

STATE OF NORTH CAROLINA
NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

North Carolina Medical Care Commission
809 Ruggles Drive
Raleigh, North Carolina

MINUTES

CALLED MEETING OF THE EXECUTIVE COMMITTEE OF THE COMMISSION
CONFERENCE TELEPHONE MEETING ORIGINATING
FROM THE OFFICES OF THE COMMISSION
MAY 7, 2015
11:00 A.M.

Members of the Commission Present:

John A. Fagg, MD
Joseph D. Crocker, Vice-Chairman
George H.V. Cecil
Charles T. Frock
Charles H. Hauser

Members of the Commission Absent:

Albert F. Lockamy, RPh
Mary L. Piepenbring

Members of Staff Present:

Christopher B. Taylor, CPA, Assistant Secretary
Alice S. Creech, Executive Assistant to the Assistant Secretary

Others Present:

Paul Billow, Womble Carlyle Sandridge & Rice, LLP
John Cheney, Ponder & Co.
Phil Delvecchio, Bank of America Merrill Lynch
Jon Mize, Womble Carlyle Sandridge & Rice, LLP
Brett Southworth, Bank of America Merrill Lynch

1. Purpose of Meeting

To consider a resolution authorizing the sale and issuance of bonds, the proceeds of which will be loaned to Rex Hospital, Inc.

2. **Series Resolution Authorizing the Issuance of North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Rex Healthcare), Series 2015B-1 (the “2015B-1 Bonds”) and North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Rex Healthcare), Series 2015B-2 (the “2015B-2 Bonds”) and, together with the 2015B-1 Bonds, the “Bonds”)** – Remarks were made by Phil Delvecchio and Jon Mize

Executive Committee Action: Motion was made by Mr. Frock, seconded by Dr. Fagg, and unanimously approved with Mr. Cecil abstaining from the vote.

WHEREAS, the North Carolina Medical Care Commission (the “Commission”) is a commission of the Department of Health and Human Services of the State of North Carolina and is authorized under Chapter 131A of the General Statutes of North Carolina, as amended (the “Act”), to borrow money and to issue in evidence thereof bonds and notes for the purpose of providing funds to pay all or any part of the cost of financing or refinancing health care facilities; and

WHEREAS, Rex Hospital, Inc. (the “Corporation”) is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina which owns and operates, by itself and through controlled affiliates, various health care facilities; and

WHEREAS, the Corporation has made application to the Commission for a loan to be made to the Corporation for the purpose of providing funds, together with other available funds, to (a) pay the costs of acquiring, constructing and equipping certain hospital facilities and equipment for the Corporation, including an approximately 300,000 square foot facility on the main campus of Rex Hospital for the consolidation of heart and vascular services and a four-level parking deck (collectively, the “Project”) and (b) pay certain fees and expenses incurred in connection with the authorization, sale and issuance of the Bonds; and

WHEREAS, simultaneously with the issuance of the Bonds, the Commission proposes to issue its North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Rex Healthcare), Series 2015A (the “Series 2015A Bonds”) for the purpose of providing funds, together with other available funds, to (a) pay the costs of the Project, (b) pay interest on the Series 2015A Bonds during construction of the Project and (c) pay certain fees and expenses incurred in connection with the sale and issuance of the Series 2015A Bonds; and

WHEREAS, the Commission has, by resolution adopted on February 13, 2015, approved the issuance of the Bonds and the Series 2015A Bonds, subject to compliance with the conditions set forth in such resolution, and the Corporation has complied with such conditions to the satisfaction of the Commission; and

WHEREAS, there have been presented at this meeting drafts or copies, as applicable, of the following documents relating to the issuance of the Bonds:

(a) Trust Agreement, to be dated as of May 1, 2015 (the “Trust Agreement”), between the Commission and U.S. Bank National Association, as trustee (the “Bond Trustee”), together with the form of the Bonds attached thereto;

(b) Loan Agreement, to be dated as of May 1, 2015 (the “Loan Agreement”), between the Commission and the Corporation;

(c) Contract of Purchase, to be dated the date of delivery thereof (the “Contract of Purchase”), between TD Bank, N.A. (the “Bank”) and the Local Government Commission of North Carolina (the “LGC”), as approved by the Commission and the Corporation;

(d) Amended and Restated Master Trust Indenture, dated as of October 1, 2010 (as amended or supplemented from time to time in accordance with its terms, the “Master Indenture”), by and among the Corporation, Rex Healthcare, Inc. (the “Parent Corporation”) and U.S. Bank National Association, as master trustee (the “Master Trustee”);

(e) Supplemental Indenture for Obligation No. 6, to be dated as of May 1, 2015 (“Supplemental Indenture No. 6”), between the Corporation and the Master Trustee, including the form of Obligation No. 6, to be dated the date of delivery thereof (“Obligation No. 6”), executed and delivered by the Corporation to the Commission, attached thereto;

(f) Supplemental Indenture for Obligation No. 7, to be dated as of May 1, 2015 (“Supplemental Indenture No. 7”), between the Corporation and the Master Trustee, including the form of Obligation No. 7, to be dated the date of delivery thereof (“Obligation No. 7”), executed and delivered by the Corporation to the Bank, attached thereto;

(g) Supplemental Master Trust Indenture for Obligation No. 8, to be dated as of May 1, 2015 (“Supplemental Indenture No. 8”), between the Corporation and the Master Trustee, including the form of Obligation No. 8, to be dated the date of delivery thereof (“Obligation No. 8”), executed and delivered by the Corporation to the Bank, attached thereto;

(h) Credit Agreement, to be dated as of May 1, 2015 (the “Credit Agreement”), between the Bank and the Corporation; and

WHEREAS, the Commission has determined that the Parent Corporation and the Corporation are financially responsible and capable of fulfilling their respective obligations, as applicable, under each of the documents described above to which the Parent Corporation and/or the Corporation is a party; and

WHEREAS, the Commission has determined that the public interest will be served by the proposed financing and that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds;

NOW THEREFORE, BE IT RESOLVED by the Executive Committee of the North Carolina Medical Care Commission as follows:

Section 1. Capitalized terms used in this Series Resolution and not defined herein shall have the meanings given such terms in the Trust Agreement, the Loan Agreement and the Master Indenture.

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of the 2015B-1 Bonds in the aggregate principal amount not-to-exceed \$50,000,000 and the issuance of the 2015B-2 Bonds in the aggregate principal amount not-to-exceed \$50,000,000.

The 2015B-1 Bonds shall mature, subject to prior redemption, on July 1, 2044 and shall initially bear interest at a variable rate of interest equal to 69.75% of the sum of one-month LIBOR plus the applicable spread of 1.04%, subject to adjustment as provided in the Trust Agreement. Such interest rate shall be adjusted monthly for changes in one-month LIBOR.

The 2015B-2 Bonds shall mature, subject to prior redemption, on July 1, 2044 and shall initially bear interest at a variable rate of interest equal to 69.75% of the sum of one-month LIBOR plus the applicable spread of 1.11%, subject to adjustment as provided in the Trust Agreement. Such interest rate shall be adjusted monthly for changes in one-month LIBOR.

The 2015B-1 Bonds and the 2015B-2 Bonds are subject to mandatory tender for purchase on or about May 21, 2025 and May 21, 2028, respectively. The respective mandatory sinking fund redemption schedules for the Bonds are set forth in Exhibit A hereto; provided, however, that such schedules are subject to adjustment pursuant to the terms of the Trust Agreement to reflect the final principal amount of the Bonds drawn down by the Corporation.

The Bonds shall be initially issued as fully registered bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 as described in the Trust Agreement. While the Bonds bear interest at an Index Interest Rate, interest on the Bonds shall be payable on the first Business Day of each calendar month, beginning June 1, 2015. Payments of principal of and interest on the Bonds shall be forwarded by the Bond Trustee to the registered owners of the Bonds in such manner as is set forth in the Trust Agreement.

Section 3. The Bonds shall be subject to optional, extraordinary optional and mandatory sinking fund redemption and optional and mandatory tender for purchase and shall be subject to conversion to different interest rate modes, at the times, upon the terms and conditions and, with respect to redemptions and tenders, at the prices set forth in the Trust Agreement.

Section 4. The proceeds of the Bonds shall be applied as provided in Section 2.08 of the Trust Agreement.

Section 5. The forms, terms and provisions of the Loan Agreement and the Trust Agreement are hereby approved in all respects, and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman for such purpose and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Loan Agreement and the Trust Agreement in substantially the forms

presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary or appropriate, including but not limited to changes, modifications and deletions necessary to incorporate the final terms of the Bonds and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 6. The form, terms and provisions of the Contract of Purchase are hereby approved in all respects and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman for such purpose is hereby authorized and directed to execute and deliver the Contract of Purchase in substantially the form presented at this meeting, together with such changes, modifications, insertions and deletions as such Chairman, the Vice Chairman or such member of the Commission, with the advice of counsel, may deem necessary or appropriate, including but not limited to changes, modifications and deletions necessary to incorporate the final terms of the Bonds; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 7. The form of the Bonds set forth in the Trust Agreement are hereby approved in all respects and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman for such purpose and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute, by manual or facsimile signature as provided in such form of the Bonds, and to deliver to the Bond Trustee for authentication on behalf of the Commission, the Bonds in definitive form, which shall be in substantially the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary or appropriate and consistent with the Trust Agreement; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 8. The forms, terms and provisions of the Obligation No. 6, Obligation No. 7, Obligation No. 8, Supplemental Indenture No. 6, Supplemental Indenture No. 7, Supplemental Indenture No. 8 and the Credit Agreement are hereby approved in substantially the forms presented at this meeting, together with such changes, modifications and deletions as the Chairman or Vice Chairman, with the advice of counsel, may deem necessary and appropriate; and the execution and delivery of the Trust Agreement by the Commission shall be conclusive evidence of the approval of such documents by the Commission.

Section 9. The Commission hereby approves the action of the LGC in authorizing the private sale of the Bonds to the Bank in accordance with the Contract of Purchase at the purchase price described therein.

Section 10. Upon execution of the Bonds in the form and manner set forth in the Trust Agreement, the Bonds shall be deposited with the Bond Trustee for authentication, and the Bond Trustee is hereby authorized and directed to authenticate the Bonds and, upon compliance with the provisions of the Trust Agreement, the Bond Trustee shall deliver the Bonds to the Bank against payment therefor.

Section 11. U.S. Bank National Association is hereby appointed as the initial Bond Trustee and Tender Agent for the Bonds.

Section 12. Drexdal R. Pratt, Secretary of the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary, Kathy C. Larrison, Auditor, Crystal Watson-Abbott, Auditor, and Steven C. Lewis, Chief of the Construction Section of the Division of Health Service Regulation, for the Commission, are each hereby appointed a Commission Representative (as that term is defined in the Loan Agreement) with full power to carry out the duties set forth therein and in the Trust Agreement.

Section 13. The Chairman, the Vice Chairman, any member of the Commission designated in writing by the Chairman, the Secretary and the Assistant Secretary of the Commission are authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Loan Agreement, the Trust Agreement and the Contract of Purchase.

Section 14. The Commission hereby recommends that the Governor of the State of North Carolina approve the issuance of the Bonds pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and hereby requests such approval.

Section 15. A comparison of the professional fees as set forth in the resolution of the Commission granting preliminary approval of the Bonds and the Series 2015A Bonds with the actual professional fees incurred in connection with the Bonds and the Series 2015A Bonds is set forth as Exhibit B hereto.

Section 16. This Series Resolution shall take effect immediately upon its passage.

Mandatory Sinking Fund Redemption Schedules2015B-1 Bonds

<u>Year</u> <u>(July 1)</u>	<u>Amount</u>	<u>Year</u> <u>(July 1)</u>	<u>Amount</u>
2031	\$3,005,000	2038	\$3,440,000
2032	3,050,000	2039	3,515,000
2033	3,110,000	2040	3,585,000
2034	3,175,000	2041	3,655,000
2035	3,240,000	2042	3,730,000
2036	3,310,000	2043	3,810,000
2037	3,375,000	2044*	6,000,000

*Maturity

2015B-2 Bonds

<u>Year</u> <u>(July 1)</u>	<u>Amount</u>	<u>Year</u> <u>(July 1)</u>	<u>Amount</u>
2024	\$ 600,000	2035	\$3,240,000
2025	600,000	2036	3,310,000
2026	600,000	2037	3,375,000
2027	600,000	2038	3,445,000
2028	600,000	2039	3,515,000
2029	600,000	2040	3,590,000
2030	625,000	2041	3,660,000
2031	2,970,000	2042	3,735,000
2032	3,055,000	2043	3,810,000
2033	3,115,000	2044*	1,775,000
2034	3,180,000		

*Maturity

 Note: The mandatory sinking fund schedules are subject to adjustment pursuant to the terms of the Trust Agreement to reflect the final principal amount of the Bonds drawn down by the Corporation.

PROFESSIONAL FEES*

<u>Professional</u>	<u>Preliminary Approval</u>	<u>Actual</u>
Financial Advisor	\$150,000	\$153,400
Underwriters (2015A Only)	162,500	171,000
Accountant/Auditor	90,000	65,000
Bond Counsel	131,000	131,000
Underwriters' Counsel (2015A Only)	65,000	65,000
Corporation Counsel	70,000	81,250
Trustee (including counsel)	15,000	8,900
Bank Counsel (2015B Only)	45,000	40,000

*The professional fees set forth in the resolution of the Commission granting preliminary approval of the issuance of the Bonds and the Series 2015A Bonds presented the professional fees on a combined basis. The fees presented above include the fees for both the Bonds and the Series 2015A Bonds unless otherwise noted.

3. **Series Resolution Authorizing the Issuance of \$50,000,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Rex Healthcare), Series 2015A (the "Bonds")** – Remarks were made by Mr. Cheney and Mr. Mize.

Executive Committee Action: Motion was made by Mr. Hauser, seconded by Mr. Frock, and unanimously approved with Mr. Cecil abstaining from the vote.

WHEREAS, the North Carolina Medical Care Commission (the "Commission") is a commission of the Department of Health and Human Services of the State of North Carolina and is authorized under Chapter 131A of the General Statutes of North Carolina, as amended (the "Act"), to borrow money and to issue in evidence thereof bonds and notes for the purpose of providing funds to pay all or any part of the cost of financing or refinancing health care facilities; and

WHEREAS, Rex Hospital, Inc. (the "Corporation") is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina which owns and operates, by itself and through controlled affiliates, various health care facilities; and

WHEREAS, the Corporation has made application to the Commission for a loan to be made to the Corporation for the purpose of providing funds, together with other available funds, to (a) pay the costs of acquiring, constructing and equipping certain hospital facilities and equipment for the Corporation, including an approximately 300,000 square foot facility on the main campus of Rex Hospital for the consolidation of heart and vascular services and a four-

level parking deck (collectively, the “Project”), (b) pay interest on the Bonds during construction of the Project and (c) pay certain fees and expenses incurred in connection with the authorization, sale and issuance of the Bonds; and

WHEREAS, simultaneously with the issuance of the Bonds, the Commission proposes to issue its North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Rex Healthcare), Series 2015B-1 (the “Series 2015B-1 Bonds”) and North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Rex Healthcare), Series 2015B-2 (the “Series 2015B-2 Bonds”) and, together with the Series 2015B-1 Bonds, the “Series 2015B Bonds”) for the purpose of providing funds, together with other available funds, to (a) pay the costs of the Project and (b) pay certain fees and expenses incurred in connection with the sale and issuance of the Series 2015B Bonds; and

WHEREAS, the Commission has, by resolution adopted on February 13, 2015, approved the issuance of the Bonds and the Series 2015B Bonds, subject to compliance with the conditions set forth in such resolution, and the Corporation has complied with such conditions to the satisfaction of the Commission; and

WHEREAS, there have been presented at this meeting drafts or copies, as applicable, of the following documents relating to the issuance of the Bonds:

(a) Trust Agreement, to be dated as of May 1, 2015 (the “Trust Agreement”), between the Commission and U.S. Bank National Association, as trustee (the “Bond Trustee”), together with the form of the Bonds attached thereto;

(b) Loan Agreement, to be dated as of May 1, 2015 (the “Loan Agreement”), between the Commission and the Corporation;

(c) Contract of Purchase, to be dated the date of delivery thereof (the “Contract of Purchase”), between the North Carolina Local Government Commission (the “LGC”) and Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and Wells Fargo Bank, National Association (collectively, the “Underwriters”), and approved by the Commission, the Corporation and Rex Healthcare, Inc. (the “Parent Corporation”);

(d) Supplemental Indenture for Obligation No. 5, to be dated as of May 1, 2015 (the “Supplemental Indenture”), between the Corporation and U.S. Bank National Association (in such capacity, the “Master Trustee”), supplementing an Amended and Restated Master Trust Indenture, dated as of October 1, 2010 (as amended or supplemented from time to time in accordance with its terms, the “Master Indenture”), by and among the Corporation, the Parent Corporation and the Master Trustee;

(e) the Master Indenture;

(f) Obligation No. 5, to be dated the date of delivery thereof (“Obligation No. 5”), to be issued by the Corporation to the Commission; and

(g) Preliminary Official Statement, dated the date of delivery thereof (as supplemented, the “Preliminary Official Statement”), relating to the offering and sale of the Bonds; and

WHEREAS, the Commission has determined that the Parent Corporation and the Corporation are financially responsible and capable of fulfilling their respective obligations, as applicable, under each of the documents described above to which the Parent Corporation and/or the Corporation is a party; and

WHEREAS, the Commission has determined that the public interest will be served by the proposed financing and that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds;

NOW THEREFORE, BE IT RESOLVED by the Executive Committee of the North Carolina Medical Care Commission as follows:

Section 1. Capitalized terms used in this Series Resolution and not defined herein shall have the meanings given such terms in the Trust Agreement, the Loan Agreement and the Master Indenture.

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of the Bonds in the aggregate principal amount of \$50,000,000. The Bonds shall be dated as of the date of delivery thereof and shall mature in such amounts and at such times and shall bear interest at such rates as are set forth in Exhibit A attached hereto and made a part hereof.

The Bonds shall be issued as fully registered bonds in denominations of \$5,000 or any whole multiple thereof. The Bonds shall be initially issued in book-entry only form as described in the Trust Agreement. Interest on the Bonds shall be payable semiannually on each January 1 and July 1, beginning January 1, 2016, until the Bonds are fully paid. Payments of principal of and interest on the Bonds shall be forwarded by the Bond Trustee to the registered owners of the Bonds in such manner as is set forth in the Trust Agreement.

Section 3. The Bonds shall be subject to optional, extraordinary and mandatory sinking fund redemption at the times, upon the terms and conditions and at the prices set forth in the Trust Agreement.

Section 4. The proceeds of the Bonds shall be applied as provided in Section 2.08 of the Trust Agreement.

Section 5. The forms, terms and provisions of the Loan Agreement and the Trust Agreement are hereby approved in all respects, and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman for such purpose and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Loan Agreement and the Trust Agreement in substantially the forms presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary or appropriate, including but not limited to changes, modifications and deletions necessary to incorporate the final terms of the Bonds as shall be set

forth in the Contract of Purchase; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 6. The forms, terms and provisions of the Contract of Purchase are hereby approved in all respects and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman for such purpose is hereby authorized and directed to execute and deliver the Contract of Purchase in substantially the form presented at this meeting, together with such changes, modifications, insertions and deletions as such Chairman, the Vice Chairman or such member of the Commission, with the advice of counsel, may deem necessary or appropriate, including but not limited to changes, modifications and deletions necessary to incorporate the final terms of the Bonds; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 7. The forms of the Bonds set forth in the Trust Agreement are hereby approved in all respects and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman for such purpose and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute, by manual or facsimile signature as provided in such form of the Bonds, and to deliver to the Bond Trustee for authentication on behalf of the Commission, the Bonds in definitive form, which shall be in substantially the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary or appropriate and consistent with the Trust Agreement; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 8. The forms, terms and provisions of the Supplemental Indenture and Obligation No. 5 are hereby approved in substantially the forms presented at this meeting, together with such changes, modifications and deletions as the Chairman or Vice Chairman, with the advice of counsel, may deem necessary and appropriate; and the execution and delivery of the Trust Agreement by the Commission shall be conclusive evidence of the approval of the Supplemental Indenture and Obligation No. 5 by the Commission.

Section 9. The Commission hereby approves the action of the LGC in awarding the Bonds to the Underwriters at the price of \$49,996,728.05 (which price represents the aggregate principal amount of the Bonds, plus a net original issue premium of \$167,728.05 and less an underwriters' discount of \$171,000.00).

Section 10. Upon execution of the Bonds in the form and manner set forth in the Trust Agreement, the Bonds shall be deposited with the Bond Trustee for authentication, and the Bond Trustee is hereby authorized and directed to authenticate the Bonds and, upon compliance with the provisions of Section 208 of the Trust Agreement, the Bond Trustee shall deliver the Bonds to the Underwriters against payment therefor.

Section 11. The Commission hereby ratifies the use and distribution of the Preliminary Official Statement in connection with the offering and sale of the Bonds. The preparation and distribution of a final Official Statement (the "Official Statement"), in substantially the form of the Preliminary Official Statement, with such changes as are necessary to reflect the final terms of the Bonds, is hereby approved, and the Chairman, the Vice Chairman or any member of the

Commission designated in writing by the Chairman for such purpose is hereby authorized to execute and deliver, on behalf of the Commission, the Official Statement in substantially such form, together with such changes, modifications and deletions as the Chairman, the Vice Chairman or such member of the Commission, with the advice of counsel, may deem necessary or appropriate; and such execution and delivery shall be conclusive evidence of the approval thereof by the Commission. The Commission hereby approves and authorizes the distribution and use of copies of the Loan Agreement, the Trust Agreement, the Supplemental Indenture, Obligation No. 5 and the Master Indenture by the Underwriters in connection with the offering and sale of the Bonds.

Section 12. U.S. Bank National Association is hereby appointed as the Bond Trustee for the Bonds.

Section 13. The Depository Trust Company (“DTC”), New York, New York, is hereby appointed as the initial Securities Depository for the Bonds, with Cede & Co., as nominee of DTC, being the initial Securities Depository Nominee and initial registered owner of the Bonds. The Commission has heretofore executed and delivered to DTC a Blanket Letter of Representations.

Section 14. Drexal R. Pratt, Secretary of the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary, Kathy C. Larrison, Auditor, Crystal Watson-Abbott, Auditor, and Steven C. Lewis, Chief of the Construction Section of the Division of Health Service Regulation, for the Commission, are each hereby appointed a Commission Representative (as that term is defined in the Loan Agreement) with full power to carry out the duties set forth therein and the Trust Agreement.

Section 15. The Chairman, the Vice Chairman, any member of the Commission designated in writing by the Chairman, the Secretary and any Assistant Secretary of the Commission are authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Loan Agreement, the Trust Agreement, the Contract of Purchase and the Official Statement.

Section 16. The Commission hereby recommends that the Governor of the State of North Carolina approve the issuance of the Bonds pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and hereby requests such approval.

Section 17. A comparison of the professional fees as set forth in the resolution of the Commission granting preliminary approval of the Bonds and the Series 2015B Bonds with the actual professional fees incurred in connection with the Bonds and the Series 2015B Bonds is set forth as Exhibit B hereto.

Section 18. This Series Resolution shall take effect immediately upon its passage.

MATURITY SCHEDULE

<u>Due July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2031	\$ 2,650,000	3.50%
2032	2,765,000	5.00
2033	2,905,000	5.00
2034	3,055,000	5.00
2035	3,195,000	4.00
2040	18,045,000	4.00
2044	5,000,000	5.00
2044	12,385,000	4.00

\$18,045,000 4.00% Term Bond due July 1, 2040

<u>Due July 1</u>	<u>Sinking Fund Requirement</u>
2036	\$3,325,000
2037	3,460,000
2038	3,605,000
2039	3,750,000
2040*	3,905,000

* Maturity.

\$5,000,000 5.00% Term Bond due July 1, 2044

<u>Due July 1</u>	<u>Sinking Fund Requirement</u>
2041	\$1,170,000
2042	1,225,000
2043	1,275,000
2044*	1,330,000

* Maturity.

\$12,385,000 4.00% Term Bond due July 1, 2044

<u>Due July 1</u>	<u>Sinking Fund Requirement</u>
2041	\$2,900,000
2042	3,025,000
2043	3,160,000
2044*	3,300,000

* Maturity.

EXHIBIT B

PROFESSIONAL FEES*

<u>Professional</u>	<u>Preliminary Approval</u>	<u>Actual</u>
Financial Advisor	\$150,000	\$153,400
Underwriters (2015A Only)	162,500	171,000
Accountant/Auditor	90,000	65,000
Bond Counsel	131,000	131,000
Underwriters' Counsel (2015A Only)	65,000	65,000
Corporation Counsel	70,000	81,250
Trustee (including counsel)	15,000	8,900
Bank Counsel (2015B Only)	45,000	40,000

*The professional fees set forth in the resolution of the Commission granting preliminary approval of the issuance of the Bonds and the Series 2015B Bonds presented the professional fees on a combined basis. The fees presented above include the fees for both the Bonds and the Series 2015B Bonds unless otherwise noted.

4. **Adjournment**

There being no further business, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

Christopher B. Taylor, CPA
Assistant Secretary

Date: May 7, 2015