital Revenue Refunding Bonds (Wayne Memorial Hospital) Series 1998. The Series 2012 Bonds are being purchased by PNC Bank and will be held as Bank Bought Bonds until maturity on October 1, 2021. The Bonds are being issued as registered bonds in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof. The bonds bear interest at a rate of 2.24% to maturity.

The Bonds are not rated. McGuire Woods, LLP served as bond counsel for the Issue. Kaufman Hall served as financial advisor. Branch Banking and Trust Company serves as Bond Trustee.

2. WakeMed - \$294,840,000

On July 11, 2012, the Commission issued its \$294,840,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (WakeMed), Series 2012A, dated as of July 11, 2012. The proceeds of the Issue will be used to (1) refund all or a portion of the Commission's (a) Health Care Facilities Revenue Bonds (WakeMed Project) Series 2001 and (b) Health Care Facilities Revenue Bonds (WakeMed) Series 2009A and (c) pay certain expenses incurred in connection with the issuance of the Bonds.

WakeMed, dba WakeMed Health & Hospitals (the "Corporation"), is an 870-bed private nonprofit health care system headquartered in Raleigh, North Carolina. WakeMed and its affiliates operate a multi-facility health care system (the "System") that serves a primary market of an estimated 1.7 million people in an eight-county region. The System's healthcare facilities consist of two acute hospitals, one physical rehabilitation hospital, two skilled nursing facilities, and several ambulatory/outpatient facilities with locations in and around Raleigh. The System specializes in a variety of services including cardiology, neurology, orthopedics, high-risk obstetrics, children's care, trauma, physical rehabilitation and critical care transport.

The \$86,030,000 Serial 2012A Bonds mature October 1 in the years 2012-2023 and carry interest rates ranging from 2.00% to 5.00% with yields ranging from .24% to 3.23%. The \$46,300,000 5.00% Term 2012A Bonds due October 1, 2027 yield 3.690%. The \$2,000,000 4.000% Term 2012A Bonds due October 1, 2027 yield 3.890%. The \$62,305,000 5.00% Term 2012A Bonds due October 1, 2031 yield 4.000%. The \$20,000,000 4.000% Term 2012A Bonds due October 1, 2031 yield 4.125%. The \$28,205,000 Term 2012A Bonds due October 1, 2038 yield 4.220%. The \$50,000,000 4.125% Term Bonds due October 1, 2038 yield 4.340%. The Bonds are rated A1 by Moody's and AA- by Fitch.

Parker Poe Adams & Bernstein, LLP served as bond counsel and Hunton & Williams, LLP served as counsel to the underwriters. US Bank National Association serves as bond trustee. Citigroup served as senior manager for the Issue with BB&T Capital Markets, Wells Fargo Securities and Edward Jones as co-managers. Ponder & Co. served as financial advisor to WakeMed.

3. Carol Woods Retirement Community - \$22,000,000

On July 18, 2012, the Commission issued its \$22,000,000 North Carolina Medical Care Commission First Mortgage Revenue Bonds (Carol Woods Project) Series 2012 dated as of the date of delivery (July 18, 2012). The proceeds of the Issue are being used to fund the following Carol Woods projects: (1) constructing a 4-story wing to an existing apartment building adding 18 additional independent living apartments, a class room for resident and staff learning, and an expanded art studio for residents, (2) expanding an existing nursing facility to include more space for rehabilitation services, an all-season enclosure to a 2nd floor patio for nursing residents and an expanded employee café, while upgrading old chillers, HVAC, automated building system controls, the nurse call system and acoustical tiles throughout, (3) expanding an existing licensed adult care home on campus to add 6 additional private rooms, expand the residents dining, beauty salon and other spaces, and upgrade to the old chiller, boilers and building automation system, (4) constructing a new fitness center connected to an existing indoor aquatic center to include room for fitness equipment and aerobic rooms suitable to seniors, (5) expanding an existing resident library and resident craft building, (6) upgrading the serving lines and seating areas in the main residential dining room to provide more efficient traffic flow and more resident seating, (7) upgrading the front entrance of the main building for more protection from the elements, (8) renovating and furnishing independent living units in the existing facilities on the campus upon turnover to new residents, (9) acquiring and installing moveable equipment, fixtures, elevators and furnishings for use in the existing facilities on the campus, and (10) performing routine capital improvements to and renovating the existing facilities on the campus.

The Bonds are being issued as fully registered bonds in the denominations of \$100,000 and any integral multiple of \$5,000 in excess of \$100,000. The Bonds are being issued as Bank Bought Bonds and are being purchased by First Tennessee Bank National Association. The initial Bank-Bought minimum period holding period shall commence on the date of closing and end on July 18, 2022. The initial Bank Bought Rate shall be 65% of one month LIBOR plus .78%. The Bonds are subject to sinking fund redemption in the years 2014-2030.

The Bank of New York Mellon Trust Company serves as Bond Trustee. McGuire Woods, LLP served as bond counsel. BB&T Capital Markets served as financial advisor for the transaction.

4. Duke University Health System - \$28,650,000 and \$19,575,000

On August 28, 2012, the Commission issued its \$28,650,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Duke University Health System) Series 2012B Bonds and \$19,575,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Duke University Health System) Series 2012C Bonds dated as of the Date of Issuance.

The proceeds of the Series 2012B Bonds and Series 2012C Bonds will be used for the purpose of providing funds, together with other available funds including the 1985B Reserve Fund), to (1) refund all of the Commission's outstanding Hospital Revenue Bonds (Duke University Hospital Project) Series 1985B

(the "1985B Bonds") and (2) refund all of the Commission's outstanding Hospital Revenue Bonds (Duke University Hospital Project) Series 1993A (the "1993A Bonds").

The proceeds of the 1985B Bonds were loaned by the Commission to Duke University to finance (a) the acquisition of certain equipment for Duke University Hospital, which is located on the main campus of Duke University at Erwin Road, Durham, North Carolina, (b) the purchase of a maintenance building located at 2912 West Main Street, Durham, North Carolina, (c) the purchase of certain of the Hospital's parking facilities and (d) the construction of a three-level addition to one of the Hospital's parking facilities.

The proceeds of the 1993A Bonds were loaned by the Commission to the University to finance all or a portion of the costs of (a) acquiring, constructing and equipping a multi-story parking facility to serve the Hospital, located adjacent to the Hospital between Trent Drive and Flowers Drive in Durham, North Carolina; (b) advance refunding a portion of the Commission's outstanding Hospital Revenue Refunding Bonds (Duke University Hospital Project), Series 1985A, dated July 1, 1985, which were issued to advance refund (i) the Commission's outstanding Hospital Revenue Bond (Duke University Hospital Project), Series B, dated July 1, 1980, the proceeds of which were used to complete the construction and equipping of the Hospital, (ii) the Commission's outstanding Special Hospital Revenue Bond (Duke University Hospital Project), Series B, dated July 1, 1980, the proceeds of which were used to pay the costs of certain equipment and improvements to the Hospital, and (iii) the Commission's outstanding Medical Center Parking Facilities Revenue Bonds (Duke University Project), Series A, dated January 1, 1979, the proceeds of which were used to construct a multi-story parking structure, a pedestrian and vehicular tunnel and a personal rapid transit vehicle for the benefit of the Hospital; (c) advance refunding all or a portion of the Commission's outstanding Hospital Revenue Bonds (Duke University Hospital Project), Series 1991D, which were issued to finance the cost of acquiring, constructing and equipping a multi-story parking facility to serve the Hospital (collectively, the "1993A Project" and together with the 1985B Project, the "Project"); and (d) paying certain expenses incurred in connection with the authorization and issuance of the 1993A Bonds.

The 2012B and 2012C Bonds are being purchased by Sun Trust Bank and held as Non-Bank Qualified Bonds. The Bonds are being held to the maturity date June 1, 2023 for Series 2012B and June 1, 2015 for Series 2012C Bonds. The 2012B Bonds bear interest at a rate of 77% of one month LIBOR plus .95% and the 2012C Bonds bear interest at a rate of 73% of one month LIBOR plus 55%.

Duke University Health System is paying the cost of issuance out of its own funds. The Series 2012B Bonds are subject to mandatory redemption in the years 2019-2023. The Series 2012C Bonds are subject to mandatory redemption in the years 2013-2015. Robinson Bradshaw & Hinson, PA served as bond counsel. The Bank of New York Mellon Trust serves as Bond Trustee.

5. Cornelia Nixon Davis - \$27,665,000

On September 27, 2012, the Commission issued its \$27,665,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Bonds (Cornelia Nixon Davis, Inc. Project) Series 2012, dated as of September 27, 2012. The Bonds are being structured as a draw down loan whereby funds are drawn as needed for the project and debt is incurred as funds are drawn down. The proceeds of the Series 2012 Bonds are being used for a loan to the Corporation to provide funds, to (a) refund all of the Commission's outstanding (i) Adjustable Rate Demand Health Care Facility Revenue Bonds (Cornelia Nixon Davis Nursing Home, Inc. Project), Series 1998, (ii) Adjustable Rate Demand Health Care Facilities Revenue Bonds (Cornelia Nixon

Davis Nursing Home, Inc. Project), Series 2003 and (iii) Adjustable Rate Demand Health Care Facility Revenue Bonds (Cornelia Nixon Davis, Inc. Project), Series 2009 and (b) pay, or reimburse the Corporation for paying, all or a portion of the costs of (i) acquiring, constructing, renovating, rehabilitating, and equipping the Corporation's existing skilled nursing facilities designated units East I and West II, including (A) the addition of end caps on each wing and (B) renovation and conversion of all existing restroom facilities therein to be compliant with the American with Disabilities, (ii) acquiring, constructing and equipping two new stand-alone housing facilities each containing approximately 7 new single occupancy rooms and 5 new dual occupancy rooms and located on the campus of the Corporation's existing skilled nursing facility, (iii) related site work and site improvements and (iv) miscellaneous furniture, fixtures and equipment for the Corporation's existing or new facilities and (c) pay certain expenses incurred in connection with the issuance of the 2012 Bonds.

The Bonds will bear interest at the LIBOR Index Rate of 75% of one month LIBOR plus 1.28% per annum for the initial put period of ten years. The Bonds are being purchased by Wells Fargo and held as Non-Bank Qualified Bonds. Nexsen Pruettt served as bond counsel. Wells Fargo serves as Trustee for the Issue.

6. FirstHealth of the Carolinas - \$28,435,000

On October 3, 2012, the Commission issued its \$28,435,000 North Carolina Medical Care Commission Variable Rate Health Care Facilities Revenue Refunding Bonds (FirstHealth of the Carolinas Project) Series 2012B dated as of the date of issuance, October 3, 2012. The proceeds of the 2012B Bonds are being used to refund all of the \$28,235,000 outstanding principal amount of the Commission's Variable Rate Demand Health Care Facilities Revenue Bonds (FirstHealth of the Carolinas Project), Series 2002 and to pay for certain expenses incurred in connection with the issuance of the Bonds.

The Bonds are being purchased by Wells Fargo Municipal Capital Strategies, LLC and held as Non-Bank Qualified Bonds in the Index Interest Rate Mode. The initial put period is for a six year period ending October 1, 2018 and the Bonds will bear interest during the period at a rate equal to 7.07% of one month Libor plus 0.77%. The final maturity of the Bonds is October 1, 2032.

Robinson Bradshaw & Hinson, PA served as bond counsel. Ponder & Co. served as financial advisor to FirstHealth. The Bank of New York Mellon Trust Company serves as Bond Trustee.

7. Southeastern Regional Medical Center - \$40,210,000

On October 31, 2012, the Commission issued its \$40,210,000 North Carolina Medical Care Commission Hospital Revenue Refunding Bonds (Southeastern Regional Medical Center) Series 2012, dated as of the date of delivery (October 31, 2012). The proceeds of the Issue are being used, together with other available funds to (1) refund (a) Hospital Revenue Bonds (Southeastern Regional Medical Center) Series 1999 and (b) Hospital Revenue Bonds (Southeastern Regional Medical Center), Series 2002 and (2) pay certain expenses incurred in connection with the issuance and sale of the 2012 Bonds.

Southeastern Regional Medical Center is a private, not-for-profit organization providing a vast array of health care services to meet the needs of residents of Robeson County, North Carolina, and the surrounding region. The Corporation is located in Lumberton, a suburban area of a rural county (the largest county in North Carolina geographically) and has been providing health care services for well over 55 years. The Corporation operates a hospital which is licensed for 292 inpatient acute care beds and 33 psychiatric beds and cares for

roughly 15,000 inpatients annually. A few miles from the main hospital campus, the Corporation operates a 115-bed nursing home, a 12-bed inpatient hospice facility, fitness centers, rehabilitation programs, occupational health center, and a full-service cancer center. In addition, the Corporation operates 13 rural health clinics and 14 specialty clinics throughout its service area.

The 2012 Bonds are rated A by Standard & Poor's Rating Services and A by Fitch based on the analysis of credit worthiness of Southeastern Regional Medical Center. The refunding will generate a net present value savings of \$19 million and a present value savings of the refunded bonds of 18.9%. The \$27,200,000 in Serial Bonds mature on June 1 in the years 2013-2027 with stated interest rates ranging from 2.00% to 5.00% and yields ranging from .60% to 3.41%. The \$13,010,000 5.00% Term Bonds due June 1, 2032 yield 3.31%. The Term Bonds are subject to sinking fund redemption in the years 2028-2032.

BB&T Capital Markets served as senior manager for the Issue with Wells Fargo Securities as co-manager. McGuire Woods, LLP served as bond counsel and Parker Poe Adams & Bernstein, LLP served as counsel to the underwriters. US Bank serves as Bond Trustee.

8. Wake Forest Baptist Obligated Group - \$118,405,000, \$112,605,000, \$59,045,000 and \$80,000,000 (see item 10)

On November 15, 2012, the Commission issued its (1) \$118,405,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group) Series 2012A, (2) \$112,605,000 North Carolina Medical Care Commission Health Facilities Revenue Refunding Bonds (Wake Forest Baptist Obligated Group) Series 2012B and (3) \$59,045,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Wake Forest Baptist Obligated Group) Series 2012C. The three Series of Bonds are dated as of the Date of Delivery (November 15, 2012). The proceeds of the Series 2012A Bonds are being used to (1) provide financing for a portion of the 2012A New Money Projects and (2) to pay, a portion of the costs of issuance related to the Series 2012A Bonds. The proceeds of the Series 2012B Bonds are being used (1) to refinance a portion of a taxable loan, the proceeds of which were used to redeem previously issued bonds of the Commission, (2) to refund all of the Commission's outstanding Variable Rate Demand Health Care Facilities Revenue Refunding Bonds (Wake Forest University Health Sciences) Series 2008A, (3) pay a portion of the cost of terminating an interest rate hedge agreement relating to the Series 2008A Bonds and (4) to pay a portion of the costs of issuance related to the Series 2012B Bonds. The proceeds of the Series 2012C Bonds are being used (1) to refund all of the Commission's outstanding Variable Rate Demand Health Care Facilities Revenue Refunding Bonds (Wake Forest University Health Sciences) Series 2008B, (2) to refinance a portion of a taxable loan, the proceeds of which were used to redeem previously issued bonds of the Commission, (3) to pay a portion of the costs of terminating an interest rate hedge agreement relating to the Series 2008B Bonds and (4) to pay a portion of the costs of issuing the 2012C Bonds.

The projects financed with the proceeds of the 2012 Bonds will consist of funding for the construction of four clinical facilities, and the implementation of EPIC and other information systems.

Cancer Center Expansion – (Estimated Total Capital Cost: \$124.3 million; Estimated 2012 Bonds Financed Portion: \$88.6 million)

The Comprehensive Cancer Center is located at WFB-Main Campus. The vertical expansion includes the construction and equipping of an addition of six floors and approximately 283,000 gross square feet to support the growth of cancer-related services and bring both inpatient and outpatient services into a single location. The Cancer Center building was originally designated and constructed for this type of expansion and the project will create contemporary ICU space, expand the outpatient day hospital capacity, and add 192 efficient private rooms. The project increases the oncology inpatient bed complement by 35 (from 113 semi-private to 148 private) acute care and 44 general observation beds. Additionally, this expansion project will establish the only stand alone Cancer Hospital in the region and is expected to open in January 2014.

Clemmons Medical Plaza Construction – (Estimated Total Capital Cost: \$33.0 million; Estimated 2012 Bonds Financed Portion: \$5.2 million)

The Medical Plaza in Clemmons includes the construction and equipping of two (2) 45,000 square foot medical office buildings located at the corner of Lewisville-Clemmons Road and Peacehaven Road in Clemmons, North Carolina. The facility offers various services including Pediatrics, Internal Medicine, OB/GYN, Hematology & Oncology, and Orthopedic Services. The medical plaza opened in the spring of 2012.

Pediatric Emergency Department Expansion – (Estimated Total Capital Cost: \$16.1 million; Estimated 2012 Bonds Financed Portion: \$12.0 million)

In April 2011, the Brenner Children's Emergency Department opened for service as North Carolina's only Pediatric Level I Trauma Center and one of only 38 nationwide verified by the American College of Surgeons. The expanded and improved facility offers 20,665 square feet of space and 24 treatment rooms and provides comprehensive emergency care to more than 29,000 infants and children each year. The state-of-the-art pediatric Emergency Department is designed to anticipate and meet the unique needs of children of all ages, with child-sized equipment, the latest diagnostic equipment and family-friendly treatment areas.

Davie Medical Plaza-Phase One Construction – (Estimated Total Capital Cost: \$81.9 million; Estimated 2012 Bonds Financed Portion: \$56.1 million)

Phase one of the Davie Medical Plaza includes the construction and equipping of a 101,000 square foot outpatient center (healthplex) and a 50,000-80,000 square foot medical office building located at the intersection of NC Highway 801 and Interstate I-40 in Bermuda Run, North Carolina. This is the first construction project at the WFB – West Campus in Davie County.

The outpatient center will offer two operating rooms, two minor procedure rooms, seven observation beds, and a 16-bed emergency department along with imaging and non-invasive diagnostic services. The outpatient center will be attached via an enclosed connector to the four-story medical office building. This building will feature medical and surgical clinics as well as a pharmacy, lab, physical therapy, cardiac rehab and administrative offices. The medical office building is expected to open in the summer of 2013 and the healthplex is expected to open in the fall of 2013.

Epic and Other Information Systems – (Estimated Total Capital Cost: \$97 million; Estimated 2012 Bonds Financed Portion: \$41.5 million)

Epic is a new informatics system that will integrate inpatient and ambulatory medical records, the revenue cycle system, and integrated specialty systems into one patient record. Epic offers systems that will achieve

meaningful use and 1CD-10 compliance in the necessary time frame. This project began in June 2011, and the new system became operational on the main campus in September 2012 and is expected to become operational in Lexington/Davie In March 2013. The capital costs include software and hardware components, installation costs, and other expenses associated with the implementation of the system.

Wake Forest Baptist is an integrated clinical and academic enterprise which includes a tertiary and quaternary acute care regional referral center, three hospital facilities with more than 1,000 acute care, rehab and psych beds, more than 800 medical faculty members and major teaching and research operations, including:

- A medical center currently licensed for 885 acute care beds, which is a tertiary and quaternary acute care regional referral center with a service area population of over 2,500,000.
- A hospital facility located approximately 26 miles south of WFB – Main Campus in Lexington, North Carolina, currently licensed for 94 acute care beds.
- A hospital facility located approximately 25 miles southwest of WFB – Main Campus in Mocksville, North Carolina, currently licensed for 25 acute care beds.

Wake Forest Baptist handles over 700,000 patient visits annually and employs over 800 physicians. Its degree-granting educational programs annually train over 1,800 students in health care-related fields and it receives over \$200 million annually in research funding from federal and state agencies, industry and other sources. Wake Forest Baptist also has extensive decentralized ambulatory operations as well as a renal dialysis program with 16 locations and \$60 million of annual revenue.

The following entities are currently Members of the Obligated Group:

North Carolina Baptist Hospital. NCBH owns the hospital component of WFB – Main Campus, formerly known as North Carolina Baptist Hospital, located in Winston-Salem, North Carolina, serving patients from the northwest North Carolina region and from across North Carolina, as well as attracting patients nationally and internationally for services.

Wake Forest University Health Sciences. WFUS is a private nonprofit corporation whose sole member is Wake Forest University. WFUHS owns and operates the University's School of Medicine. The school of Medicine employs the vast majority of Wake Forest Baptist's faculty, provides graduate and post graduate education, including Medical Doctor, Nurse Anesthesia and Medical Laboratory Science programs, and has a large research portfolio.

Wake Forest University Baptist Medical Center. In 1975, NCBH and the University, acting for the School of Medicine, established WFBMC for the purpose of coordinating the activities of NCBH and the School of Medicine through the formulation of joint general policies, fundraising activities, strategic planning, program development, marketing and community communications. In 2002, the University transferred its medical assets, including the School of Medicine, to WFUHS. To establish Wake Forest Baptist as a top-tier academic medical center of distinction and align the strategic missions and operations, WFBMC, NCBH, WFUHS, and the University entered into a Medical Center Integration Agreement, effective July 1, 2010, to create a fully integrated governance, operational and financial structure with WFBMC serving as the coordinating entity.

As part of an effort begun in 2006 to better align the strategic missions and operations of NCBH and WFUHS, they, along with WFBMC and the University, entered into a Medical Center Integration Agreement, effective

July 1, 2010, to create a fully integrated governance, operational and financial structure for NCBH and WFUHS, with WFBMC serving as the coordinating entity. In the Integration Agreement, the parties agreed that "balanced excellence" as an academic medical center required that they (1) pursue a single mission to improve the health of their region, the State of North Carolina and the nation by (a) generating and translating knowledge to prevent, diagnose and treat disease, (b) training leaders in health care and biomedical science, and (c) serving as the premier health system in their region, with specific centers of excellence recognized as national and international care destinations; and (2) create a unified structure for the Integrated System as a preeminent, internationally recognized academic medical center of the highest quality, with balanced excellence in patient care, research and education. The successful integration of WFBMC creates a strong platform to more effectively respond to the future world of healthcare reform, move to value-based purchasing, and industry consolidation.

Under the Integration Agreement, the WFBMC Board governs all operations and assets of the Integrated System (subject to reserved powers or approval on select issues of NCBH and the University, as WFBMC's corporate members) in a single profit/loss operating model that seeks to achieve Wake Forest Baptist's mission of improving health and its vision of pre-eminence among its peers. Powers to operate NCBH and WFUHS, including day-to-day management, strategic direction, managed care contracting and other business activities, were conferred upon WFBMC. To ensure alignment across WFBMC, total NCBH and WFUHS unrestricted operating income/(loss) is shared equally between NCBH and WFUHS under the Integration Agreement.

On March 25, 2011, WFBMC and WFUHS became members of the Obligated Group (of which NCBH was previously the only member). WFBMC oversees debt financing for the Obligated Group, subject to the reserved powers of NCBH and the University. Each of WFUHS and NCBH has covenanted in agreements relating to the 2012 Bonds that it will continue to be a Member of the Obligated Group so long as the applicable series of 2012 Bonds remains outstanding.

Although the Members of the Obligated Group remain separate corporate entities, as a result of their integration they have a coordinated governance system and common leadership team, and their operations are integrated. Wake Forest Baptist operating entities also have consolidated branding and marketing around a common mission strategy.

Each of the Members of the Obligated Group has received a determination letter from the Internal Revenue Service to the effect that it is an organization described under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended.

The \$118,405,000 Series 2012A Bonds are structured as two term bonds. The \$88,405,000 4.00% Term Bonds due December 1, 2045 yield 3.92%. The \$30,000,000 Term Bonds due December 1, 2045 yield 3.48%. The \$112,605,000 Series 2012B Bonds are structured as both Serial and Term Bonds. The \$69,245,000 Serial Bonds mature December 1 in the years 2013-2027 with stated interest rates ranging from 2.00% to 5.00% with yields ranging from .26% to 2.84%. The \$21,730,000 4.00% Term Bonds due December 1, 2033 yield 3.51%. The \$21,630,000 Term Bonds due December 1, 2033 yield 3.20%. The \$59,045,000 Series 2012C Bonds mature December 1, 2033 and carry an interest rate of SIFMA plus .74% for the period ending November 30, 2017. The Series 2012C Bonds are issued in the Index Floating Rate Mode and while in that Mode if the Bonds can not be successfully remarketed or refinanced prior to the end of the initial Index Floating Rate Period only funds provided by WFUHS or other members of the Obligated Group will be available to pay the Purchase Price and failure would constitute an event of default. During the

Index Floating Rate Period no third party liquidity will be obtained to secure payment of the purchase price of the Bonds.

Morgan Stanley and Goldman Sachs & Co. served as co-senior managers for the Series 2012A Bonds and 2012B Bonds with BB&T Capital Markets and J.P Morgan as co-managers. Goldman Sachs & Co. and Morgan Stanley served as co-senior managers for the Series 2012C Bonds with no co-managers. McGuire Woods, LLP served as bond counsel. Bode Call & Stroupe served as counsel to the underwriters. The Bank of New York Mellon Trust Company served as bond trustee for the three series of Bonds. Kaufman Hall & Associates served as financial advisor to WFB.

9. Lutheran Services for the Aging - \$44,790,000 and \$26,254,401

On December 5, 2012, the Commission issued its \$44,790,000 North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Refunding Bonds (Lutheran Services for the Aging) Series 2012A and its \$26,254,401 North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Bonds (Lutheran Services for the Aging) Series 2012B. Both Issues are dated as of the Date of Issuance (December 5, 2012).

The proceeds of the Series 2012A Bonds will be used, together with other available funds, to (1) refund all of the outstanding \$27,364,250 North Carolina Medical Care Commission Bank Qualified Bonds Series 2009 Bonds, (2) refund all of the outstanding \$8,300,000 North Carolina Medical Care Commission Health Care Facility Revenue Bonds (Lutheran Services for the Aging) Series 2010 Bonds. (3) pay all of the outstanding indebtedness of a taxable bank loan incurred to finance a portion of the costs of the Trinity Ridge Project, (4) pay interest accruing on the portion of the Bonds relating to the Trinity Ridge Project through February 1, 2014, (5) fund the Debt Service Reserve Fund, and (6) pay certain expenses incurred in connection with the issuance of the Series 2012A Bonds.

The proceeds of the Series 2012B Bonds will be used, together with other available funds, to (1) pay, or reimburse certain Members of the Obligated Group for paying, a portion of the cost of the Project more specifically described below and (2) pay certain expenses incurred in connection with the issuance of the Series 2012B Bonds.

The Series 2009 Bonds and the Series 2010 Bonds will be redeemed on the date the Series 2012A Bonds are issued. The outstanding principal balance of and any accrued interest on the Bank Loan will be paid in full on the date the Bonds are issued.

The Project consists of the construction and equipping of two new skilled nursing facilities, one licensed for 120 beds and located in Hickory, North Carolina ("Trinity Ridge"), and one licensed for 100 beds and located in Clemmons, North Carolina ("Trinity Elms"), behind the Obligated Group's Elms at Tanglewood Assisted Living Facility. Trinity Ridge is a replacement facility for the currently operated Lutheran Home-Hickory West facility. The Project also consists of approximately \$3.5 million for renovations of, and other routine capital expenditures at, various Existing Facilities.

Lutheran Services for the Aging, Inc. is a North Carolina nonprofit corporation, originally incorporated in 1960 and headquartered in Salisbury, North Carolina, and is affiliated with the Evangelical Lutheran Church in America.

The mission of the Parent Corporation is to provide multiple services for seniors, including nursing care, adult day care, and retirement living; to minister to their needs in traditional and innovative ways; and to demonstrate responsible stewardship. The Parent Corporation is the Parent of several affiliates who help to carry out that mission. The Parent Corporation has been determined to be exempt from federal income taxation under Section 501 (a) of the Internal Revenue Code of 1986, as amended, by virtue of being an organization described in Section 501 (c) (3) of the Code.

The \$44,790,000 Series 2012A Bonds were issued as both Serial and Term Bonds. The \$1,640,000 Serial Bonds mature March 1 in the years 2013-2017 and have stated interest rates ranging from 2.00% to 2.50% with yields ranging from 2.5% to 2.70%. The \$7,625,000 4.25% Term Bonds due March 1, 2024 yield 4.35%. The \$12,145,000 4.75% Term Bonds due March 1, 2032 yield 4.80%. The \$10,270,000 5.00% Term Bonds due March 1, 2037 yield 4.96%. The \$13,110,000 5.00% Term Bonds due March 1, 2042 yield 5.00%

The Series 2012B Bonds are being purchased by BB&T and held as Bank Qualified Bonds and bear interest at the Bank Bought Rate of 78% of one month LIBOR plus 1.60% for the initial holding period ending December 5, 2019. The Series 2012B Bonds have a final maturity date of March 1, 2039 and are structured as a draw down loan whereby the amount owed increases with each draw of funds to pay project cost.

The Bonds are not rated. BB&T Capital Markets with Davenport & Company, LLC as co-manager served as underwriters for the Series 2012A Bonds. McGuire Woods, LLP served as bond counsel. Robinson Bradshaw & Hinson, PA served as counsel to the underwriters. Bank of New York Mellon serves as Bond Trustee.

10. Wake Forest Baptist Obligated Group - \$80,000,000 (see item 8)

On December 13, 2012, the Commission issued its \$80,000,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Wake Forest Baptist Obligated Group), Series 2012D dated as of December 13, 2012. The proceeds of the Issue are being used, together with other available funds, to fund the cost of the Project and pay certain expenses incurred in connection with the authorization and issuance of the Bonds. The Project description is set forth in the narrative as described in item 8 for the 2012 A, B and C Bonds issued November 15, 2012.

The Bonds are being issued as Bank-Bought Bonds and are being purchased by J.P. Morgan Chase Bank, NA and will bear Interest at the Bank Bought Rate. During the initial Bank Bought Minimum Holding Period, the Bonds shall bear interest at a rate per annum equal to 74% of one month LIBOR plus .87%. The initial holding period ends December 13, 2019. The fiscal maturity date of the Bonds is 2042. The loan is structured as a draw down loan whereby the amount of the debt increases each time a draw is made to pay Project Costs up to a maximum of \$80,000,000.

McGuire Woods, LLP served as bond counsel. The Bank of New York Mellon Trust Company serves as Trustee for the Bonds.

11. Cape Fear Valley Health System - \$108,195,000

On December 19, 2012, the Commission issued its \$108,195,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Cape Fear Valley Health System) Series 2012A dated as of the Date of Delivery (December 19, 2012). The proceeds of the 2012A Bonds are being loaned to Cumberland Hospital System, Inc. d/b/a Cape Fear Valley Health System to be used to: (1) refund in advance of their maturities the Commission's Health Care Facilities Revenue Bonds (Cape Fear Valley Health System) Series 2008C and (2) pay certain expenses incurred in connection with the issuance of the 2012A Bonds.

The Cumberland County Hospital System, Inc. (the "Corporation") is a North Carolina nonprofit corporation that was formed in 1964 to operate certain healthcare facilities owned by Cumberland County, North Carolina (the "County") pursuant to a long-term lease. In 2006, the Corporation acquired such healthcare facilities from the County pursuant to Section 131E-8 of the North Carolina General Statutes, providing the Corporation with greater operating flexibility under North Carolina law. The County appoints a majority of the Board of Trustees of the Corporation; however, the County does not have the right to remove members of the Board of Trustees after they are appointed.

The Corporation, directly and through its affiliates, does business as Cape Fear Valley Health System (the "Total Health System"), which is the ninth largest health system in North Carolina. The Total Health System includes two acute care hospitals, one long-term acute care hospital, one rehabilitation facility, one psychiatric facility, primary and specialty care physician practices, emergency services, a wellness center and various other related health care services.

The following described facilities, all located in Fayetteville, North Carolina, are owned and operated by the Corporation and are the "Obligated Group Health System".

- Cape Fear Valley Medical Center, a 490-bed regional referral, acute care hospital (temporarily licensed at 539 beds since March 2011 due to high census);
- Cape Fear Valley Rehabilitation Center, a 78-bed rehabilitation facility;
- Behavioral Health Care of Cape Fear Valley Health System a 32-bed psychiatric facility; and
- Highsmith-Rainey Specialty Hospital, a 66-bed long-term acute care hospital.

The Obligated Group Health System also includes Cumberland County Emergency Medical Services, the HealthPlex of Cape Fear Valley Health System, a medically oriented wellness center, and primary care and specialty care practices located in Fayetteville and surrounding areas.

Affiliates of the Corporation include:

- Bladen Healthcare, LLC;
- Cape Fear Insurance, Ltd. (a captive insurance company for professional and general liability claims domiciled in the Cayman Islands);
- Cape Fear Valley Health System Specialty Group, LLC;

- Hoke Healthcare, LLC (which will operate a medical office building, which is scheduled to open in the 1st quarter of 2013, and Hoke Community Medical Center, which is scheduled to open in the 3rd quarter of 2014); and
- Hoke Imaging, LLC (which will operate a diagnostic imaging center in Hoke County).

Other affiliates of the Corporation included: Cape Fear Valley Medical Foundation, Inc.; Cape Fear Valley Hospital Auxiliary, Inc.; Cape Fear Valley Homecare and Hospice, LLC (which operate home health and hospice and in which the Corporation owns a 33% interest); Fayetteville Ambulatory Surgery Center Limited Partnership (which operates a Medicare certified ambulatory surgical center and in which the Corporation owns a 22% interest); and The Medical Imaging Center, LLC d/b/a Valley Regional Imaging (which operates an outpatient radiological diagnostic center and in which the Corporation owns a 49% interest).

The Bonds are rated A3 by Moody's and A- by Standard & Poor's Rating Services based on the credit worthiness of the Obligated Group. The \$91,520,000 Serial Bonds mature on October 1 in the years 2013-2027 and have stated interest rates ranging from 2.00% to 5.00% and yields ranging from .55% to 2.82%. The \$13,605,000 Term Bonds due October 1, 2032 yield 2.96%. The \$3,070,000 3.50% Term Bonds due October 1, 2033 yield 3.58%. Hunton & Williams, LLP and The Charleston Group served as co-bond counsel. Robinson Bradshaw & Hinson, PA served as counsel to the underwriters. BB&T Capital Markets served as senior manager with Fifth Third Securities, Inc. and Wells Fargo Securities as co-managers. Davenport & Company, LLC served as financial advisor to the Corporation. The Bank of New York Mellon Trust Company, NA serves as Bond Trustee.

12. Columbus Regional Healthcare System - \$25,605,000

On February 7, 2013, the Commission issued its \$25,605,000 North Carolina Medical Care Commission Health Care Facilities Revenue and Refunding Revenue Bonds (Columbus Regional Healthcare System) Series 2013A dated as of the Date of Delivery (February 7, 2013). The proceeds of the Issue are being used to (1) pay or reimburse the System for paying, a portion of the cost of the Project (2) refinance certain indebtedness incurred on behalf of the System (3) fund a debt service reserve fund and (4) pay certain expenses of issuing the 2013A Bonds.

Columbus Regional Healthcare System, a nonprofit corporation organized under the laws of the State of North Carolina, provides health care services to the residents of Columbus County, North Carolina. The System was originally formed in 1937 as Columbus County Hospital, Incorporated and changed its name in 2004 to Columbus Regional Healthcare System. The System operates the 154 licensed-bed Columbus Regional Hospital located in Whiteville, North Carolina and a primary and specialty physician network. The System operates the Hospital under a long-term lease agreement with the County. The System is managed by The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System.

The Obligated Group

As of the date of the 2013A Bonds, the Members of the Obligated Group under the Master Indenture are:

- The System;
- Columbus Regional Health Network;

- Columbus County Hospital Foundation, Inc.;
- Columbus Regional Health Outreach; and
- Columbus Regional Properties II, LLC

Each Member of the Obligated Group, other than Columbus Regional Properties II, LLC is a North Carolina nonprofit corporation. The income of each Member of the Obligated Group is exempt from federal and state income taxation.

Only the Members of the Obligated Group are required to comply with the provisions of the Master Indenture and are obligated for the payment of the Series 2013A Bonds.

Effective November 2007, the System entered into a Management Services Agreement with the Authority. The current expiration date of the Management Agreement is November 25, 2016. The System pays the Authority an annual management fee based upon the System's net operating revenues. The Authority is required to furnish the System with a Chief Executive Officer and a Chief Medical Officer. The System then Reimburses the Authority the salary and benefits cost for those officers.

Columbus County Lease Agreement

The County and the System entered into a Lease Agreement dated August 19, 1996 (as amended by a First Amendment thereto dated as of June 5, 2012 and a Second Amendment thereto dated November 6, 2012 and as the same may be further amended, pursuant to which the System leases and operates the health care facilities and equipment owned by the County described in the Agreement, including the Hospital. The current stated termination date of the Agreement is November 30, 2043.

Under the terms of the Agreement, the System is obligated to make annual payments to the County equal to \$1.00 and is responsible for paying the then-existing debt of the County relating to the System. After the issuance of the Series 2013A Bonds, there will not be any debt of the County relating to the System.

The Hospital

The System leases and operates the Hospital, which is a 154-licensed bed, general acute care facility. The Hospital provides a broad range of inpatient and outpatient services to patients who reside in the County and surrounding counties in North Carolina. Services provided at the Hospital include but are not limited to: a full-service surgical suite with four operating rooms, two endoscopy rooms, and one special procedure room; a ten licensed-bed intensive care/coronary care unit; a pharmacy; diagnostic radiology services, including ultrasound, mammography and nuclear medicine; bone densitometry, computerized axial tomographic scanner service; magnetic resonance imaging; a complete clinical and pathology laboratory, including chemistry, hematology, histopathology, a blood bank and bacteriology; respiratory therapy; rehabilitation service including physical therapy, occupational therapy and speech therapy; cardiology; cardiac and pulmonary rehabilitation; an emergency room; labor, delivery, recovery and post-partum services; an inpatient pediatrics unit; cardiac catheterization; extra corporeal shock wave lithotripsy; social work services; oncology; and a diabetes program.

The Hospital is situated on an approximately 30-acre campus in the City of Whiteville, North Carolina on Jefferson Street and only 3 miles from U.S. Highway 74, a major east/west artery that provides access to the Hospital from within the County and surrounding areas. Founded by Dr. Warren Miller in 1935, the original hospital had twelve beds. The current Hospital and campus opened in 1977 with 154 private patient rooms.

The County, for the benefit of the System, previously executed and delivered a Financing Agreement and Deed of Trust, dated as of October 1, 2009, between the County and Branch Banking and Trust Corporation. Pursuant to the Financing Agreement, the County borrowed \$5,667,709 for the benefit of the System to allow the System to pay (i) a portion of the costs of the construction of additions to and the renovation of the Hospital to provide expanded or improved facilities for the Surgical Department, the Ambulatory Procedure Unit, the Cardiopulmonary Department and Central Registration, and (ii) various items of capital equipment to be used in the Hospital, including medical equipment, building infrastructure equipment and other equipment related to the operation of the Hospital. Upon delivery of the 2013A Bonds, the Financing Agreement will be prepaid and retired.

The Project consists of acquiring, constructing, improving, renovating, rehabilitating, expanding and equipping various health care facilities of the System, including (A) renovating and equipping the surgery and endoscopy facilities at the Hospital, including, without limitation, the addition of one surgical suite and one endoscopy suite, (B) acquisition and installation of various upgrades to general plant facilities at the Hospital, including, without limitation, replacement of three air handlers, two boilers for hot water and steam, two chillers, a new HVAC system, a building automation system and fire pump system upgrades, (C) replacement of the System's information technology platform and acquisition and installation of various upgrades to the data center and (D) other routine capital expenditures at the Hospital, including the acquisition and installation of additional health care equipment.

The Series 2013A Bonds are rated BBB by Standard & Poor's Rating Services based on their analysis of the credit worthiness of the System. The \$11,115,000 Serial Bonds due October 1 in the years 2013-2020 have stated interest rates ranging from 2.00% to 5.00% and yields ranging from .65% to 3.57%. The \$4,290,000 3.75% Term Bonds due October 1, 2023 yield 3.75%. The \$10,200,000 4.00% Term Bonds due October 1, 2042 yield 4.03%.

Wells Fargo Securities served as senior manager for the Issue with Bank of America Merrill Lynch as Co-manager. Nexsen Pruet, LLC served as bond counsel with Parker Poe Adams & Bernstein, LLP as counsel to the underwriters. US Bank National Association serves as Bond Trustee and as Master Trustee. Dixon Hughes Goodman served as Feasibility Consultant for the Issue.

13. Carolina Village - \$18,475,000

On February 20, 2013, the Commission issued its \$18,475,000 North Carolina Medical Care Commission Variable Rate Retirement Facilities First Mortgage Revenue Refunding Bonds (Carolina Village) Series 2013A dated as of the Date of Delivery, February 20, 2013. The proceeds of the Series 2013A Bonds are being used to refund the \$7,700,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Carolina Village, Inc. Project) Series 1998, outstanding in the amount of \$3,500,000 and the \$15,000,000 North Carolina Medical Care Commission Variable Rate Retirement Facilities First

Mortgage Revenue Bonds (Carolina Village Project) Series 2008C outstanding in the amount of \$15,000,000 and to fund certain costs of issuance of the Bonds.

The proceeds of the 1998 Bonds were used to, among other things, (a) enable the Corporation to finance a portion of the cost of improving and equipping its health care facility known as "Carolina Village", including the cost of constructing a new 58-bed skilled nursing facility and (b) to pay certain expenses incurred in connection with the issuance of the 1998 Bonds by the Commission; and

The proceeds of the 2008C Bonds were used to, among other things, (a) pay, or reimburse the Corporation for paying, all or a portion of the cost of the (i) construction and equipping of a new three-story independent living apartment building, which contains 63 one- and two-bedroom apartments, (ii) construction and equipping of laundry facilities, building facades and windows at the Corporation's retirement community (b) refund existing indebtedness of the Corporation, the proceeds of which were used to pay a portion of the costs of the 2008 Project; (c) pay a portion of the interest accruing on the 2008C Bonds during the construction and renovation of the 2008 Project; and (d) pay, or reimburse the Corporation for paying, certain expenses incurred in connection with the issuance of the 2008C Bonds by the Commission.

The Series 2013A Bonds are being issued as Non-Bank Qualified Bonds and are being purchased by First Citizens Bank & Trust Company. During the Initial Index Floating Rate Period of seven years the Bonds will bear interest at 70% of one month LIBOR plus 1.61%. The Bonds are subject to sinking fund redemption in the years 2013 through 2030. However, the Bank as purchaser of the Bonds is requiring redemption on a monthly basis during the initial seven year holding period.

US Bank serves as Bond Trustee for the Issue. Robinson Bradshaw & Hinson, P.A. served as bond counsel.

14. The United Methodist Retirement Homes / Cypress Glen Retirement Community - \$8,370,000

On April 11, 2013 the Commission issued its \$8,370,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Refunding Bonds (The United Methodist Retirement Homes) Series 2013A dated as of the Date of Delivery (April 11, 2013).

Proceeds of the 2013A Bonds, net of issuance expenses, will be used to refund the North Carolina Medical Care Commission \$12,960,000 Retirement Facilities First Mortgage Revenue Bonds (Cypress Glen Retirement Community) Series 2004C outstanding in the amount of \$7,960,000. Proceeds of the 2013A Bonds and other available funds will be deposited into an escrow fund held by U.S. Bank National Association, in its capacity as trustee for the Refunded Bonds, under an Escrow Deposit Agreement, dated as of April 1, 2013, among the Commission, Cypress Glen Retirement Community and the Escrow Agent. The amount in the Escrow Deposit Agreement will be sufficient to redeem on October 1, 2014 all of the Refunded Bonds at a price of 100% of the principal amount thereof. The money deposited in the Escrow Fund will be invested in noncallable direct obligations of the United States maturing in amounts and bearing interest at rates sufficient to pay, when due, the principal of and interest on the Refunded Bonds.

The refunding will enable Cypress Glen Retirement Community to become a member of the Obligated Group under the United Methodist Retirement Homes (UMRH) Master Trust Indenture.

In addition, the refunding generated a 1.86% percentage saving of the refunded bonds for a net present value savings of \$148,548.

Cypress Glen opened in 1987 and is located on an approximately 91 acre site in Greenville, North Carolina. Cypress Glen offers independent, assisted, memory care and skilled nursing in its continuum of care.

UMRH owns and operates two continuing care retirement communities ("CCRCs") located in North Carolina: Wesley Pines Retirement Community ("Wesley Pines"), located in Lumberton; and Croasdaile Village Retirement Community ("Croasdaile Village"), located in Durham. UMRH also manages two retirement communities in North Carolina: Quail Haven Village, a rental community located in Pinehurst; and Cypress Glen Retirement Community, located in Greenville. The Foundation's purpose is to provide support to the retirement communities owned and operated by UMRH by raising endowment funds, providing benevolent care for those residents who are unable to pay for care and funding various programs and aspects of the communities.

The Bonds are not rated. The \$270,000 in Serial Bonds mature on October 1 in the years 2013-2022 and have stated interest rates ranging from 2.0% to 3.50% with yields ranging from 1.00% to 3.68%. The \$1,730,000 4.50% Term Bonds due October 1, 2033 yield 4.60%. The \$6,370,000 5.00% Term Bonds due October 1, 2033 yield 4.56%.

BB&T Capital Markets served as underwriter for the issue. Robinson Bradshaw & Hinson, P.A. served as bond counsel with Parker Poe Adams & Bernstein, LLP as counsel to BB&T. US Bank National Association serves as Bond Trustee for the Issue.

15. Novant Health - \$152,400,000

On May 7, 2013, the Commission issued its \$152,400,000 North Carolina Medical Care Commission Health Care Facilities Revenue and Revenue Refunding Bonds (Novant Health Obligated Group) Series 2013A dated as of the Date of Delivery (May 7, 2013). The proceeds of the Series 2013A Bonds will be used to (1) finance the cost of additional health care facilities, (2) refund certain Bonds issued by the North Carolina Medical Care Commission for the benefit of Novant, (3) refinance certain indebtedness incurred by Novant and (4) pay certain expenses of issuing the Series 2013A Bonds.

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

Novant and its affiliates operate an integrated health care delivery system that serves North Carolina, South Carolina, Virginia and Georgia. The Health System provides a full continuum of health care services. In addition to acute inpatient care, the Health System also provides behavioral health services and outpatient services such as diagnostic imaging, outpatient surgery and physical, occupational and speech therapies. To facilitate governance and management of the Health System, Novant divides its primary market presence into four principal geographic areas: (1) the Greater Winston-Salem Market, which consists of Forsyth County, North Carolina and six contiguous counties; (2) the Greater Charlotte Market, which consists of Mecklenburg County, North Carolina and eight contiguous counties; (3) the Eastern Carolina Market, which consists of Brunswick County, North Carolina and two contiguous counties and (4) the Northern Virginia Market, which

consists of Prince William County, Virginia and two contiguous counties. In addition, Novant operates in other geographic markets including, Raleigh/Durham/Chapel Hill, North Carolina, Upstate South Carolina and Atlanta, Georgia.

The Health System consists of thirteen acute care hospitals, including two flagship tertiary care hospitals: Forsyth Medical Center (Winston-Salem, North Carolina) and Presbyterian Hospital (Charlotte, North Carolina). The Health System's other acute care hospitals are Medical Park Hospital, Thomasville Medical Center, Kernersville Medical Center, Presbyterian Hospital Matthews, Presbyterian Orthopedic Hospital, Presbyterian Hospital Huntersville, Prince William Hospital, Brunswick Novant Medical Center, Rowan Regional Medical Center, Upstate Carolina Medical Center and Franklin Regional Medical Center. The Health System holds a 99% economic interest in two of these hospitals, Upstate Carolina Medical Center and Franklin Regional Medical Center, and the Health System also holds a 30% economic interest in Lake Norman Regional Medical Center, an acute care hospital located in Mooresville, North Carolina. Health Management Associates, Inc. manages and is the majority owner of Lake Norman Regional Medical Center.

The Health System includes MedQuest, Inc., a for profit, Delaware domiciled corporation that owns and/or manages 75 outpatient diagnostic imaging centers, 65 of which are located in the immediate four-state region of North Carolina, South Carolina, Georgia and Virginia. In North Carolina, MedQuest manages, but does not own, 29 imaging centers, 28 of which are owned by non profit affiliates of Novant with one center owned by an unaffiliated third party. The 46 centers located outside North Carolina are owned and managed by MedQuest. MedQuest's centers offer services such as magnetic resonance imaging ("MRI"), computed tomography ("CT"), nuclear medicine, ultrasound, mammography, bone densitometry, fluoroscopy and x-ray.

The Health System also includes an employed physician group which, as of December 31, 2012, consisted of 1,123 physicians and 417 midlevel providers (e.g., physician assistants and nurse practitioners) located at 350 sites across North Carolina, South Carolina and Virginia.

Novant will use the proceeds from the sale of the Series 2013A Bonds to:

- Finance a portion of the cost of the Novant Project,
- Refund the Refunded 2003A Bonds,
- Refund the Taxable Bank Loan and
- Pay certain expenses of issuing the Series 2013A Bonds.

The Novant Project consists of (1) constructing and equipping the vertical expansion of Presbyterian Hospital Huntersville, (2) constructing and equipping the vertical expansion at Presbyterian Hospital Matthews, (3) constructing and equipping the Clemmons Medical Center, (4) constructing and equipping the G-wing renovation at Presbyterian Hospital, and (5) acquiring and installing medical, computer, office and capital equipment for use at Presbyterian Hospital, Presbyterian Hospital Huntersville and Presbyterian Hospital Matthews.

The Series 2013A Bonds are rated A1 by Moody's Investors Service, A+ by Standard and Poor's Rating Services and AA- by Fitch, Inc. The ratings are based on the rater's assessment of the credit worthiness of Novant Health Obligated Group. The \$47,135,000 in Serial Bonds mature on November 1 in the years 2014-2026 and have stated interest rates ranging from 3.00% to 5.00% and yields ranging from .42% to 3.29%. The

\$7,890,000 Term Bonds maturing November 1, 2038 yield 3.70%. The \$59,625,000 4.00% Term Bonds maturing November 1, 2046 yield 4.14%. The \$37,750,000 5.00% Term Bonds maturing November 1, 2046 yield 3.75%.

Robinson Bradshaw & Hinson, PA served as bond counsel and McGuire Woods, LLP served as counsel to the underwriters. JP Morgan served as senior manager with Bank of America Merrill Lynch, BB&T Capital Markets and Wells Fargo Securities as co-managers. The Bank of New York Mellon Trust Company, NA serves as Bond Trustee and Master 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.