

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

**The North Carolina Medical Care Commission
701 Barbour Drive
Raleigh, North Carolina**

MINUTES

**CALLED MEETING OF THE EXECUTIVE COMMITTEE
CONFERENCE TELEPHONE MEETING ORIGINATING
FROM THE COMMISSION'S OFFICE
FEBRUARY 18, 2009
2:00 P.M.**

Members of the Executive Committee Present:

Lucy Hancock Bode, Chairman
Joseph D. Crocker, Vice-Chairman
George H. V. Cecil
Gerald P. Cox

Members of the Executive Committee Absent:

Charles T. Frock
Mary L. Piepenbring
Dr. Robert E. Schaaf

Members of Staff Present:

Jeff Horton, Acting DHR Director/Acting MCC Secretary
Christopher B. Taylor, CPA, MCC Assistant Secretary
Nadine Pfeiffer, DHR Program Manager
Azzie Conley, Chief, DHR Acute & Home Care Section
Kyle Fay, DHR Budget Officer

Others Present:

Tom Bradshaw, Citigroup Global Markets
Kent Lawrence, Citigroup Global Markets
Jon Mize, Womble Carlyle Sandridge & Rice, PLLC
Jeff Poley, Parker Poe Adams & Bernstein

1. **Purpose of Meeting**

To consider Home Care/Companion Sitter Rules which are (1) Medical Care Commission Home Care Rule Resolution Summary, (2) OAH Rule 13J.1501, (3) OAH Rule 13J. 1502, (4) OAH Rule 13J.1503, (5) OAH Rule 13J.1504, (6) To consider a resolution to approve the appointment of Wachovia Bank, National Association as Remarketing Agent for the North Carolina Medical Care Commission Variable Rate Demand Hospital Revenue Bonds (Iredell Memorial Hospital) Series 2007, (7) To consider the substitution of the bond trustee under the Trust Agreement for Transylvania Community Hospital, (8) To consider a resolution authorizing the issuance and sale of bonds, the proceeds of which will be loaned to WakeMed.

2. House Bill 964 was approved 7/28/08 to expand the definition of Home Care Services to include “In-Home Companion, Sitter and Respite Care Services provided to an individual”. This bill expands General Statute 131E-136 to include In-Home Companion, sitter, respite care and home maker services provided in combination with other home care services under the definitions of Home Care Licensure. The current Home Care Licensure rules (10A NCAC 13J.1500) address Nursing, Infusion Nursing, Physical Therapy, Speech Therapy, Occupational Therapy, Medical Social Work and In-Home Aide Services. These rules do not regulate services where non-hands on care is provided or emergency care is provided to temporarily relieve the family caregiver. There is currently no regulatory oversight for these type services. The public as well as other providers expressed concerns regarding the lack of regulatory oversight for non-medical services which eventually led to the passage of House Bill 964. The following proposed rules were developed to provide guidance and directions to providers who offer these services. We are proposing to incorporate these rules into the current Home Care Licensure Rules (10A NCAC 13J.1500). The proposed rules are as follows: Remarks were made by Jeff Horton, Nadine Pfeiffer and Azzie Conley.

Executive Committee Action: Chris Taylor turned the meeting over to Jeff Horton and Nadine Pfeiffer. Jeff explained the purpose for bringing the four Home Care rules before the Executive Committee was to request permission for adoption of the rules to initiate rulemaking, publish the rules in the N.C. Register, hold a public hearing and accept public comments for 60 days and then bring the rules back to the Commission for final adoption.

Jeff told the Commissioners that the rules were a new section of Home Care licensure rules called Companion, Sitter and Respite Services. He explained the history behind House Bill 964 which added provisions to G.S. 131E-136 mandating the rule development effective January 1, 2010. He also explained the rule committee process by which the rule language was written. Jeff told the Commission members there was one person on the rule committee that after actively participating on the committee was now in opposition of the rules.

Discussion ensued between the Commissioners, Commission Chairman, Jeff Horton and Azzie Conley regarding the language of the regulations, the intent of the regulations, the payment source for the services, fee for licensure of the agencies and the law that requires these rules. Joe Crocker asked for reasons why the one rule committee person now opposed the rules. Azzie Conley provided that information.

Lucy Bode voiced concern over proposed rule 13J .1503, and the qualifications required for the agency director. She said as written, they were too stringent for the type of services that were to be provided for this type of agency. Discussion ensued over this issue. The consensus among the Commissioners was reached that the requirement of a bachelor's degree and an associate degree was too stringent and this rule needed to be re-written to better serve the type individuals that would be offering the services provided by the agency. The commission members voted to not adopt the rules as written.

3. SECTION .1500 – COMPANION, SITTER AND RESPITE SERVICES

10A NCAC 13J .1501-DEFINITIONS

The following definitions shall apply throughout this Section:

- (1) “Companion, sitter or respite services personnel” means an individual as used in G.S. 131E-136, who spends time with or provides non hands on care services for clients.
- (2) “Non Hands on Care Services” means basic home management tasks, shopping, meal preparation, transportation, companion services, socialization, medication reminders, and other services that do not require the service provider to use “hands on care” as defined in Rule. 0901 of this Subchapter and which do not require training or verification of skills by a Registered Nurse.
- (3) “Respite Care” means planned or emergency care provided to an individual in order to provide temporary relief to the family caregiver.

History Note: Authority G.S. 131E-140;

Eff. January 1, 2010.

4. 10A NCAC 13J .1502 - SCOPE OF SERVICES

(a) If an agency provides In-home companion, sitter or respite services, the services shall be provided in accordance with the client's plan of care. Agencies participating in the Home and Community Care Block Grant or Social Services Block Grant through the Division of Aging and Adult Services shall comply, for those clients, with the companion or sitter service level rules contained in 10A NCAC 06A and 10A NCAC 06X which are hereby incorporated by reference with all subsequent amendments. All other agencies providing companion and sitter services shall comply with the provisions of the Rules in this Section unless exempt from these rules.

(b) Companion, sitter or respite services personnel shall follow instructions for client care written by personnel required by agency policy for the services provided.

History Note: Authority G.S. 131E-140;

Eff. January 1, 2010.

5. **10A NCAC 13J .1503 - AGENCY MANAGEMENT AND SUPERVISION**

Notwithstanding the requirements in Rule .1001 of this Subchapter, the agency shall meet the following requirements:

(1) The agency shall designate an individual to serve as agency director. The agency director shall have the authority and responsibility for administrative direction of the agency and shall meet one or more of the following qualifications:

(a) a health care practitioner as defined in G.S. 90-640(a);

(b) an individual who has at least two years of supervisory or management experience in companion and sitter services or one year supervisory or management experience in home care or any other provider licensed pursuant to G.S. 131E or G.S. 122C;

(c) an individual who holds a bachelor's degree in health, business public administration, psychology, sociology or social sciences; or

(d) an individual who holds an associate degree in health, business, public administration, psychology, sociology, or social sciences and has at least one year of supervisory or management experience in companion and sitter services.

(2) The agency shall designate a person responsible for supervising non hands on care services that is provided by the agency either directly or by contract. This individual may be the supervisor for the companion, sitter or respite services and may also serve as the agency director.

History Note: Authority G.S. 131E-140;

Eff. January 1, 2010.

6. **10A NCAC 13J .1504 - SUPERVISION AND COMPETENCY OF COMPANION, SITTER AND RESPITE SERVICES**

In addition to the requirements in Rule .1110 of this Subchapter, an agency providing In-home companion, sitter or respite care services shall meet the following requirements:

- (1) Each agency shall have documentation that its companion and sitters are competent to perform client care tasks or activities to which they are assigned. Such individuals shall perform delegated activities under the supervision of a supervisor designated by agency policy for the services assigned.
- (2) The agency designated supervisor shall supervise the companion and sitter staff by contacting the client receiving care every three months and by making a supervisory visit to each client's place of residence at least every six months, with or without the companion and sitter's presence, and at least annually, while the companion or sitter is in the home providing services to the client.
- (3) The supervisory visit shall include a review of the client's general condition, monitoring progress and response to the services provided by the companion or sitter, and updates to the plan of care as needed.
- (4) Documentation of supervisory visits shall be maintained in the agency's records and shall contain the following:
 - (a) date of visit;
 - (b) findings of visit; and
 - (c) signature of person performing the visit.
- (5) The agency designated supervisor conducting a supervisory contact for a companion, sitter or respite provider may simultaneously conduct the quarterly case review as required in Rule .1202 of this Subchapter.
- (6) The agency directed supervisor shall be available for supervision, on-site where services are provided when necessary, during the hours that companion, sitter or respite services are provided.

History Note: Authority G.S. 131E-140;

Eff. January 1, 2010.

7. **Resolution of the North Carolina Medical Care Commission Authorizing the Substitution of Bond Trustee** - Remarks were made by Jeff Poley

Executive Committee Action: Motion was made by Mr. Joseph Crocker, seconded by Mr. Gerald Cox and unanimously approved.

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, Transylvania Community Hospital, Inc. (the “Corporation”) is a nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina and is a “non-profit agency” within the meaning of the Act; and

WHEREAS, at the request of the Corporation, the Commission has entered into a Trust Agreement dated as of November 1, 1997 (the “Trust Agreement”) between the Commission and First Union National Bank, the successor to which is U.S. Bank National Association, as bond trustee (“U.S. Bank”); and

WHEREAS, pursuant to the Trust Agreement, the Commission issued its Hospital Revenue Bonds (Transylvania Community Hospital, Inc.) Series 1997 in the original aggregate principal amount of \$4,855,000 (the “1997 Bonds”), the proceeds of which the Commission loaned to the Corporation to finance and refinance various capital projects; and

WHEREAS, the Corporation has made application to the Commission for a loan for the purpose of providing funds, together with other available funds, to (a) refinance a taxable loan, the proceeds of which were used to pay for capital improvements to the Corporation’s campus; and (b) pay, or reimburse the Corporation for paying, certain expenses incurred in connection with the issuance of revenue bonds (the “2009 Bonds”) by the Commission; and

WHEREAS, the Commission has given its preliminary approval for the 2009 Bonds; and

WHEREAS, First-Citizens Bank & Trust Company (“First-Citizens”) is expected to be the bond trustee for the 2009 Bonds, and the Commission has previously approved the Corporation’s request that First-Citizens replace U.S. Bank as master trustee under the Master Indenture dated as of November 1, 1997 (the “Master Indenture”) between the Corporation and U.S. Bank;

WHEREAS, the Corporation has determined that it would prefer that First-Citizens serve as bond trustee for the 1997 Bonds under the Trust Agreement in order to simplify matters relating to the administration of the 1997 Bonds and the 2009 Bonds;

WHEREAS, First-Citizens has agreed to serve as bond trustee under the Trust Agreement, and U.S. Bank, at the request of the Corporation, has agreed to resign as bond trustee under the Trust Agreement; and

WHEREAS, First-Citizens is expected to replace U.S. Bank as bond trustee under the Trust Agreement on March 2, 2009, the effective date of the simultaneous resignation and substitution; and

WHEREAS, the Corporation requests the consent of the Commission to replace U.S. Bank with First-Citizens as bond trustee under the Trust Agreement.

NOW, THEREFORE, THE NORTH CAROLINA MEDICAL CARE COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. The Commission does hereby approve the replacement of U.S. Bank with First-Citizens as bond trustee under the Trust Agreement on or about March 2, 2009 and authorizes the Corporation to do all things necessary to appoint First-Citizens as bond trustee under the Trust Agreement.

Section 2. The Chairman, Vice Chairman, Secretary, and any Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) are each hereby 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 replacement of the bond trustee as contemplated herein.

Section 3. This Series Resolution shall take effect immediately upon its passage.

8. **Resolution of the North Carolina Medical Care Commission Approving the Appointment of Wachovia Bank, National Association as Remarketing Agent for the North Carolina Medical Care Commission Variable Rate Demand Hospital Revenue Bonds (Iredell Memorial Hospital) Series 2007** – Remarks were made by Chris Taylor

Executive Committee Action: Motion was made by Mr. Gerald Cox, seconded by Mr. Joe Crocker and unanimously approved.

WHEREAS, the North Carolina Medical Care Commission (the “Commission”), a commission of the Department of Health and Human Services of the State of North Carolina, has issued \$39,465,000 aggregate principal amount of its Variable Rate Demand Hospital Revenue Bonds (Iredell Memorial Hospital) Series 2007 (the “Bonds”), of which \$38,030,000 is outstanding, pursuant to the terms of a Trust Agreement, dated as of March 1, 2007 (the “Trust Agreement”), between the Commission and First-Citizens Bank and Trust Company, as bond trustee (the “Bond Trustee”); and

WHEREAS, the Commission loaned the proceeds from the sale of the Bonds to Iredell Memorial Hospital, Incorporated (the “Corporation”) pursuant to a Loan Agreement, dated as of March 1, 2007 (the “Loan Agreement”), between the Commission and the Corporation; and

WHEREAS, since their initial issuance, the Bonds have been bearing interest at Daily Interest Rates and are subject to optional and mandatory tender; and

WHEREAS, Banc of America Securities LLC is currently serving as Remarketing Agent for the Bonds, and a letter of credit (the “Credit Facility”) issued by Bank of America, N.A. secures the payment of principal and purchase price of and interest on the Bonds when due; and

WHEREAS, the Corporation has arranged for Wachovia Bank, National Association to deliver a letter of credit (the “Alternate Credit Facility”) to replace the Credit Facility and secure the payment of principal and purchase price of and interest on the Bonds when due; and

WHEREAS, in connection with the delivery of the Alternate Credit Facility, the Corporation has requested that Banc of America Securities LLC resign as Remarketing Agent and that the Commission approve the Corporation’s appointment of Wachovia Bank, National Association as successor Remarketing Agent for the Bonds pursuant to Section 317(a) of the Trust Agreement; and

NOW, THEREFORE, THE NORTH CAROLINA MEDICAL CARE COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. The appointment by the Corporation of Wachovia Bank, National Association as successor Remarketing Agent for the Bonds is hereby approved. The Chairman, Vice Chairman, the Secretary or any Acting Secretary and the Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) are hereby authorized and directed to take such action and to execute and deliver any and all documents, certificates, undertakings, agreements or other instruments as they, with the advice of bond counsel, may deem necessary or appropriate to effect the appointment of Wachovia Bank, National Association as successor Remarketing Agent for the Bonds.

Section 2. This Resolution shall take effect immediately upon its passage

9. **Series Resolution Authorizing the Issuance of \$75,000,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (WakeMed), Series 2009B (the “Bonds”)** – Remarks were made by Tom Bradshaw and Jon Mize

Executive Committee Action: Motion was made by Mr. Gerald Cox, seconded by Mr. Joseph Crocker, and unanimously approved.

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, WakeMed (formerly Wake County Hospital System 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 health care facilities in the County of Wake, North Carolina; 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, for (a)

constructing and equipping various improvements to the hospital facilities of the Corporation, including, but not limited to, (i) the construction and equipping of an expansion to the existing surgery wing of the Corporation's WakeMed Cary Hospital ("WakeMed Cary"), (ii) the construction and equipping of new space and renovation and equipping of existing space at WakeMed Cary's Women's Pavilion and Birthplace, (iii) the expansion of an existing parking deck at WakeMed Cary, (iv) the construction and equipping of a new tower at the Corporation's WakeMed Raleigh Hospital ("WakeMed Raleigh"), (v) the renovation and equipping of the existing Rehabilitation Hospital and the Main Hospital at WakeMed Raleigh, (vi) the replacement of the existing central utilities plant serving WakeMed Raleigh, (vii) the expansion of an existing parking deck and the construction of a new parking garage at WakeMed Raleigh and (viii) the acquisition of certain hospital equipment, including, but not limited to, moveable medical equipment and information services equipment (collectively, the "Project") and (b) pay certain expenses incurred in connection with the issuance and sale of the Bonds; and

WHEREAS, the Commission has determined that the public interest will be best served by the proposed financing and, by resolution adopted on February 7, 2008, has approved the issuance of the 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 draft copies of the following documents relating to the issuance of the Bonds:

(a) Trust Agreement, to be dated as of February 1, 2009 (the "Trust Agreement"), between the Commission and U.S. Bank National Association, as trustee (the "Bond Trustee");

(b) Loan Agreement, to be dated as of February 1, 2009 (the "Loan Agreement"), between the Commission and the Corporation;

(c) Reimbursement and Security Agreement, to be dated as of February 1, 2009 (the "Reimbursement Agreement"), between the Corporation and Wachovia Bank, National Association (in such capacity, the "Bank"), including the form of an irrevocable, direct-pay letter of credit securing payment of the Bonds (the "Credit Facility");

(d) 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 Citigroup Global Markets Inc. (the "Underwriter"), and approved by the Commission and the Corporation;

(e) Supplemental Indenture for Obligation No. 6, to be dated as of February 1, 2009 ("Supplemental Indenture No. 6"), by and among the Corporation, WakeMed Faculty Practice Plan ("WakeMed Faculty Practice"), WakeMed Property Services ("WakeMed Property Services" and, together with the Corporation and WakeMed Faculty Practice, the "Members of the Obligated Group") and U.S. Bank National Association, as successor to First Union National Bank of North Carolina (in such capacity, the "Master Trustee"), supplementing a Master Trust Indenture, dated as of March 1, 1997 (as amended and supplemented, the "Master Indenture"), by and among the Members of the Obligated Group and the Master Trustee;

(f) Supplemental Indenture for Obligation No. 7, to be dated as of February 1, 2009 (“Supplemental Indenture No. 7” and, together with Supplemental Indenture No. 6, the “Supplemental Indentures”), by and among the Members of the Obligated Group and the Master Trustee, supplementing the Master Indenture;

(g) the Master Indenture;

(h) Obligation No. 6, to be dated the date of delivery thereof, to be issued by the Corporation to the Commission;

(i) Obligation No. 7, to be dated the date of delivery thereof, to be issued by the Corporation to the Bank, as the provider of the Credit Facility;

(j) Remarketing Agreement, to be dated as of February 1, 2009 (the “Remarketing Agreement”), by and among the Corporation, the Commission and Wachovia Bank, National Association (in such capacity, the “Remarketing Agent”);

(k) Tender Agent Agreement, to be dated as of February 1, 2009 (the “Tender Agent Agreement”), by and among the Bond Trustee, U.S. Bank National Association, as tender agent, the Corporation and the Remarketing Agent; and

(l) Official Statement, to be dated the date of delivery thereof (the “Official Statement”), relating to the offering and sale of the Bonds;

WHEREAS, the Commission has determined that the Corporation and the other Members of the Obligated Group are financially responsible and capable of fulfilling their respective obligations, as applicable, under the Loan Agreement, the Reimbursement Agreement, the Contract of Purchase, the Supplemental Indentures, the Master Indenture, Obligation No. 6, Obligation No. 7, the Remarketing Agreement and the Tender Agent Agreement; 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 \$75,000,000. The Bonds shall mature, subject to prior redemption, on October 1, 2038 and shall initially bear interest at a weekly variable rate in accordance with the formula set forth in the Trust Agreement with a maximum rate not to exceed 12% per annum. The Bonds shall be initially issued as fully registered bonds in denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000 and shall be initially issued in book-entry only form as described in the Trust Agreement. While the Bonds bear interest at a weekly interest rate, interest on the Bonds shall be payable on the first Business Day of each month, beginning March 2, 2009, 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 set forth in the Trust Agreement.

Section 3. The Bonds shall be subject to optional, extraordinary and mandatory sinking fund redemption, optional and mandatory tender for purchase and 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 208 of the Trust Agreement.

Section 5. The forms, terms and provisions of the Loan Agreement, the Trust Agreement and the Remarketing 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, the Trust Agreement and the Remarketing 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 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 Master Indenture, the Supplemental Indentures, Obligation No. 6, Obligation No. 7, the Credit Facility, the Reimbursement Agreement and the Tender Agent Agreement are hereby approved in substantially the forms presented at this meeting.

Section 9. The Commission hereby approves the action of the LGC in awarding the Bonds to the Underwriter at the price of \$74,578,237.74 (which price represents the aggregate principal amount of the Bonds, less an underwriter's discount of \$421,762.26).

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 Underwriter against payment therefor.

Section 11. The Commission hereby authorizes and approves the use and distribution of the Official Statement in connection with the offering and sale of the Bonds. 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 Reimbursement Agreement, the Credit Facility, the Supplemental Indentures, Obligation No. 6, Obligation No. 7, the Master Indenture, the Remarketing Agreement and the Tender Agent Agreement by the Underwriter in connection with the offering and sale of the Bonds.

Section 12. U.S. Bank National Association is hereby appointed as the Bond Trustee and Tender Agent for the Bonds. Wachovia Bank, National Association is hereby appointed as the initial Remarketing Agent 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. William J. Horton, Acting Secretary of the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary, William L. Warren, Chief of the Construction Section of the Division of Facility Services, and Kathy Larrison, Auditor for the Commission, are each hereby appointed a Commission Representative (as that term is defined in the Trust Agreement) of the Commission with full power to carry out the duties set forth therein.

Section 15. The Chairman, the Vice Chairman, any member of the Commission designated in writing by the Chairman, the Acting 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 Reimbursement Agreement, the Credit Facility, the Supplemental Indentures, Obligation No. 6, Obligation No. 7, the Master Indenture, the Remarketing Agreement and the Tender Agent Agreement.

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

10. Adjournment

There being no further business, the meeting was adjourned at 3:00 p.m.

Respectfully submitted,

Christopher B. Taylor, CPA
Assistant Secretary

Date: February 25, 2009