

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
DECEMBER 9, 2010
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
Dr. Robert Schaaf

Members of the Executive Committee Absent:

Charles T. Frock
Mary L. Piepenbring

Members of Staff Present:

Christopher B. Taylor, CPA, Assistant Secretary
Alice S. Creech, Bond Program Assistant

Others Present:

Alice Pinckney Adams, Robinson Bradshaw & Hinson, P.A.
Tommy Brewer, BB&T Capital Markets
Kevin Dougherty, McGuire Woods, LLP
John Franklin, BB&T Capital Markets
Richard Marvin, First Tryon Securities
Jeff Poley, Parker Poe Adams & Bernstein

1. Purpose of Meeting

To consider a Resolution authorizing certain amendments to the Trust Agreement and Loan Agreement relating to the outstanding North Carolina Medical Care Commission Hospital Revenue Bonds (The Moses H. Cone Hospital Project), Series 1993, (2) Amending Loan Agreement, dated as of January 1, 1993, Relating to \$61,600,000 North Carolina Medical Care Commission Hospital Revenue Bonds (The Moses H. Cone Memorial Hospital Project), Series 1993, (3) Amending Trust Agreement, dated as of January 1, 1993, Relating to \$61,600,000 North Carolina Medical Care Commission Hospital Revenue Bonds (The Moses H. Cone Memorial Hospital Project), Series 1993, (4) Resolution authorizing the sale of bonds, the proceeds of which are to be loaned to Rutherford Hospital, (5) Resolution approving the conversion of the North Carolina Medical Care Commission's Weekly Adjustable Rate Revenue Bonds, Series 2004 (Carolina Meadows, Inc.) to a "Bank-Bought Rate" mode, (6) Resolution authorizing the sale of bonds, the proceeds of which are to be loaned to The Presbyterian Homes, Inc. and Glenaire, Inc., (7) To authorize the sale of bonds, the proceeds of which are to be loaned to Hospice & Palliative Care Charlotte Region, (8) Resolution authorizing the issuance of up to \$8,300,000 North Carolina Medical Care Commission Health Care Facility Revenue Bonds (Lutheran Services for the Aging), Series 2010, and (9) Resolution authorizing the issuance of up to \$23,225,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (United Church Homes and Services), Series 2010.

2. RESOLUTION AUTHORIZING CERTAIN AMENDMENTS TO THE TRUST AGREEMENT AND LOAN AGREEMENT RELATING TO THE OUTSTANDING NORTH CAROLINA MEDICAL CARE COMMISSION HOSPITAL REVENUE BONDS (THE MOSES H. CONE MEMORIAL HOSPITAL PROJECT), SERIES 1993 – Remarks were made by Kevin Dougherty.

Executive Committee Action: A motion was made Mr. George H. V. Cecil, seconded by Mr. Joe Crocker and unanimously approved with Mrs. Lucy Bode 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, 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;

WHEREAS, each of The Moses H. Cone Memorial Hospital (the "Parent Corporation") and The Moses H. Cone Memorial Hospital Operating Corporation (the "Operating Corporation") is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina;

WHEREAS, the Commission, the Parent Corporation and the Operating Corporation have heretofore entered into a Loan Agreement, dated as of January 1, 1993, as amended (the “Loan Agreement”), relating to the lending by the Commission to the Parent Corporation and the Operating Corporation of the proceeds of the Commission’s \$61,600,000 Hospital Revenue Bonds (The Moses H. Cone Memorial Hospital Project), Series 1993 (the “Bonds”);

WHEREAS, the Bonds are secured by a Trust Agreement, dated as of January 1, 1993, as amended (the “Trust Agreement”), between the Commission and Branch Banking and Trust Company, as Bond Trustee (the “Bond Trustee”);

WHEREAS, the Parent Corporation and the Operating Corporation are contemplating calling the Bonds for redemption, and the Parent Corporation and the Operating Corporation have requested that the Commission amend the Trust Agreement to provide that an optional redemption of the Bonds may occur on any date, rather than only on an interest payment date, and to provide that such redemption be conditioned upon the availability on the redemption date of funds to pay the redemption price of the Bonds;

WHEREAS, there have been presented at this meeting draft copies of the following documents:

(a) the Second Supplemental Trust Agreement, dated as of January 1, 2011 (the “Second Supplemental Trust Agreement”), by and between the Commission and the Bond Trustee; and

(b) the Second Amendatory Loan Agreement, dated as of January 1, 2011 (the “Second Amendatory Loan Agreement”), by and among the Parent Corporation, the Operating Corporation and the Commission; and

WHEREAS, the Commission has determined that the public interest will be served by the proposed amendments set forth in the Second Supplemental Trust Agreement and the Second Amendatory Loan Agreement;

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

Section 1. The forms, terms and provisions of the Second Supplemental Trust Agreement and the Second Amendatory Loan Agreement are hereby approved in all respects, and the Chairman, Vice Chairman or any member of the Commission designated in writing by the Chairman of the Commission for such purpose and the Secretary or the Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Second Supplemental Trust Agreement and the Second Amendatory Loan Agreement in substantially the forms presented to this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 2. The Chairman, the Vice Chairman, any member of the Commission designated in writing by the Chairman of the Commission for such purpose, 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, notices, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the amendments contemplated by the Second Supplemental Trust Agreement and the Second Amendatory Loan Agreement.

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

3. NORTH CAROLINA MEDICAL CARE COMMISSION,
THE MOSES H. CONE MEMORIAL HOSPITAL
and
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION

SECOND AMENDATORY LOAN AGREEMENT

Dated as of January 1, 2011

Amending Loan Agreement, dated as of January 1, 1993,
Relating to
\$61,600,000
North Carolina Medical Care Commission
Hospital Revenue Bonds
(The Moses H. Cone Memorial Hospital Project), Series 1993

SECOND AMENDATORY LOAN AGREEMENT

This Second Amendatory Loan Agreement, dated as of January 1, 2011, by and among the NORTH CAROLINA MEDICAL CARE COMMISSION of the Department of Health and Human Services of the State of North Carolina (the "Commission"), THE MOSES H. CONE MEMORIAL HOSPITAL (the "Parent Corporation"), a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina, and THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION (the "Operating Corporation"), a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina,

W I T N E S S E T H:

WHEREAS, the Commission, the Parent Corporation and the Operating Corporation have heretofore entered into a Loan Agreement, dated as of January 1, 1993, as amended (the "Original Loan Agreement"), relating to the lending by the Commission to the Parent Corporation and the Operating Corporation of the proceeds of the Commission's \$61,600,000 Hospital Revenue Bonds (The Moses H. Cone Memorial Hospital Project), Series 1993 (the "Bonds"); and

WHEREAS, Section 10.02 of the Original Loan Agreement permits the Commission, the Parent Corporation and the Operating Corporation, without the consent of the holders of the Bonds, to enter into amendatory loan agreements which do not materially and adversely affect the interests of the holders of the Bonds; and

WHEREAS, the Commission, the Parent Corporation and the Operating Corporation desire to amend the provisions of Section 7.03(b) of the Original Loan Agreement as hereinafter described and have determined that such amendment will not materially and adversely affect the interests of the holders of the Bonds;

NOW, THEREFORE, in consideration of the respective agreements herein contained, the parties hereto agree as follows:

Section 1. All capitalized words and terms used herein shall have the meanings assigned to such words and terms in Section 1.01 of the Original Loan Agreement.

Section 2. Section 7.03(b) of the Original Loan Agreement is hereby amended and restated in its entirety to read as follows:

"(b) Any notice of prepayment may state that the prepayment to be effected is conditioned to the same extent and in the same manner that a notice of optional redemption of Bonds may be conditioned pursuant to Section 303 of the Trust Agreement."

Section 3. This Second Amendatory Loan Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original constituting but one and the same instrument.

Section 4. If any one or more of the covenants, agreements or provisions of this Second Amendatory Loan Agreement shall be determined by a court of competent jurisdiction to be invalid, the invalidity of such covenants, agreements and provisions shall in no way affect the validity or effectiveness of the remainder of this Second Amendatory Loan Agreement, and this Second Amendatory Loan Agreement shall continue in force to the fullest extent permitted by law.

Section 5. This Second Amendatory Loan Agreement shall be construed and enforced in accordance with the laws of the State.

Section 6. Except as amended by this Second Amendatory Loan Agreement, the terms and provisions of the Original Loan Agreement are hereby ratified and confirmed and the Original Loan Agreement as so amended hereby shall be read, taken and construed as one and the same instrument.

Section 7. Notwithstanding that this Second Amendatory Loan Agreement is dated as of the 1st day of January, 2011, this Second Amendatory Loan Agreement shall take effect on January __, 2011.

IN WITNESS WHEREOF, the North Carolina Medical Care Commission has caused these presents to be signed in its name and on its behalf by its Chairman, The Moses H. Cone Memorial Hospital has caused these presents to be signed in its name and on its behalf by its President and Chief Executive Officer and The Moses H. Cone Memorial Hospital Operating Corporation has caused these presents to be signed in its name and on its behalf by its President and Chief Executive Officer, all as of the 1st day of January, 2011.

NORTH CAROLINA MEDICAL CARE COMMISSION

By: _____
Chairman

THE MOSES H. CONE MEMORIAL HOSPITAL

By: _____
President and Chief Executive Officer

THE MOSES H. CONE MEMORIAL HOSPITAL
OPERATING CORPORATION

By: _____
President and Chief Executive Officer

4.

NORTH CAROLINA MEDICAL CARE COMMISSION

and

BRANCH BANKING AND TRUST COMPANY,

as Bond Trustee

SECOND SUPPELMENTAL TRUST AGREEMENT

Dated as of January 1, 2011

Amending Trust Agreement, dated as of January 1, 1993,
Relating to
\$61,600,000
North Carolina Medical Care Commission
Hospital Revenue Bonds
(The Moses H. Cone Memorial Hospital Project), Series 1993

SECOND SUPPELMENTAL TRUST AGREEMENT

This Second Supplemental Trust Agreement, dated as of January 1, 2011, by and between the NORTH CAROLINA MEDICAL CARE COMMISSION of the Department of Health and Human Services of the State of North Carolina (the "Commission"), and BRANCH BANKING AND TRUST COMPANY (the "Bond Trustee"), a banking corporation duly incorporated and validly existing under the laws of the state of North Carolina,

W I T N E S S E T H:

WHEREAS, each of The Moses H. Cone Memorial Hospital (the "Parent Corporation") and The Moses H. Cone Memorial Hospital Operating Corporation (the "Operating Corporation") is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina; and

WHEREAS, the Commission and the Bond Trustee have heretofore entered into a Trust Agreement, dated as of January 1, 1993, as amended (the "Original Trust Agreement"), securing the Commission's \$61,600,000 Hospital Revenue Bonds (The Moses H. Cone Memorial Hospital Project), Series 1993 (the "Bonds"); and

WHEREAS, the Commission has heretofore loaned to the Parent Corporation and the Operating Corporation the proceeds of the Bonds pursuant to a Loan Agreement, dated as of January 1, 1993, as amended, among the Commission, the Parent Corporation and the Operating Corporation; and

WHEREAS, the Parent Corporation and the Operating Corporation are contemplating calling the Bonds for redemption, and the Parent Corporation and the Operating Corporation have requested that the Commission amend the Original Trust Agreement to provide that an optional redemption of the Bonds may occur on any date, rather than only on a an interest payment date, and to provide that such redemption be conditioned upon the availability on the redemption date of funds to pay the redemption price of the Bonds; and

WHEREAS, Section 1401(j) of the Original Trust Agreement provides that it can be amended without the consent of the Holders (as defined in the Original Trust Agreement) of the Bonds provided that the Holders have at least one opportunity to tender their Bonds for purchase after notice of such amendment is given and before the effective date of the amendment, and the Parent Corporation and the Operating Corporation have requested that the Commission so amend the Original Trust Agreement; and

WHEREAS, the Commission has determined that it is now desirable to amend in certain respects the terms of the Original Trust Agreement; and

WHEREAS, all acts and things necessary to constitute this Second Supplemental Trust Agreement a valid indenture and agreement according to its terms have been done and performed, and the Commission and the Bond Trustee have duly authorized the execution and delivery hereof;

NOW, THEREFORE, in consideration of the premises, and of the acceptance by the Bond Trustee of the trusts hereby created, the Commission covenants and agrees with the Bond Trustee, for the benefit of the Holders from time to time of the Bonds, as follows:

Section 8. Definitions. All capitalized words and terms used herein shall have the meanings assigned to such words and terms in Section 101 of the Original Trust Agreement.

Section 9. Amendments.

Section 9.1 Section 301(a)(i) of the Original Trust Agreement is hereby amended and restated in its entirety to read as follows:

“(a) (i) The Bonds bearing interest at Daily, Weekly, Monthly, VIP, Quarterly, Semiannual or Extended Rates are subject to optional redemption prior to their Stated Maturity, upon direction of the Group Representative, in whole or in part, on any date or, in the case of Bonds bearing interest at Extended Rates, on any Purchase Date, at a price equal to the principal amount thereof without premium plus accrued interest thereon to the redemption date.”

Section 9.2 Section 303(b) of the Original Trust Agreement is hereby amended by adding a new paragraph to read as follows:

“Any notice of redemption (other than a mandatory sinking fund redemption) may state that the redemption to be effected is conditioned upon the receipt by the Bond Trustee on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds are not received by the Bond Trustee on or prior to the redemption date, the redemption shall not be made and the Bond Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.”

Section 9.3 Section 309 of the Original Trust Agreement is hereby deleted in its entirety.

Section 10. Counterparts. This Second Supplemental Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original constituting but one and the same instrument.

Section 11. Severability. If any one or more of the covenants, agreements or provisions of this Second Supplemental Trust Agreement shall be determined by a court of competent jurisdiction to be invalid, the invalidity of such covenants, agreements and provisions shall in no way affect the validity or effectiveness of the remainder of this Second Supplemental Trust Agreement, and this Second Supplemental Trust Agreement shall continue in force to the fullest extent permitted by law.

Section 12. Governing Law. This Second Supplemental Trust Agreement shall be construed and enforced in accordance with the laws of the State.

Section 13. Ratification of Trust Agreement. Except as amended by this Second Supplemental Trust Agreement, the terms and provisions of the Original Trust Agreement are hereby ratified and confirmed and the Original Trust Agreement as so amended hereby shall be read, taken and construed as one and the same instrument.

Section 14. Effective Date. Notwithstanding that this Second Supplemental Trust Agreement is dated as of the 1st day of January, 2011, this Second Supplemental Trust Agreement shall take effect on January __, 2011.

IN WITNESS WHEREOF, the North Carolina Medical Care Commission has caused these presents to be signed in its name and on its behalf by its Chairman, and Branch Banking and Trust Company has caused these presents to be signed in its name and on its behalf by one of its Vice Presidents, all as of the 1st day of January, 2011.

NORTH CAROLINA MEDICAL CARE COMMISSION

By: _____
Chairman

BRANCH BANKING AND TRUST COMPANY

By: _____
Vice President

5. **SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$8,300,000 NORTH CAROLINA MEDICAL CARE COMMISSION HEALTH CARE FACILITY REVENUE BONDS (LUTHERAN SERVICES FOR THE AGING), SERIES 2010** – Remarks were made by Kevin Dougherty and John Franklin.

Executive Committee Action: A motion was made by Mr. Joe Crocker, seconded by Dr. Robert Schaaf and unanimously approved with Mr. Gerald Cox 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;

WHEREAS, each of Lutheran Services for the Aging, Inc. (the “Parent”), Lutheran Home Winston-Salem Property, Inc. and Lutheran Home - Winston-Salem, Inc. (collectively with the Parent, the “Borrowers”) is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina;

WHEREAS, each of Lutheran Home Wilmington Property, Inc., Lutheran Home - Wilmington, Inc., LSA Elms Property, Inc., LSA Elms at Tanglewood, Inc., Lutheran Home Winston-Salem Property, Inc., Lutheran Home - Forsyth County, Inc., Lutheran Home Hickory West Property, Inc., Lutheran Home - Hickory West, Inc., LSA Management, Inc., LSA Pharmacy, Inc., Lutheran Home - Albemarle, Inc., Lutheran Home - Hickory, Inc., Lutheran Home at Trinity Oaks, Inc., Lutheran Home - Winston-Salem, Inc., Lutheran Home Albemarle Property, Inc., Lutheran Home Hickory Property, Inc., Lutheran Home at Trinity Oaks Property,

Inc., Lutheran Services Property, Inc., Lutheran Retirement Center - Salisbury, Inc., Lutheran Retirement Center - Wilmington, Inc., Lutheran Retirement Center at Lutheridge, Inc., Lutheran Services for the Aging Foundation, Inc. and Abundant Living Adult Day Services, Inc. is an affiliate of the Parent (collectively with the Parent, the “Obligors”);

WHEREAS, the Parent has made an application to the Commission for a loan for the purpose of providing funds, together with other available funds, to (i) pay, or reimburse the Borrowers for paying, the cost of the Project (as defined in the hereinafter-mentioned Loan Agreement) and (ii) pay certain expenses incurred in connection with the authorization and issuance of the Bonds (as hereinafter defined);

WHEREAS, the Commission has determined that the public will best be served by the proposed financing and, by a resolution adopted on November 19, 2010, has approved the issuance of the Bonds, subject to compliance by the Obligors with the conditions set forth in such resolution, and the Obligors have complied with such conditions to the satisfaction of the Commission;

WHEREAS, there have been presented at this meeting, draft copies of the following documents relating to the issuance of the Bonds:

(a) the Bond Purchase Agreement, to be dated as of December 1, 2010 (the “Bond Purchase Agreement”), by and among the Local Government Commission of North Carolina (the “Local Government Commission” or the “LGC”), Branch Banking and Trust Company, as purchaser (the “Bond Purchaser”) and depository (the “Depository”), the Commission and the Obligors;

(b) the Loan Agreement, to be dated as of December 1, 2010 or such other date as shall be agreed upon by the parties thereto (the “Loan Agreement”), by and between the Obligors and the Commission, pursuant to which the Commission will lend the proceeds of the Bond to the Borrowers;

(c) the Promissory Note of the Obligors, to be dated the date of its delivery (the “Note”), to be issued by the Obligors to the Commission;

(d) the Assignment, to be dated the date of issuance of the Bonds (the “Assignment”), from the Commission to the Bond Purchaser and consented to by the Obligors;

(e) the Guaranty Agreement, to be dated as of December 1, 2010 or such other date as shall be agreed upon by the parties thereto (the “Guaranty Agreement”), by and between the Obligors and the Bond Purchaser;

(f) the Security Agreement, to be dated as of December 1, 2010 or such other date as shall be agreed upon by the parties thereto (the “Security Agreement”), by and between the Obligors and the Bond Purchaser, securing the obligations of the Borrowers under the Guaranty Agreement; and

(g) the Deed of Trust, Assignment of Rents and Security Agreement, to be dated as of December 16, 2010 (the “Deed of Trust”), from Lutheran Home Winston–Salem

WHEREAS, the Commission has determined that, taking into account historical financial performance and financial forecasts internally generated by the Parent, the Obligors are financially responsible and capable of fulfilling their obligations under the Loan Agreement, the Note, the Guaranty Agreement, the Security Agreement and the Deed of Trust; and

WHEREAS, the Commission has determined that the public interest will be served by the proposed financing and that, taking into account historical financial performance and financial forecasts internally generated by the Parent, adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds;

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

Section 1. Defined Terms. Capitalized words and terms used in this Series Resolution and not defined herein shall have the same meanings in this Series Resolution as such words and terms are given in the Loan Agreement or the Bond Purchase Agreement.

Section 2. Authorization of Bonds. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of a series of revenue bonds consisting of up to \$8,300,000 aggregate principal amount of North Carolina Medical Care Commission Health Care Facility Revenue Bonds (Lutheran Services for the Aging), Series 2010 (the “Bonds”), dated December 16, 2010, and having a final stated maturity date of December 1, 2037.

The Bonds shall be issued as a fully-registered bond in the authorized denomination of \$8,300,000, shall be registered in the name of Branch Banking and Trust Company, as the initial purchaser of the Bonds, and shall be numbered R-1. Notwithstanding the denomination of the Bonds, the principal amount payable on the Bonds shall be so much of the \$8,300,000 as shall have been advanced to the Borrowers from time to time pursuant to the Loan Agreement and payable as provided in the Bond Purchase Agreement. Principal of the Bonds shall be payable in installments on the first day of each month, commencing on January 1, 2013, until paid, in such amounts as set forth in Schedule 1 to the form of the Bonds attached as Annex I to the Bond Purchase Agreement. The Bonds shall bear interest on the outstanding principal amount of the Bonds, which shall be so much of the denomination of the Bonds as shall have been advanced to the Borrowers from time to time pursuant to the Loan Agreement and as set forth on the Certificate of Disbursement endorsed on the Bonds from the date of delivery as shown on said Certificate of Disbursement, at a variable rate of interest provided for in the Bond Purchase Agreement and the Bonds, which rate of interest from the Original Issuance Date shall be (i) the product of (x) 68% and (y) One-Month LIBOR plus (ii) 1.3975% per annum, and shall be computed on the basis of a 360-day year for the actual number of days elapsed. Interest shall be payable in installments on the first calendar day of each month, commencing on January 1, 2011, until principal of the Bonds is paid in full. The Commission has determined that the Bonds shall be substantially in the form attached as Annex I to the Bond Purchase Agreement, with such variations, omissions and insertions as are consistent with the terms and provisions of the Bond Purchase Agreement.

Section 3. Redemption. The Bonds shall be subject to extraordinary, optional and mandatory redemption at the times, upon the terms and conditions, and at the price set forth in the Bond Purchase Agreement.

Section 4. Mandatory Tender for Purchase. The Bonds shall be subject to mandatory tender for purchase at the times, upon the terms and conditions, and at the price set forth in the Bond Purchase Agreement.

Section 5. Use of Bond Proceeds. The Commission hereby finds that the use of the proceeds of the Bonds for the purposes described in the preamble to this Series Resolution accomplishes the public purposes set forth in the Act. The proceeds of the Bonds shall be advanced as set forth in the Bond Purchase Agreement and the Loan Agreement.

Section 6. Authorization of Loan Agreement and Assignment. The forms, terms and provisions of the Loan Agreement and the Assignment are hereby approved in all respects, and the Chairman, Vice Chairman or any member of the Commission designated in writing by the Chairman of the Commission for such purpose and the Secretary or the Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Loan Agreement and the Assignment in substantially the forms presented to this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and 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. Authorization of Bond Purchase Agreement. The form, terms and provisions of the Bond Purchase Agreement are hereby approved in all respects and the Chairman, Vice Chairman or any member of the Commission designated in writing by the Chairman of the Commission for such purpose is hereby authorized and directed to approve, by execution and delivery, the Bond Purchase Agreement in substantially the form presented to this meeting, together with such changes, modifications, insertions and deletions as the Chairman, Vice Chairman or such member of the Commission, with the advice of counsel, may deem necessary and appropriate; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 8. Form of Bonds. The form of the Bonds set forth in Annex I to the Bond Purchase Agreement is hereby approved in all respects and the Chairman, Vice Chairman or any member of the Commission designated in writing by the Chairman of the Commission for such purpose and the Secretary or the 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 the Bonds to the Depository in definitive form, which shall be in substantially the form presented to this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary, appropriate and consistent with the Bond Purchase Agreement; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such person had remained in office until such delivery, and also

The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto, including the imposition of CUSIP or other identifying numbers.

Section 9. Approval of Other Financing Documents. The forms, terms and provisions of the Note, the Guaranty Agreement, the Deed of Trust and the Security Agreement are hereby approved in substantially the forms presented at this meeting, together with such changes, modifications and deletions as the Chairman, Vice Chairman or any member of the Commission designated in writing by the Chairman of the Commission for such purpose, with the advice of counsel, may deem necessary and appropriate; and the execution and delivery of the Loan Agreement pursuant to Section 6 of this Series Resolution shall be conclusive evidence of the approval by the Commission of the agreements and instruments set forth in this Section 9.

Section 10. Purchase of Bonds. The Commission hereby approves the action of the Local Government Commission in awarding the Bonds to the Bond Purchaser, in the principal amount and at the variable interest rate set forth in Section 2 of this Series Resolution, at a price not exceeding \$8,300,000 (representing the maximum principal amount of the Bonds). Payment for the Bonds by the Bond Purchaser from time to time shall be made at the purchase price of 100% of the principal amount of the Bonds or such lesser amount as shall be advanced to the Borrowers from time to time pursuant to the Loan Agreement.

Upon their execution in the form and manner set forth in the Bond Purchase Agreement, the Bonds shall be deposited with the Depository for completion of the Certificate of Disbursement, and the Depository is hereby authorized and directed to so certify after and upon due and valid execution of the Bond Purchase Agreement, the Loan Agreement, the Note, the Deed of Trust, the Security Agreement and the Guaranty Agreement by the proper parties thereto and thereafter the Commission shall cause the Depository to deliver the Bonds to the Bond Purchaser against payment therefor in accordance with and subject to the provisions of the Bond Purchase Agreement.

Section 11. Commission Representatives. Christopher B. Taylor, C.P.A., Assistant Secretary to the Commission, Kathy C. Larrison, Auditor to the Commission, and Steven C. Lewis, Chief of the Construction Section of the Division of Health Service Regulation, 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.

Section 12. Designation of Bonds as Qualified Tax-exempt Obligations. The Commission hereby designates the Bonds as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

Section 13. Ancillary Actions. The Chairman, the Vice Chairman, any member of the Commission designated in writing by the Chairman of the Commission for such purpose, the

Section 14. Professional Fees. A comparison of the professional fees as set forth in the resolution adopted by the Commission granting preliminary approval of this financing with the actual professional fees incurred in connection with this financing is attached to this Series Resolution as Schedule 1.

Section 15. Effective Date. This Series Resolution shall take effect immediately upon its passage.

Schedule 1

Professional Fees

<u>Professional</u>	<u>Preliminary Approval</u>	<u>Actual</u>
Placement Fee	\$176,250	\$60,000
Accountant Fees	10,000	6,000
Legal Fees for Corporate Counsel	25,000	35,000
Bond Counsel	50,000	50,000
Bank Commitment Fee	100,000	12,450
Local Government Commission	3,500	3,500
Bank Counsel	35,000	35,000

- 6. SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$23,225,000 NORTH CAROLINA MEDICAL CARE COMMISSION RETIREMENT FACILITIES FIRST MORTGAGE REVENUE BONDS (UNITED CHURCH HOMES AND SERVICES), SERIES 2010** - Remarks were made by Kevin Dougherty and Tommy Brewer.

Executive Committee Action: A motion was made by Mr. George Cecil, seconded by Mr. Joe Crocker and unanimously approved with Mr. Gerald Cox 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, United Church Homes and Services (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 continuing care retirement communities located in Thomasville and Newton, North Carolina and a skilled nursing facility located in Lexington, North Carolina; and

WHEREAS, Lake Prince Center, Inc. (“Lake Prince”) 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 a continuing care retirement community located in Suffolk, Virginia; and

WHEREAS, the Commission has previously issued its Retirement Facilities First Mortgage Revenue Bonds (United Church Homes and Services), Series 2007 in the aggregate principal amount of \$15,780,000, all of which is currently outstanding (the “Prior Bonds”), pursuant to that certain Trust Agreement, dated as of April 1, 2007, between the Commission and The Bank of New York Mellon Trust Company, N.A., as Trustee, securing the Prior Bonds; and

WHEREAS, the Corporation has made an application to the Commission for a loan for the purpose of providing funds, together with other available funds, to (a) pay, or reimburse the Corporation for paying, the cost of the Project (as described in the hereinafter-mentioned Loan Agreement), (b) refund the Prior Bonds and (c) pay certain expenses incurred in connection with the issuance of the Bonds (as hereinafter defined); and

WHEREAS, the Commission has determined that the public will best be served by the proposed financing described above, and, by resolution adopted on November 19, 2010, has approved the issuance of the Bonds, subject to compliance by the Corporation 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) the Contract of Purchase, dated December 21, 2010 (the “Contract of Purchase”), between the North Carolina Local Government Commission (the “LGC”) and SunTrust Bank (the “Bank”), and approved by the Commission and the Corporation;

(b) Supplemental Indenture for Obligation No.9, dated as of December 1, 2010 (“Supplemental Indenture No. 9”), by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as master trustee (the “Master Trustee”), supplementing the Amended and Restated Master Trust Indenture, dated as of April 1, 2005 (the “Master Indenture”), by and among the Corporation, Lake Prince and the Master Trustee;

- (c) the Trust Agreement, dated as of December 1, 2010 (the “Trust Agreement”), by and between the Commission and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Bond Trustee”), the provisions of which relate to the issuance of and security for the Bonds;
- (d) the Loan Agreement, dated as of December 1, 2010 (the “Loan Agreement”), by and between the Commission and the Corporation, pursuant to which the Commission will lend the proceeds of the Bonds to the Corporation;
- (e) Obligation No. 9, dated the date of its delivery (“Obligation No. 9”), to be issued by the Corporation to the Commission pursuant to the Master Indenture and Supplemental Indenture No. 9 and assigned to the Bond Trustee;
- (f) the Credit Agreement, dated as of December 1, 2010 (the “Credit Agreement”), by and among the Corporation, Lake Prince and the Bank;
- (g) Supplemental Indenture for Obligation No. 10, dated as of December 1, 2010 (“Supplemental Indenture No. 10”), by and between the Corporation and the Master Trustee;
- (h) Obligation No. 10, dated the date of its delivery (“Obligation No. 10”), to be issued by the Corporation to the Bank pursuant to the Master Indenture and Supplemental Indenture No. 10;
- (i) the Third Amendment to Amended and Restated Deed of Trust, dated as of December 1, 2010 (the “Lake Prince Amendment”), among Lake Prince, Mark D. Williamson and Karen L. Duncan, as Deed of Trust Trustees, and the Master Trustee, amending the Amended and Restated Deed of Trust, dated as of April 1, 2005, as amended (the “Lake Prince Deed of Trust”), from Lake Prince to Mark D. Williamson and Karen L. Duncan, as Deed of Trust Trustees, for the benefit of the Master Trustee, with respect to certain real property of Lake Prince located in the City of Suffolk, Virginia;
- (j) the Third Amendment to Amended and Restated Deed of Trust, dated as of December 1, 2010 (the “Piedmont Crossing-Centerclair Amendment”), among the Corporation, The Fidelity Company, as Deed of Trust Trustee, and the Master Trustee, amending the Amended and Restated Deed of Trust, dated as of April 1, 2005, as amended (the “Piedmont Crossing-Centerclair Deed of Trust”), from the Corporation to The Fidelity Company, as Deed of Trust Trustee, for the benefit of the Master Trustee, with respect to certain real property of the Corporation located in Davidson County, North Carolina; and
- (k) the Third Amendment to Amended and Restated Deed of Trust, dated as of December 1, 2010 (the “Abernethy Laurels Amendment” and, together with the Lake Prince Amendment and the Piedmont Crossing-Centerclair Amendment, the “Amendments to the Deeds of Trust”), among the Corporation, The Fidelity Company, as Deed of Trust Trustee, and the Master Trustee, amending the Amended and Restated Deed of Trust, dated as of April 1, 2005, as amended (the “Abernethy Laurels Deed of Trust” and, together with the Lake Prince Deed of

Trust and the Piedmont Crossing-Centerclair Deed of Trust, the “Deeds of Trust”), from the Corporation to The Fidelity Company, as Deed of Trust Trustee, for the benefit of the Master Trustee, with respect to certain real property of the Corporation located in Catawba County, North Carolina; and

WHEREAS, the Commission has determined that, taking into account the historical financial performance of the Members of the Obligated Group (as defined in the Master Indenture) and financial forecasts internally generated by the Corporation, (i) the Members of the Obligated Group are financially responsible and capable of fulfilling their respective obligations under the Master Indenture, Obligation No. 9, Supplemental Indenture No. 9, Obligation No. 10, Supplemental Indenture No. 10, the Credit Agreement and the Deeds of Trust and (ii) the Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement; and

WHEREAS, the Commission has determined that the public interest will be served by the proposed financing and that, taking into account the historical financial performance of the Members of the Obligated Group and financial forecasts internally generated by the Corporation, adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds;

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

Defined Terms. Capitalized words and terms used in this Series Resolution and not defined herein shall have the same meanings in this Series Resolution as such words and terms are given in the Trust Agreement and the Loan Agreement.

Authorization of Bonds. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of a series of revenue bonds consisting of up to \$23,225,000 aggregate principal amount of Retirement Facilities First Mortgage Revenue Bonds (United Church Homes and Services), Series 2010 (the “Bonds”), dated the date of Closing, and having a final stated maturity date of January 1, 2038.

The Bonds shall be issued as fully registered bonds, initially in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof, and thereafter in denominations permitted by the provisions of the Trust Agreement. During the initial Bank-Bought Rate Period, the Bonds shall bear interest at the Bank-Bought Rate, which shall be the rate of interest per annum equal to the sum obtained by adding (i) the product of (x) 67% of LIBOR plus (ii) 0.95% per annum, calculated as provided in the Trust Agreement. Thereafter the Bonds shall bear interest as provided in the Trust Agreement. Interest on the Bonds shall be payable on each Interest Payment Date on so much of the principal amount of the Bonds as shall be advanced from time to time pursuant to the Contract of Purchase, the Trust Agreement and the Loan Agreement.

Redemption. The Bonds shall be subject to extraordinary, optional and mandatory redemption at the times, upon the terms and conditions, and at the price set forth in the Trust Agreement.

Optional and Mandatory Tender for Purchase. The Bonds shall be subject to optional and mandatory tender for purchase at the times, upon the terms and conditions, and at the price set forth in the Trust Agreement.

Use of Bond Proceeds. The Commission hereby finds that the use of the proceeds of the Bonds for the purposes described in the preamble to this Series Resolution accomplishes the public purposes set forth in the Act. The proceeds of the Bonds shall be advanced as set forth in Section 2.10 of the Trust Agreement.

Authorization of Loan Agreement and Trust Agreement. The form, terms and provisions of the Trust Agreement and the Loan 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 of the Commission for such purpose and the Secretary or the Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Trust Agreement and the Loan Agreement in substantially the forms presented to this meeting, together with such changes, modifications and deletions, as they, with the advice of counsel, may deem necessary and 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.

Authorization of Contract of Purchase. 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 of the Commission for such purpose is hereby authorized and directed to approve, by execution and delivery, the Contract of Purchase in substantially the form presented to this meeting, together with such changes, modifications, insertions and deletions as the Chairman, the Vice Chairman or such member of the Commission, with the advice of counsel, may deem necessary and appropriate; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Forms of Bonds. 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 of the Commission for such purpose and the Secretary or the Assistant Secretary of the Commission are hereby authorized and directed to execute, by manual or facsimile signature as provided in such forms 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 forms presented to this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary, 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.

Approval of Other Financing Documents. The forms, terms and provisions of Supplemental Indenture No. 9, Obligation No. 9, Supplemental Indenture No. 10, Obligation No. 10, the Credit Agreement and the Amendments to the Deeds of Trust are hereby approved in substantially the forms presented at this meeting, together with such changes, modifications and deletions as the Chairman, the Vice Chairman or any member of the Commission designated in writing by the

Chairman of the Commission, with the advice of counsel, may deem necessary and appropriate; and the execution and delivery of the Trust Agreement pursuant to Section 5 of this Series Resolution shall be conclusive evidence of the approval of Supplemental Indenture No. 9, Obligation No. 9, Supplemental Indenture No. 10, Obligation No. 10, the Credit Agreement and the Amendments to the Deeds of Trust by the Commission.

Purchase of Bonds. The Commission hereby approves the action of the LGC in awarding the Bonds to the Bank at a price not exceeding \$23,225,000 (representing the maximum principal amount of the Bonds). Payment for the Bonds by the Bank from time to time shall be made at the purchase price of 100% of so much of the principal amount of the Bonds as shall be advanced from time to time pursuant to the Contract of Purchase. The Corporation will separately pay, on the date of Closing, the Bank a fee of \$25,000 in consideration for such purchase.

Upon their execution 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 upon the due and valid execution of the Trust Agreement, the Loan Agreement, Supplemental Indenture No. 9, Obligation No. 9, Supplemental Indenture No. 10, Obligation No. 10, the Credit Agreement, the Amendments to the Deeds of Trust and the Contract of Purchase by the parties thereto and thereafter the Bond Trustee shall deliver the Bonds to the Bank against payment therefor in accordance with and subject to the provisions of the Contract of Purchase.

Commission Representatives. Drexal R. Pratt, Secretary to the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary to the Commission, and Steven C. Lewis, Chief of the Construction Section of the Division of Health Service Regulation, 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.

Designation of Bonds as Qualified Tax-exempt Obligations. The Commission hereby designates the Bonds as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

Ancillary Actions. The Chairman, the Vice Chairman, any member of the Commission designated in writing by the Chairman of the Commission, 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, consents, agreements or other instruments, as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions, including the refunding of the Prior Bonds contemplated by the Trust Agreement, the Loan Agreement, the Master Indenture, Supplemental Indenture No. 9, Obligation No. 9, Supplemental Indenture No. 10, Obligation No. 10, the Credit Agreement, the Contract of Purchase, the Amendments to the Deeds of Trust and the Deeds of Trust.

Professional Fees. A comparison of the professional fees as set forth in the resolution adopted by the Commission granting preliminary approval of this financing with the actual professional fees incurred in connection with this financing is attached to this Series Resolution as Schedule 1.

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

Schedule 1
Professional Fees

<u>Professional</u>	<u>Preliminary Approval</u>	<u>Actual</u>
Placement Fee	\$187,500	\$174,187
Legal Fees for Corporate Counsel	\$25,000	20,000
Bond Counsel	50,000	50,000
Bank Commitment Fee	25,000	25,000
Local Government Commission	3,500	3,500
Bank Counsel	35,000	35,000

7. **Resolution of the North Carolina Medical Care Commission Authorizing the Issuance of up to \$14,375,000 North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Refunding Bonds (The Presbyterian Homes Obligated Group), Series 2010** – Remarks were made by Jeff Poley and Richard Marvin.

Executive Committee Action: A motion was made by Mr. Gerald Cox, seconded by Mr. Joe 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 (including retirement facilities) and to refund bonds previously issued by the Commission; and

WHEREAS, The Presbyterian Homes, Inc. (the “Parent”), is a North Carolina nonprofit corporation and a “non-profit agency” within the meaning and intent of the Act, which owns and operates a continuing care facilities for the elderly in High Point, North Carolina and Laurinburg, North Carolina; and

WHEREAS, Glenaire, Inc. (“Glenaire” and, together with the Parent, the “Corporations”), is a North Carolina nonprofit corporation and a “non-profit agency” within the meaning and intent of the Act, which owns and operates a continuing care facility for the elderly in Cary, North Carolina; and

WHEREAS, the Corporations have made application to the Commission for a loan for the purpose of providing funds, together with other available funds, to (a) refund the Refunded Bonds (as defined in the hereinafter mentioned Trust Agreement) and (b) pay certain fees and expenses incurred in connection with the issuance and sale of the Bonds (as defined below) by the Commission; and

WHEREAS, the Commission has determined that the public will best be served by the proposed refunding and, by a resolution adopted on October 21, 2010, has approved the issuance of the Bonds, subject to compliance by the Corporations with the conditions set forth in such resolution, and the Corporations have complied with such conditions to the satisfaction of the Commission; and

WHEREAS, there have been made available draft copies of the following documents relating to the issuance of the Bonds:

- (a) a Trust Agreement, to be dated as of December 1, 2010 (the “Trust Agreement”), by and between the Commission and U.S. Bank National Association, as bond trustee (the “Bond Trustee”);
- (b) a Contract of Purchase, to be dated on or about December 16, 2010 (the “Purchase Agreement”), between the Local Government Commission of North Carolina (the “LGC”) and First Tennessee Bank, National Association (the “Bank Purchaser”) and approved by the Corporations and the Commission, pursuant to which the Bank Purchaser will offer to purchase the Bonds on the terms and conditions set forth therein;
- (c) a Loan Agreement dated as of December 1, 2010 between the Commission and the Corporations, pursuant to which the Commission will lend the proceeds of the Bonds to the Corporations;
- (d) a Master Trust Indenture, dated as of February 15, 1996, between Glenaire and First-Citizens Bank & Trust Company, succeeded by U.S. Bank National Association, as master trustee (the “Master Trustee”), including all amendments or supplements thereto. The Parent became obligated under the Master Indenture by virtue of a Joinder Agreement, dated February 1, 2001, between Glenaire and the Parent;
- (e) a Supplemental Indenture for Obligation No. 7 dated as of December 1, 2010 among the Corporations and the Master Trustee (“Supplement No. 7”);
- (f) Obligation No. 7 dated as of the date of delivery thereof from the Corporations to the Medical Care Commission in connection with the Bonds (“Obligation No. 7”);
- (g) a Supplemental Indenture for Obligation No. 8 dated as of December 1, 2010 among the Corporations and the Master Trustee (together with Supplement No. 7, the “Supplements”);
- (h) Obligation No. 8 dated as of the date of delivery thereof from the Corporations to the Bank Purchaser in connection with the Bonds (together with Obligation No. 7, the “Obligations”); certain Amendatory Deeds of Trust (as defined in the Trust Agreement); and

- (i) a Letter of Instructions from the Corporations and the Commission to the bond trustees for the Refunded Bonds; and

WHEREAS, the Commission has determined that the Corporations are financially responsible and capable of fulfilling their obligations under the Loan Agreement, the Master Indenture, the Supplements, the Obligations, and the Deeds of Trust (as defined in the Master Indenture); and

WHEREAS, the Bank Purchaser has offered to purchase the Bonds and hold them for at least seven years at a variable interest rate equal to 68% of one-month LIBOR plus 1.25%, subject to adjustment under certain circumstances; and

WHEREAS, the Commission has determined that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds;

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

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

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Refunding Bonds (The Presbyterian Homes Obligation Group), Series 2010 (the "Bonds"), in an aggregate principal amount not to exceed \$14,375,000. The Bonds shall mature no later than December 31, 2031 and shall bear interest at such rates determined in accordance with the Trust Agreement and shall be subject to the Sinking Fund Requirements set forth in the Trust Agreement (which requirements are currently set forth in Exhibit A).

The Bonds shall be issued as fully registered bonds in (i) denominations of \$100,000 and any integral multiple of \$5,000 in excess of \$100,000 during any Bank-Bought Rate Period or Weekly Rate Period and (ii) denominations of \$5,000 and any integral multiples thereof during any Long-Term Rate Period or Adjustable Rate Period. While bearing interest at the Weekly Rate, Long-Term Rate or Adjustable Rate, the Bonds shall be issuable in book-entry form as provided in the Trust Agreement. Interest on the Bonds shall be paid at the times and at the rates determined as specified in the Trust Agreement. Payments of principal of and interest on the Bonds shall be made 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 (i) optional, extraordinary and mandatory redemption, (ii) during any Weekly Rate Period or Adjustable Rate Period, optional tender for purchase, and (iii) mandatory tender for purchase, all 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 2.10 of the Trust Agreement. The Commission hereby finds that the use of the proceeds of the Bonds

for a loan to refund the Refunded Bonds and pay costs of issuing the Bonds will accomplish the public purposes set forth in the Act.

Section 5. The forms, terms and provisions of the Trust Agreement, the Loan Agreement and the Letter of Instructions are hereby approved in all respects, and the Chairman or Vice Chairman (or any member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Trust Agreement, the Loan Agreement and the Letter of Instructions 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 and appropriate, 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 Purchase Agreement are hereby approved in all respects, and the Chairman, Vice Chairman, Secretary or any Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) is hereby authorized and directed to execute and deliver the Purchase Agreement in substantially the form presented at this meeting, together with such changes, modifications, insertions and deletions as they, with the advice of counsel, may deem necessary and appropriate, 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 or Vice Chairman (or any member of the Commission designated by the Chairman) 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 forms 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 forms presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary, 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 Supplements, Obligations and Amendatory Deeds of Trust are hereby approved in substantially the forms presented to this meeting, together with such changes, modifications and deletions as the Chairman or Vice Chairman (or any member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission, with the advice of counsel may deem necessary and appropriate; and the execution and delivery of the Trust Agreements as provided in Section 5 of this Series Resolution shall be conclusive evidence of the approval of the documents listed in this Section by the Commission.

Section 9. The Commission hereby approves the action of the Local Government Commission authorizing the private sale of the Bonds to the Bank in accordance with the Purchase Agreement at the purchase price of 100% of the principal amount thereof.

Section 10. Upon their execution in the form and manner set forth in the Trust Agreement, the Bonds shall be deposited with the Bond Trustees for authentication, and the Bond Trustees is hereby authorized and directed to authenticate the Bonds and, upon the satisfaction of the conditions set forth in Section 2.10 of the Trust Agreement, the Bond Trustee shall deliver the Bonds to the Bank Purchaser against payment therefor.

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

Section 12. If the Bonds are converted to the Weekly Rate, a Long-Term Rate or an Adjustable Rate, The Depository Trust Company, New York, New York is hereby appointed as the initial Securities Depository of the Bonds, with Cede & Co., a nominee thereof, being the initial Securities Depository Nominee and initial registered owner of the Bonds.

Section 13. Drexdal Pratt, Secretary of the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary of the Commission and Kathy C. Larrison, Auditor of the Commission, are each hereby appointed a Commission Representative as that term is defined in the Trust Agreement and the Loan Agreement, with full power to carry out the duties set forth therein. The Assistant Secretary of the Commission is authorized to execute and deliver the Tax Certificate and Form 8038 in such form as he, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Trust Agreement, the Loan Agreement and the Purchase Agreement.

Section 14. 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 transactions contemplated by the Trust Agreement and the Loan Agreement.

Section 15. A comparison of the professional fees as set forth in the resolution adopted by the Commission granting preliminary approval of this financing with the current estimate of professional fees incurred in connection with the financing is set forth in Exhibit B attached hereto and made a part hereof. Final professional fees will be submitted to Commission within 30 days after issuance of the Bonds.

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

Sinking Fund Schedule

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$800,000	2022	\$750,000
2012	550,000	2023	770,000
2013	565,000	2024	800,000
2014	590,000	2025	820,000
2015	605,000	2026	850,000
2016	625,000	2027	--
2017	640,000	2028	720,000
2018	665,000	2029	750,000
2019	685,000	2030	775,000
2020	705,000	2031*	985,000
2021	725,000		

* Maturity

8. **Resolution of the North Carolina Medical Care Commission Approving the Conversion of the North Carolina Medical Care Commission Health Care Facilities Weekly Adjustable Rate Revenue Bonds, Series 2004 (Carolina Meadows, Inc. Project) to a “Bank-Bought Rate” Mode** – Remarks were made by Allen Robertson and John Franklin.

Executive Committee Action: A motion was made by Mr. George H. V. Cecil, seconded by Mr. Joe Crocker and unanimously approved with Mr. Gerald Cox 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 (including retirement facilities) and to refund bonds previously issued by the Commission; and

WHEREAS, Carolina Meadows, 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 “nonprofit agency” within the meaning of the Act; and

WHEREAS, on December 7, 2004, the Commission issued its Health Care Facilities Weekly Adjustable Rate Revenue Bonds, Series 2004 (Carolina Meadows, Inc. Project), in the aggregate principal amount of \$20,110,000, of which \$17,810,000 aggregate principal amount is outstanding (the “Bonds”), pursuant to a Trust Agreement, dated as of December 1, 2004 (the

“Original Trust Agreement”), between the Commission and The Bank of New York Trust Company, N.A., succeeded by The Bank of New York Mellon Trust Company, N.A., as bond trustee (in such capacity, the “Bond Trustee”), and loaned the proceeds from the sale of the Bonds to the Corporation pursuant to a Loan Agreement, dated as of December 1, 2004 (the “Original Loan Agreement”), between the Commission and the Corporation; and

WHEREAS, since they were issued, the Bonds have been bearing interest at the Weekly Interest Rate (as defined in the Original Trust Agreement) and are secured by an irrevocable, transferable letter of credit (the “Initial Credit Facility”) issued by Allied Irish Banks, p.l.c.; and

WHEREAS, as an alternative to continuing in the Weekly Interest Rate mode (which requires the support of a letter of credit), SunTrust Bank (the “Bank”) has offered to purchase the Bonds and hold them for at least ten years at a variable interest rate equal to 67% of one-month LIBOR plus 0.90%, subject to adjustment under certain circumstances; and

WHEREAS, to enable the Bank to purchase and hold the Bonds, the Original Trust Agreement must be amended and restated to add a “Bank-Bought Rate” mode and then the Bonds must be remarketed to the Bank upon conversion to that mode; and

WHEREAS, the conversion of the Bonds to the Bank-Bought Rate mode (the “Conversion”) will be treated as a “reissuance” (i.e., a deemed current refunding) of the Bonds for federal income tax purposes; and

WHEREAS, before the Conversion can occur, the Original Trust Agreement must be amended to add a provision allowing a mandatory tender of the Bonds at the Corporation’s direction; and

WHEREAS, by a resolution adopted on October 22, 2010, the Commission preliminarily approved the Conversion, subject to compliance by the Corporation with the conditions set forth in such resolution, and the Corporation has complied with such conditions to the satisfaction of the Commission; and

WHEREAS, in connection with the Conversion, it has been determined that a master trust indenture structure and a collateral package running to a master trustee for the benefit of all obligation holders be established; and

WHEREAS, there have been presented at this meeting draft copies of the following documents relating to the Conversion:

- (a) a First Supplemental Trust Agreement, dated as of December 9, 2010 (the “First Supplement”), between the Commission and the Bond Trustee;
- (b) an Amended and Restated Trust Agreement, dated as of December 22, 2010 (the “Trust Agreement”), between the Commission and the Bond Trustee;
- (c) an Amended and Restated Loan Agreement, dated as of December 22, 2010 (the “Loan Agreement”), between the Commission and the Corporation;

(d) a Master Trust Indenture, dated as of December 22, 2010 (the “Master Indenture”), between the Corporation and The Bank of New York Mellon Trust Company, N.A., as master trustee (in such capacity, the “Master Trustee”);

(e) a Supplemental Indenture for Obligation No. 1, dated as of December 22, 2010 (“Supplement No. 1”), between the Corporation and the Master Trustee;

(f) Obligation No. 1, dated as of December 22, 2010 (“Obligation No. 1”), to be issued by the Corporation to the Commission;

(g) a Supplemental Indenture for Obligation No. 2, dated as of December 22, 2010 (“Supplement No. 2” and together with Supplement No. 1, the “Supplements”), between the Corporation and the Master Trustee;

(h) Obligation No. 2, dated as of December 22, 2010 (“Obligation No. 2” and together with Obligation No. 1, the “Obligations”), to be issued by the Corporation to the Bank;

(i) a Deed of Trust, dated as of December 22, 2010 (the “Deed of Trust”), from the Corporation to the deed of trust trustee named therein for the benefit of the Master Trustee; and

(j) a Credit Agreement, dated as of December 22, 2010 (the “Credit Agreement”), between the Corporation and the Bank.

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

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

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes and approves the Conversion.

As set forth in the Original Trust Agreement and the Trust Agreement, the Bonds mature on December 1, 2034 and are subject to the Sinking Fund Requirements set forth in Schedule 1 hereto.

Section 3. The forms, terms and provisions of the First Supplement, the Trust Agreement and the Loan Agreement are hereby approved in all respects, and the Chairman or Vice Chairman (or any member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Trust Agreement and the Loan Agreement, and any of the Chairman, Vice Chairman, Secretary or Assistant Secretary of the Commission is hereby authorized and directed to execute and deliver the First Supplement, in each case 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 and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 4. The forms of the Bonds set forth in the Trust Agreement are hereby approved in all respects, and the Chairman or Vice Chairman (or any member of the Commission designated by the Chairman) 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 forms 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 forms presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary, 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 5. The forms, terms and provisions of the Master Indenture, the Supplements, the Obligations, the Deed of Trust and the Credit Agreement are hereby approved in substantially the forms presented to this meeting, together with such changes, modifications and deletions as the Chairman or Vice Chairman (or any member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission, with the advice of counsel may deem necessary and appropriate; and the execution and delivery of the Trust Agreement as provided in Section 3 of this Final Resolution shall be conclusive evidence of the approval of the documents listed in this Section by the Commission.

Section 6. Drexal Pratt, Secretary of the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary of the Commission, and Kathy C. Larrison, Auditor of 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.

Section 7. 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 Conversion.

Section 8. This Final Resolution shall take effect immediately upon its passage.

Schedule 1

<u>December 1 of the Year</u>	<u>Principal Amount</u>
2011	\$ 505,000
2012	520,000
2013	535,000
2014	555,000
2015	570,000
2016	590,000
2017	610,000
2018	630,000
2019	650,000
2020	670,000
2021	690,000
2022	715,000
2023	735,000
2024	760,000
2025	785,000
2026	810,000
2027	835,000
2028	860,000
2029	890,000
2030	920,000
2031	945,000
2032	980,000
2033	1,010,000
2034*	1,040,000

*Maturity

Professional Fees Comparison for
Carolina Meadows, Inc.
Series 2004 Conversion

<u>Professional</u>	Fees Estimated In Preliminary Approval <u>Resolution</u>	<u>Actual Fees</u>
Placement fee	\$20,000	\$20,000
Corporation Counsel	20,000	30,000
Bond Counsel	25,000	35,000
Bank Commitment Fee	35,000	26,715
Bank Counsel	25,000	25,000
Accountants Fee	5,000	7,000

9. **Resolution of the North Carolina Medical Care Commission Authorizing the Issuance of \$22,160,000 North Carolina Medical Care Commission Health Care Facilities Revenue and Revenue Refunding Bonds (Rutherford Hospital, Incorporated) Series 2010** – Remarks were made by Allen Robertson and Tommy Brewer.

Executive Committee Action: A motion was made by Mr. Joe Crocker, seconded by Dr. Robert Schaaf and unanimously approved with Mr. Gerald Cox 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 (including retirement facilities) and to refund bonds previously issued by the Commission; and

WHEREAS, Rutherford Hospital, Incorporated (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 “nonprofit agency” within the meaning of the Act; 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) refund the Commission’s outstanding Health Care Facility Revenue Bonds (Rutherford Hospital, Incorporated Project) Series 2001 (the “2001 Bonds”), issued in the original aggregate principal amount of \$16,800,000; (b) pay, or reimburse the Corporation for paying, all or a portion of the cost of various

capital improvements and equipment purchases, including (i) information technology equipment for an electronic records system, (ii) biomedical equipment including, but not limited to, beds, a telemetry system and operating room equipment, (iii) renovations to an existing home health building, located in Forest City, North Carolina, to convert it to a health clinic and (iv) additional renovations to Rutherford Hospital to improve hot water, air handler and sewer systems (collectively, the “2010 Project”); and (c) pay, or reimburse the Corporation for paying, certain expenses incurred in connection with the issuance of the Bonds by the Commission; and

WHEREAS, the Commission has determined that the public will best be served by the proposed financing and, by a resolution adopted on November 19, 2010, has approved the issuance of the Bonds, subject to compliance by the Corporation 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) a Trust Agreement, dated as of December 1, 2010 (the “Trust Agreement”), between the Commission and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Bond Trustee”);

(b) a Loan Agreement, dated as of December 1, 2010 (the “Loan Agreement”), between the Commission and the Corporation;

(c) a Promissory Note, dated December 16, 2010 (the “Note”), from the Corporation to the Commission;

(d) a Guaranty Agreement, dated as of December 1, 2010 (the “Guaranty”), between the Corporation and Branch Banking and Trust Company as initial purchaser of the Bonds (the “Bank”);

(e) a Reimbursement Note, dated December 16, 2010, from the Corporation to the Bank (the “Reimbursement Note”);

(f) a Negative Pledge Agreement, dated as of December 1, 2010, between the Corporation and the Bank (the “Negative Pledge Agreement”);

(g) a Security Agreement, dated as of December 1, 2010, between the Corporation and the Bank (the “Security Agreement”, collectively with the Guaranty, the Reimbursement Note and the Negative Pledge Agreement, the “Bank Documents”); and

(h) a Contract of Purchase, dated December 16, 2010 (the “Purchase Agreement”), between the Local Government Commission of North Carolina (the “LGC”) and the Bank, and approved by the Commission and the Corporation; and

WHEREAS, the Commission has determined that the Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement and the Bank Documents; and

WHEREAS, the Commission has determined that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds;

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

Section 1. Capitalized words and terms used in this Series Resolution and not defined herein shall have the same meanings in this Series Resolution as such words and terms are given in the Trust Agreement and the Loan Agreement.

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of North Carolina Medical Care Commission Health Care Facilities Revenue and Revenue Refunding Bonds (Rutherford Hospital, Incorporated) Series 2010 (the "Bonds"), in the aggregate principal amount of \$22,160,000. The Bonds shall mature on December 1, 2030 and shall bear interest at such rates determined in accordance with the Trust Agreement and shall be subject to the Sinking Fund Requirements set forth in Schedule 1 hereto. During the initial Bank-Bought Rate Period, the Bonds will bear interest at 68% of one-month LIBOR plus 1.4625%, subject to adjustment under certain circumstances.

The Bonds shall be issued as fully registered bonds in (i) denominations of \$100,000 and any integral multiple of \$5,000 in excess of \$100,000 during any Bank-Bought Rate Period or Weekly Rate Period; however, Bonds bearing interest at the Bank-Bought Rate may initially be issued to, and purchased by, the Bank in any principal amount and (ii) denominations of \$5,000 and any integral multiples thereof during any Long-Term Rate Period or Adjustable Rate Period. While bearing interest at the Weekly Rate, Long-Term Rate or Adjustable Rate, the Bonds shall be issuable in book-entry form as provided in the Trust Agreement. Interest on the Bonds shall be paid at the times and at the rates determined as specified in the Trust Agreement. Payments of principal of and interest on the Bonds shall be made 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 (i) optional, extraordinary and mandatory redemption, (ii) during any Weekly Rate Period or Adjustable Rate Period, optional tender for purchase, and (iii) mandatory tender for purchase, all 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 2.10 of the Trust Agreement. The Commission hereby finds that the use of the proceeds of the Bonds for a loan to refund the 2001 Bonds, finance all or a portion of the cost of the 2010 Project and pay costs of issuing the Bonds will accomplish the public purposes set forth in the Act.

Section 5. The forms, terms and provisions of the Trust Agreement and the Loan Agreement are hereby approved in all respects, and the Chairman or Vice Chairman (or any

member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Trust Agreement and the Loan 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 and appropriate, 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 Purchase Agreement are hereby approved in all respects, and the Chairman, Vice Chairman, Secretary or any Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) is hereby authorized and directed to execute and deliver the Purchase Agreement in substantially the form presented at this meeting, together with such changes, modifications, insertions and deletions as they, with the advice of counsel, may deem necessary and appropriate, 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 or Vice Chairman (or any member of the Commission designated by the Chairman) 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 forms 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 forms presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary, 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 Note and the Bank Documents are hereby approved in substantially the forms presented to this meeting, together with such changes, modifications and deletions as the Chairman or Vice Chairman (or any member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission, with the advice of counsel may deem necessary and appropriate; and the execution and delivery of the Trust Agreement as provided in Section 5 of this Series Resolution shall be conclusive evidence of the approval of the documents listed in this Section by the Commission.

Section 9. The Commission hereby approves the action of the Local Government Commission authorizing the private sale of the Bonds to the Bank in accordance with the Purchase Agreement at the purchase price of 100% of the principal amount thereof.

Section 10. Upon their execution 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 the satisfaction of the conditions set forth in Section 2.10 of the Trust Agreement, the Bond Trustee shall deliver the Bonds to the Bank against payment therefor.

Section 11. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as the initial Bond Trustee for the Bonds.

Section 12. If the Bonds are converted to the Weekly Rate, a Long-Term Rate or an Adjustable Rate, the Depository Trust Company, New York, New York is hereby appointed as the initial Securities Depository of the Bonds, with Cede & Co., a nominee thereof, being the initial Securities Depository Nominee and initial registered owner of the Bonds.

Section 13. Drexdal Pratt, Secretary of the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary of the Commission, Steven Lewis, Chief of the Construction Section of the Division of Health Service Regulation, and Kathy C. Larrison, Auditor of 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.

Section 14. 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 transactions contemplated by the Trust Agreement, the Loan Agreement, and the Purchase Agreement.

Section 15. This Series Resolution shall take effect immediately upon its passage.

Schedule 1

<u>Due December 1</u>	<u>Amount</u>	<u>Due December 1</u>	<u>Amount</u>
2012	\$ 75,000	2021	\$1,200,000
2013	900,000	2022	1,230,000
2014	945,000	2023	1,265,000
2015	960,000	2024	1,320,000
2016	1,015,000	2025	1,365,000
2017	1,030,000	2026	1,405,000
2018	1,080,000	2027	1,450,000
2019	1,110,000	2028	1,500,000
2020	1,140,000	2029	1,560,000
		2030*	1,610,000

* Maturity

Professional Fees Comparison for
Rutherford Hospital, Incorporated

<u>Professional</u>	Fees Estimated In Preliminary Approval <u>Resolution</u>	<u>Actual Fees</u>
Structuring fee (BB&T Capital Markets)	\$50,000	\$50,000
Accountants	10,000	17,500
Corporation counsel	20,000	17,000
Bond counsel	45,000	40,000
Bank loan origination fee	78,750	78,750
Bank counsel	30,000	30,000

10. Resolution of the North Carolina Medical Care Commission Authorizing the Issuance of \$4,995,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Hospice & Palliative Care Charlotte Region) Series 2010 – Remarks were made by Allen Robertson

Executive Committee Action: A motion was made by Mr. Joe Crocker, seconded by Mr. Robert Schaaf and unanimously approved with Mr. Gerald Cox 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 (including retirement facilities) and to refund bonds previously issued by the Commission; and

WHEREAS, Hospice & Palliative Care Charlotte Region (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 “nonprofit agency” within the meaning of the Act; 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) refund the outstanding principal balance of an existing taxable bank loan (the “Prior Loan”), the proceeds of which were used to finance a portion of the cost of acquiring and constructing the Levine & Dickson Hospice House located at 11900 Vanstory Drive, Huntersville, Mecklenburg County, North Carolina, which is an approximately 30,000 square-foot facility consisting of 11 hospice inpatient beds and five hospice residential beds (the “Project”); and (b) pay certain expenses incurred in connection with the issuance of the Bonds by the Commission; and

WHEREAS, the Commission has determined that the public will best be served by the proposed financing and, by a resolution adopted on November 19, 2010, has approved the issuance of the Bonds, subject to compliance by the Corporation 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) a Trust Agreement, dated as of December 1, 2010 (the "Trust Agreement"), between the Commission and Branch Banking and Trust Company, as trustee (in such capacity, the "Bond Trustee");

(b) a Loan Agreement, dated as of December 1, 2010 (the "Loan Agreement"), between the Commission and the Corporation;

(c) a Promissory Note, dated December 21, 2010 (the "Note"), from the Corporation to the Commission;

(d) a Guaranty and Loan Agreement, dated as of December 1, 2010 (the "Guaranty"), between the Corporation and Branch Banking and Trust Company as initial purchaser of the Bonds (in such capacity, the "Bank");

(e) a Reimbursement Note, dated December 21, 2010 (the "Reimbursement Note"), from the Corporation to the Bank;

(f) a Deed of Trust, Security Agreement and Assignment of Rents and Leases, dated as of December 1, 2010 (the "Deed of Trust"), from the Corporation to the deed of trust trustee, named therein for the benefit of the Bank;

(g) a Negative Pledge Agreement, dated as of December 1, 2010, between the Corporation and the Bank (the "Negative Pledge Agreement");

(h) a Security Agreement, dated as of December 1, 2010, between the Corporation and the Bank (the "Security Agreement");

(i) an Environmental Certification and Indemnity Agreement, dated as of December 1, 2010, between the Corporation and the Bank (the "Environmental Certification," and collectively with the Guaranty, the Reimbursement Note, the Deed of Trust, the Negative Pledge Agreement and the Security Agreement, the "Bank Documents"); and

(j) a Contract of Purchase, dated December 21, 2010 (the "Purchase Agreement"), between the Local Government Commission of North Carolina (the "LGC") and the Bank, and approved by the Commission and the Corporation.

WHEREAS, the Commission has determined that the Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement and the Bank Documents; and

WHEREAS, the Commission has determined that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds;

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

Section 1. Capitalized words and terms used in this Series Resolution and not defined herein shall have the same meanings in this Series Resolution as such words and terms are given in the Trust Agreement and the Loan Agreement.

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Hospice & Palliative Care Charlotte Region) Series 2010 (the "Bonds"), in the aggregate principal amount of \$4,995,000. The Bonds shall mature on December 1, 2025 and shall bear interest at such rates determined in accordance with the Trust Agreement and shall be subject to the Sinking Fund Requirements set forth in Schedule 1 hereto. During the initial Bank-Bought Rate Period, the Bonds will bear interest at 68% of one-month LIBOR plus 1.30%, subject to adjustment under certain circumstances.

The Bonds shall be issued as fully registered bonds in (i) denominations of \$100,000 and any integral multiple of \$5,000 in excess of \$100,000 during any Bank-Bought Rate Period or Weekly Rate Period and (ii) denominations of \$5,000 and any integral multiples thereof during any Long-Term Rate Period or Adjustable Rate Period. While bearing interest at the Weekly Rate, Long-Term Rate or Adjustable Rate, the Bonds shall be issuable in book-entry form as provided in the Trust Agreement. Interest on the Bonds shall be paid at the times and at the rates determined as specified in the Trust Agreement. Payments of principal of and interest on the Bonds shall be made 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 (i) optional, extraordinary and mandatory redemption, (ii) during any Weekly Rate Period or Adjustable Rate Period, optional tender for purchase, and (iii) mandatory tender for purchase, all 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 2.10 of the Trust Agreement. The Commission hereby finds that the use of the proceeds of the Bonds for a loan to refund the Prior Loan and pay costs of issuing the Bonds will accomplish the public purposes set forth in the Act.

Section 5. The forms, terms and provisions of the Trust Agreement and the Loan Agreement are hereby approved in all respects, and the Chairman or Vice Chairman (or any member of the Commission designated by the Chairman) and the Secretary or any Assistant

Secretary of the Commission are hereby authorized and directed to execute and deliver the Trust Agreement and the Loan 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 and appropriate, 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 Purchase Agreement are hereby approved in all respects, and the Chairman, Vice Chairman, Secretary or any Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) is hereby authorized and directed to execute and deliver the Purchase Agreement in substantially the form presented at this meeting, together with such changes, modifications, insertions and deletions as they, with the advice of counsel, may deem necessary and appropriate, 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 or Vice Chairman (or any member of the Commission designated by the Chairman) 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 forms 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 forms presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary, 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 Note and the Bank Documents are hereby approved in substantially the forms presented to this meeting, together with such changes, modifications and deletions as the Chairman or Vice Chairman (or any member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission, with the advice of counsel may deem necessary and appropriate; and the execution and delivery of the Trust Agreement as provided in Section 5 of this Series Resolution shall be conclusive evidence of the approval of the documents listed in this Section by the Commission.

Section 9. The Commission hereby approves the action of the Local Government Commission authorizing the private sale of the Bonds to the Bank in accordance with the Purchase Agreement at the purchase price of 100% of the principal amount thereof.

Section 10. Upon their execution 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 the satisfaction of the conditions set forth in Section 2.10 of the Trust Agreement, the Bond Trustee shall deliver the Bonds to the Bank against payment therefor.

Section 11. Branch Banking and Trust Company is hereby appointed as the initial Bond Trustee for the Bonds.

Section 12. If the Bonds are converted to the Weekly Rate, a Long-Term Rate or an Adjustable Rate, the Depository Trust Company, New York, New York is hereby appointed as the initial Securities Depository of the Bonds, with Cede & Co., a nominee thereof, being the initial Securities Depository Nominee and initial registered owner of the Bonds.

Section 13. Drexdal Pratt, Secretary of the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary of the Commission, and Kathy C. Larrison, Auditor of 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.

Section 14. 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 transactions contemplated by the Trust Agreement, the Loan Agreement, and the Purchase Agreement.

Section 15. This Series Resolution shall take effect immediately upon its passage.

Schedule 1

<u>Due December 1</u>	<u>Amount</u>	<u>Due December 1</u>	<u>Amount</u>
2011	\$235,000	2019	\$355,000
2012	285,000	2020	360,000
2013	295,000	2021	360,000
2014	300,000	2022	360,000
2015	300,000	2023	375,000
2016	300,000	2024	415,000
2017	300,000	2025*	420,000
2018	335,000		

* Maturity

Professional Fees Comparison for
Hospice & Palliative Care Charlotte Region

<u>Professional</u>	Fees Estimated In Preliminary Approval <u>Resolution</u>	<u>Actual Fees</u>
Structuring fee (BB&T Capital Markets)	\$15,000	\$15,000.00
Accountants	N/A	7,600.00
Corporation counsel	5,000	25,000.00
Bond counsel	30,000	30,000.00
Bank loan origination fee	N/A	12,487.50
Bank counsel	25,000	25,000.00

Schedule 1

<u>Due December 1</u>	<u>Amount</u>	<u>Due December 1</u>	<u>Amount</u>
2012	\$ 75,000	2021	\$1,200,000
2013	900,000	2022	1,230,000
2014	945,000	2023	1,265,000
2015	960,000	2024	1,320,000
2016	1,015,000	2025	1,365,000
2017	1,030,000	2026	1,405,000
2018	1,080,000	2027	1,450,000
2019	1,110,000	2028	1,500,000
2020	1,140,000	2029	1,560,000
		2030*	1,610,000

* Maturity

11. Adjournment

There being no further business, the meeting was adjourned at 2:45 p.m.

Respectfully submitted,

Christopher B. Taylor, C.P.A.
Assistant Secretary