

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

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

MINUTES

CALLED MEETING OF THE EXECUTIVE COMMITTEE OF THE COMMISSION  
CONFERENCE TELEPHONE MEETING ORIGINATING  
FROM THE OFFICES OF THE COMMISSION  
AUGUST 19, 2016  
11:00 A.M.

**Members of the Commission Present:**

Joseph D. Crocker, Vice-Chairman  
Charles H. Hauser  
Eileen C. Kugler  
Carl K. Rust, II, MD  
Robert E. Schaaf, MD

**Members of the Commission Absent:**

John A. Fagg, MD, Chairman  
Charles T. Frock

**Members of Staff Present:**

S. Mark Payne, DHSR Director, MCC Secretary  
Christopher B. Taylor, CPA, Assistant Secretary  
Kathy C. Larrison, Auditor  
Crystal Watson-Abbott, Auditor  
Alice S. Creech, Executive Assistant

**Others Present:**

Charles Ayscue, Mission Health  
Carol Goodrum, Mission Health  
Jon Mize, Womble Carlyle Sandridge & Rice, LLP  
Christine McIntyre, Wells Fargo  
Robert Hobson, Wells Fargo  
Kevin Dougherty, McGuire Woods, LLP  
Mark Fuller, DePaul  
Jim Whalen, DePaul  
Tyler Sandridge, DePaul  
Steve Cordell, Nexsen Pruet, PLLC  
Anne Moffat, Presbyterian Home at Charlotte  
Tad Melton, Ziegler

David Lacy, Southminster  
Kendra Laughey, Southminster  
Allen Robertson, Robinson Bradshaw & Hinson, P.A.  
Adam Garcia, Ziegler  
Mike Kelly, Ziegler

**1. Purpose of Meeting**

To consider (1) a resolution authorizing the sale and issuance of bonds, the proceeds of which will be loaned to Mission Health System, Inc., Series 2016 (2) a resolution authorizing a forward delivery for Mission Health, Series 2017, (3) a resolution approving the release and termination of certain security instruments in connection with the sale of East Towne House and the partial redemption of the outstanding North Carolina Medical Care Commission First Mortgage Revenue Bonds (Community Facilities Project), Series 2007A, (4) a resolution for a waiver for Presbyterian Homes at Charlotte, (5) the form of a waiver related to Presbyterian Homes at Charlotte qualified intermediate term indebtedness, and (6) a resolution authorizing a preliminary refunding transaction for Southminster, Inc.

**2. Series Resolution Authorizing the Issuance of \$53,985,000 North Carolina Medical Care Commission Health System Revenue Refunding Bonds (Mission Health Combined Group), Series 2016 (the "Bonds").**

**Remarks were made by:** Robert Hobson, Jon Mize and Charles Ayscue.

**Executive Committee Action:** Motion was made by Mrs. Eileen Kugler, seconded by Mr. Charles Hauser, and unanimously approved, with the recusals Dr. Carl Rust and Dr. Robert Schaaf.

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

WHEREAS, the Parent Corporation has made application to the Commission for a loan to be made to the Parent Corporation for the purpose of providing funds, together with other available funds, to (a) refund a portion of the Commission's outstanding (i) North Carolina Medical Care Commission Health System Revenue Bonds (Mission Health Combined Group), Series 2007, dated January 31, 2007 (the "2007 Bonds"), and (ii) North Carolina Medical Care

Commission Health System Revenue Bonds (Mission Health Combined Group), Series 2010, dated February 24, 2010 (the "2010 Bonds"), and (b) pay certain fees and expenses incurred in connection with the authorization, sale and issuance of the Bonds; and

WHEREAS, the Executive Committee of the Commission has, by resolution adopted on July 22, 2016, approved the issuance of the Bonds, subject to compliance with the conditions set forth in such resolution, and the Parent Corporation has complied with such conditions to the satisfaction of the Commission; and

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

(a) Trust Agreement, to be dated as of September 1, 2016 (the "Trust Agreement"), between the Commission and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Bond Trustee"), together with the form of the Bonds attached thereto;

(b) Loan Agreement, to be dated as of September 1, 2016 (the "Loan Agreement"), between the Commission and the Parent Corporation;

(c) Contract of Purchase, to be dated the date of delivery thereof (the "Contract of Purchase"), between the North Carolina Local Government Commission (the "LGC") and Wells Fargo Securities, LLC, on behalf of itself and Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively, the "Underwriters"), and approved by the Commission and the Parent Corporation;

(d) Supplemental Master Indenture for Obligation No. 30, to be dated as of September 1, 2016 (the "Supplemental Indenture"), between the Parent Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to First Union National Bank) (in such capacity, the "Master Trustee"), supplementing an Amended and Restated Master Trust Indenture, dated as of November 1, 1998 (as supplemented, the "Master Indenture"), by and among the Parent Corporation, Memorial Mission Hospital, Inc. (now known as Mission Hospital, Inc.) and the Master Trustee;

(e) the Master Indenture;

(f) Obligation No. 30, to be dated the date of delivery thereof ("Obligation No. 30"), to be issued by the Parent Corporation to the Commission;

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

(h) Escrow Deposit Agreement, to be dated as of September 1, 2016 (the "2007 Escrow Deposit Agreement"), among the Commission, the Parent Corporation and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent"), relating to the refunding of a portion of the 2007 Bonds; and

(i) Escrow Deposit Agreement, to be dated as of September 1, 2016 (the “2010 Escrow Deposit Agreement” and, together with the 2007 Escrow Deposit Agreement, the “Escrow Deposit Agreements”), among the Commission, the Parent Corporation and the Escrow Agent, relating to the refunding of a portion of the 2010 Bonds; and

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

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

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

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

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of the Bonds in the aggregate principal amount of \$53,985,000. The Bonds shall be dated as of the date of delivery thereof and shall mature in such amounts and at such times and shall bear interest at such rates as are set forth in Exhibit A attached hereto and made a part hereof.

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

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

Section 4. The proceeds of the Bonds shall be applied as provided in Section 208 of the Trust Agreement.

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

necessary to incorporate the final terms of the Bonds as shall be set forth in the Contract of Purchase; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

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

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

Section 8. The forms, terms and provisions of the Supplemental Indenture and Obligation No. 30 are hereby approved in substantially the forms presented at this meeting, together with such changes, modifications and deletions as the Chairman or Vice Chairman, with the advice of counsel, may deem necessary and appropriate; and the execution and delivery of the Trust Agreement by the Commission shall be conclusive evidence of the approval of the Supplemental Indenture and Obligation No. 30 by the Commission.

Section 9. The Commission hereby approves the action of the LGC in awarding the Bonds to the Underwriters at the price of \$64,528,793.45 (which price represents the aggregate principal amount of the Bonds, plus a net original issue premium of \$10,813,718.45 and less an underwriters' discount of \$269,925.00).

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

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

of the Bonds, is hereby approved, and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman for such purpose is hereby authorized to execute and deliver, on behalf of the Commission, the Official Statement in substantially such form, together with such changes, modifications and deletions as the Chairman, the Vice Chairman or such member of the Commission, with the advice of counsel, may deem necessary or appropriate; and such execution and delivery shall be conclusive evidence of the approval thereof by the Commission. The Commission hereby approves and authorizes the distribution and use of copies of the Loan Agreement, the Trust Agreement, the Supplemental Indenture, Obligation No. 30 and the Master Indenture by the Underwriters in connection with the offering and sale of the Bonds.

Section 12. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as the Bond Trustee for the Bonds and the Escrow Agent.

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

Section 14. S. Mark Payne, Secretary of the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary, Kathy C. Larrison, Auditor, and Crystal Watson-Abbott, Auditor, for the Commission, are each hereby appointed a Commission Representative (as that term is defined in the Loan Agreement) of the Commission with full power to carry out the duties set forth therein.

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

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

Section 17. A comparison of the professional fees as set forth in the resolution of the Executive Committee of the Commission granting preliminary approval of this financing with the actual professional fees incurred in connection with the financing is set forth as Exhibit B hereto.

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

**MATURITY SCHEDULE**

<u>Due October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$2,065,000	3.00%
2021	2,130,000	2.00
2022	2,170,000	4.00
2023	2,260,000	5.00
2024	2,370,000	5.00
2025	2,485,000	5.00
2026	2,610,000	5.00
2027	6,245,000	5.00
2028	4,345,000	5.00
2029	5,530,000	5.00
2030	3,175,000	5.00
2031	300,000	2.75
2031	3,035,000	4.00
2032	3,915,000	5.00
2033	3,635,000	4.00
2034	3,785,000	4.00
2035	3,930,000	3.00

**PROFESSIONAL FEES**

<u>Professional</u>	<u>Preliminary Approval</u>	<u>Actual</u>
Underwriters	\$268,650	\$269,925
Accountant/Auditor	50,000	35,254*
Bond Counsel	60,000	47,592*
Underwriters' Counsel	48,000	38,074*
Combined Group Counsel	8,500	6,522*
Trustee (including counsel)	5,750	4,935*

\*These fees represent a pro rata portion of the combined fees for such entities relating to the Bonds and the \$100,285,000 North Carolina Medical Care Commission Health System Revenue Refunding Bonds (Mission Health Combined Group), Series 2017 approved on the date hereof.

3. **Series Resolution Authorizing the Issuance of \$100,285,000 North Carolina Medical Care Commission Health System Revenue Refunding Bonds (Mission Health Combined Group), Series 2017 (the "Bonds").**

**Remarks were made by:** Robert Hobson, Jon Mize and Charles Ayscue.

**Executive Committee Action:** Motion was made by Mr. Charles Hauser, seconded by Mrs. Eileen Kugler, and unanimously approved with the recusals of Dr. Carl Rust and Dr. Robert Schaaf.

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

WHEREAS, the Parent Corporation has made application to the Commission for a loan to be made to the Parent Corporation for the purpose of providing funds, together with other available funds, to (a) refund a portion of the Commission's outstanding North Carolina Medical Care Commission Health System Revenue Bonds (Mission Health Combined Group), Series 2007, dated January 31, 2007 (the "2007 Bonds"), and (b) pay certain fees and expenses incurred in connection with the authorization, sale and issuance of the Bonds; and

WHEREAS, the Executive Committee of the Commission has, by resolution adopted on July 22, 2016, approved the issuance of the Bonds, subject to compliance with the conditions set forth in such resolution, and the Parent Corporation has complied with such conditions to the satisfaction of the Commission; and

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

(a) Trust Agreement, to be dated as of July 1, 2017 (the "Trust Agreement"), between the Commission and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Bond Trustee"), together with the form of the Bonds attached thereto;

(b) Loan Agreement, to be dated as of July 1, 2017 (the "Loan Agreement"), between the Commission and the Parent Corporation;

(c) Forward Delivery Contract of Purchase, to be dated the date of delivery thereof (the "Contract of Purchase"), between the North Carolina Local Government Commission (the "LGC") and Wells Fargo Securities, LLC, on behalf of itself and



Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively, the "Underwriters"), and approved by the Commission and the Parent Corporation;

(d) Supplemental Master Indenture for Obligation No. 31, to be dated as of July 1, 2017 (the "Supplemental Indenture"), between the Parent Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to First Union National Bank) (in such capacity, the "Master Trustee"), supplementing an Amended and Restated Master Trust Indenture, dated as of November 1, 1998 (as supplemented, the "Master Indenture"), by and among the Parent Corporation, Memorial Mission Hospital, Inc. (now known as Mission Hospital, Inc.) and the Master Trustee;

(e) the Master Indenture;

(f) Obligation No. 31, to be dated the date of delivery thereof ("Obligation No. 31"), to be issued by the Parent Corporation to the Commission; and

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

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

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

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

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

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of the Bonds in the aggregate principal amount of \$100,285,000. The Bonds shall be dated as of the date of delivery thereof and shall mature in such amounts and at such times and shall bear interest at such rates as are set forth in Exhibit A attached hereto and made a part hereof.

The Bonds shall be issued as fully registered bonds in denominations of \$5,000 or any whole multiple thereof. The Bonds shall be initially issued in book-entry only form as described in the Trust Agreement. Interest on the Bonds shall be payable semiannually on each April 1 and October 1, beginning October 1, 2017, until the Bonds are fully paid. Payments of principal of and interest on the Bonds shall be forwarded by the Bond Trustee to the registered owners of the Bonds in such manner as is set forth in the Trust Agreement.

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

Section 4. The proceeds of the Bonds shall be applied as provided in Section 208 of the Trust Agreement.

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

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

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

Section 8. The forms, terms and provisions of the Supplemental Indenture and Obligation No. 31 are hereby approved in substantially the forms presented at this meeting, together with such changes, modifications and deletions as the Chairman or Vice Chairman, with the advice of counsel, may deem necessary and appropriate; and the execution and delivery of the Trust Agreement by the Commission shall be conclusive evidence of the approval of the Supplemental Indenture and Obligation No. 31 by the Commission.

Section 9. The Commission hereby approves the action of the LGC in awarding the Bonds to the Underwriters at the price of \$118,507,767.80 (which price represents the aggregate

principal amount of the Bonds, plus an original issue premium of \$18,724,192.80 and less an underwriters' discount of \$501,425.00).

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

Section 11. The Commission hereby ratifies the use and distribution of the Preliminary Official Statement in connection with the offering and sale of the Bonds. The preparation and distribution of a final Official Statement (the "Official Statement"), in substantially the form of the Preliminary Official Statement, with such changes as are necessary to reflect the final terms of the Bonds, is hereby approved, and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman for such purpose is hereby authorized to execute and deliver, on behalf of the Commission, the Official Statement in substantially such form, together with such changes, modifications and deletions as the Chairman, the Vice Chairman or such member of the Commission, with the advice of counsel, may deem necessary or appropriate; and such execution and delivery shall be conclusive evidence of the approval thereof by the Commission. The Commission hereby approves and authorizes the distribution and use of copies of the Loan Agreement, the Trust Agreement, the Supplemental Indenture, Obligation No. 31 and the Master Indenture by the Underwriters in connection with the offering and sale of the Bonds.

Section 12. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as the Bond Trustee for the Bonds.

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

Section 14. S. Mark Payne, Secretary of the Commission, Christopher B. Taylor, C.P.A., Assistant Secretary, Kathy C. Larrison, Auditor, and Crystal Watson-Abbott, Auditor, for the Commission, are each hereby appointed a Commission Representative (as that term is defined in the Loan Agreement) of the Commission with full power to carry out the duties set forth therein.

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

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

Section 17. A comparison of the professional fees as set forth in the resolution of the Executive Committee of the Commission granting preliminary approval of this financing with the actual professional fees incurred in connection with the financing is set forth as Exhibit B hereto.

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

**4. RESOLUTION APPROVING THE RELEASE AND TERMINATION OF CERTAIN SECURITY INSTRUMENTS IN CONNECTION WITH THE SALE OF EAST TOWNE HOUSE AND THE PARTIAL REDEMPTION OF THE OUTSTANDING NORTH CAROLINA MEDICAL CARE COMMISSION HEALTH CARE FACILITIES FIRST MORTGAGE REVENUE BONDS (COMMUNITY FACILITIES PROJECT), SERIES 2007A.**

**Remarks were made by:** Kevin Dougherty and Mark Fuller.

**Executive Committee Action:** Motion was made by Dr. Robert Schaaf, seconded by Dr. Carl Rust and unanimously approved.

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

**WHEREAS**, Community Facilities, Inc. (the "Corporation") is a not-for-profit corporation duly incorporated and validly existing under and by virtue of the laws of the State of New York and a "nonprofit agency" within the meaning of the Act; and

**WHEREAS**, the Commission has heretofore issued its Health Care Facilities First Mortgage Revenue Bonds (Community Facilities Project), Series 2007A (the "Series 2007A Bonds"), which are currently outstanding in the aggregate principal amount of \$25,705,000, pursuant to a Trust Agreement, dated as of October 1, 2007 (the "Original Trust Agreement"), by and between the Commission and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as Bond Trustee (the "Bond Trustee"); and

**WHEREAS**, the Commission loaned the proceeds of the Series 2007A Bonds to the Corporation for the purpose of providing funds, together with other available funds, to (i) refund the Commission's Health Care Facilities First Mortgage Revenue Bonds (DePaul Community Facilities Project), Series 1998; (ii) refund the Commission's Health Care Facilities First

Mortgage Revenue Bonds (DePaul Community Facilities Project), Series 1999; (iii) refund the mortgage note, dated as of January 12, 1998, insured by the Federal Housing Administration with respect to Woodridge House (as defined in the Original Loan Agreement hereinafter mentioned); (iv) retire certain indebtedness incurred to finance the acquisition of certain of the Acquired Facilities (as defined in the Original Trust Agreement), including a 120-bed adult care home located in the City of Charlotte, North Carolina ("East Towne House"); (v) pay, or reimburse the Corporation for paying, a portion of the cost of the Series 2007A Project (as defined in the Original Loan Agreement), including the cost of acquiring and installing furnishings and equipment for use in, and constructing routine capital improvements and renovations at, East Towne House; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2007A Bonds; and

**WHEREAS**, simultaneously with the issuance of the Series 2007A Bonds, the Corporation and the Commission entered into a Loan Agreement, dated as of October 1, 2007 (the "Original Loan Agreement"), pursuant to which the Commission loaned the proceeds of the Series 2007A Bonds to the Corporation and as evidence of the loan, the Corporation executed and delivered its Series 2007 Note (as defined in the Original Loan Agreement) to the Commission; and

**WHEREAS**, the Series 2007 Note is secured by the Deeds of Trust (as defined in the Original Loan Agreement) on certain real property located in Burke, Forsyth, Lincoln, Mecklenburg, Surrey, Union and Wake Counties, North Carolina, including the Deed of Trust, dated as of October 1, 2007 (the "East Towne Deed of Trust"), covering the site of East Towne House, the East Towne House and certain other property of the Corporation as more fully described therein (the "East Towne Mortgaged Property"); and

**WHEREAS**, the Corporation and DePaul Adult Care have entered into a Lease Agreement, dated as of October 1, 2007 (the "East Towne Lease"), covering the site of East Towne House, the East Towne House and certain other property of the Corporation as more fully described therein (the "East Towne Demised Premises"); and

**WHEREAS**, the Commission entered into the Original Trust Agreement for the purpose of authorizing the Series 2007A Bonds and securing the payment thereof by assigning to the Bond Trustee its rights as the registered owner of the Series 2007 Note and certain of its rights under the Original Loan Agreement; and

**WHEREAS**, on September 17, 2009, the Commission and the Bond Trustee entered into an Amended and Restated Trust Agreement, dated as of September 1, 2009 (the Original Trust Agreement as so amended and restated is hereinafter referred to as the "Trust Agreement"), the Commission and the Corporation entered into an Amended and Restated Loan Agreement, dated as of September 1, 2009 (the Original Loan Agreement as so amended and restated is hereinafter referred to as the "Loan Agreement"), and the Series 2007A Bonds were converted to bear interest in a Bank Purchase Interest Rate Period (as defined in the Trust Agreement); and

**WHEREAS**, the Corporation has entered into a purchase and sale agreement with Agemark Acquisition, LLC, a North Carolina limited liability company (the "Purchaser"), pursuant to which the Corporation has agreed to sell East Towne House to the Purchaser; and

**WHEREAS**, the Corporation has covenanted in the Loan Agreement that it will not take any action will, or fail to take any action which failure will, cause interest on the Series 2007A Bonds to become includable in the gross income of the owners of the Series 2007A Bonds for federal income tax purposes; and

**WHEREAS**, on the basis of advice received from Bond Counsel, the Commission and the Corporation have determined to take a remedial action described in U.S. Treasury Regulations Section 1.141-12(d), by redeeming \$6,430,000 in principal amount of the outstanding Series 2007A Bonds concurrently with the closing on the sale of East Towne House to the Purchaser; and

**WHEREAS**, in connection with such sale of East Towne House and such redemption of a portion of the Series 2007A Bonds, it will be necessary to release the liens or security interests granted by the East Towne Deed of Trust and the East Towne Lease and otherwise terminate such instruments;

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

The Chairman, the Vice Chairman, any member of the Commission designated in writing by the Chairman of the Commission, the Secretary and the Assistant Secretary of the Commission are authorized and directed 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 (a) the redemption of a portion (\$6,430,000) of the outstanding Series 2007A Bonds and (b) the release of the liens or security interests granted by the East Towne Deed of Trust in the East Towne Mortgaged Property and the East Towne Lease in the East Towne Demised Premises. The Chairman, the Vice Chairman, any member of the Commission designated in writing by the Chairman of the Commission, the Secretary and the Assistant Secretary of the Commission are also authorized to execute a replacement bond for the unredeemed portion of the Series 2007A Bonds and to deliver the same for authentication by the Bond Trustee in accordance with the provisions of the Trust Agreement.

This Resolution shall take effect immediately upon its passage.

**5. APPROVAL OF WAIVER - THE PRESBYTERIAN HOME AT CHARLOTTE, INC.**

**Remarks were made by:** Steve Cordell, Anne Moffat and Dr. Carl Rust.

**Executive Committee Action:** Motion was made by Dr. Schaaf, seconded by Mrs. Eileen Kugler and unanimously approved with the recusal of Dr. Carl Rust, to authorize the execution and delivery of a Waiver relating to the Commission's 2001 Bonds.

To authorize the execution and delivery of a Waiver relating to the Commission's 2001 Bonds issued for the benefit of The Presbyterian Home at Charlotte, Inc. (the "Corporation").

The North Carolina Medical Care Commission (the "Commission"), has previously issued its Variable Rate Demand Health Care Facilities Revenue Bonds (The Presbyterian Home at Charlotte, Inc. Project), Series 2001 (the "Bonds"); and the proceeds of the Bonds were loaned to the Corporation. Branch Banking and Trust Company ("BB&T") is the Owner of 100% of the Outstanding Bonds and the lender for all other indebtedness of the Corporation.

The Corporation has requested both BB&T and the Commission for a one-time waiver of a requirement relating to Qualifying Intermediate-Term Indebtedness that the Corporation have executed residency agreements with 10% deposits in place for an existing loan agreement between the Corporation and BB&T (the "Waiver"). BB&T has indicated that it will also grant the Waiver with respect to the existing loan.

Approved, and the Chairman, Vice Chairman, Secretary or Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Waiver and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

**6. Waiver of Executed Residency Agreement with 10% Deposit Requirement to Qualify as Qualified Intermediate Term Indebtedness under Amended and Restated Loan Agreement**

1. The Presbyterian Home at Charlotte, Inc. (the "Corporation") has previously entered into an Amended and Restated Loan Agreement, dated as of September 24, 2010, as amended by a First Amendment thereto, dated as of September 25, 2015 (as so amended, the "Amended and Restated Loan Agreement"), between the North Carolina Medical Care Commission (the "Commission") and the Corporation.

2. The Corporation has incurred Indebtedness in the aggregate principal amount of up to \$7,087,000 under that certain Loan Agreement (Phase II), dated February 25, 2016 (the "Loan Agreement Phase II"), between Branch Banking and Trust Company ("BB&T") and the Corporation (the "Phase II Construction Loan").

3. BB&T is the sole holder of all Outstanding Indebtedness of the Corporation.

4. Qualified Intermediate Term Indebtedness ("QITI"), as defined in the Amended and Restated Loan Agreement, imposes a general requirement that the Corporation have executed residency agreements with 10% deposits in place for Indebtedness to be treated as QITI; and the Corporation is currently unable to meet this requirement with respect to the Phase II Construction Loan.

5. BB&T hereby waives the requirement that the Corporation have executed residency agreements with 10% deposits in place in order for the Phase II Construction Loan to qualify as QITI under the Amended and Restated Loan Agreement. The Commission, on the basis of BB&T's waiver, hereby also waives the requirement that the Corporation have executed residency agreements with 10% deposits in

place in order for the Phase II Construction Loan to qualify as QITI under the Amended and Restated Loan Agreement.

6. This waiver extends only to the qualification of the Phase II Construction Loan as QITI under the Amended and Restated Loan Agreement and does not extend to any other Indebtedness of the Corporation.

All terms used herein and not otherwise defined herein are used as defined in the Amended and Restated Loan Agreement.

WITNESS our hands this 12th day of August, 2016.

BRANCH BANKING AND TRUST COMPANY

\_\_\_\_\_  
Ted H. Wolfe  
Senior Vice President

NORTH CAROLINA MEDICAL CARE COMMISSION

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

7. Southminster, Inc. Charlotte, NC - Crystal M. Watson-Abbott

**Remarks were made by:** Joe Crocker, Tad Melton, David Lacy, Kendra Laughey, Charles Hauser, Dr. Carl Rust and Allen Robertson.

**Executive Committee Action:** Motion was made by Mr. Charles Hauser, seconded by Mrs. Eileen Kugler and unanimously approved.

**Resolution:** The Commission grants preliminary approval for a transaction for Southminster, Inc. to provide funds, to be used, together with other available funds, to advance refund the outstanding balance of the North Carolina Medical Care Commission \$62,180,000 Retirement Facilities First Mortgage Revenue Bonds (Southminster Project) Series 2007A. The proposed refunding of \$61,855,000 of the 2007A Bonds is projected to generate present value savings of \$3,209,823 or 5.21 % of the refunded bonds. The project is in accordance with an application received as follows:



## ESTIMATED SOURCES OF FUNDS

Principal amount of bonds to be issued	\$65,675,364
2007A Debt Service Reserve Fund	<u>5,358,369</u>
<b>Total Sources</b>	<b>\$71,033,733</b>

## ESTIMATED USES OF FUNDS

Escrow to Refund the Series 2007 Bonds	\$64,710,869
Debt Service Reserve Fund	5,122,700
Underwriters discount	969,450
Underwriters counsel	50,000
Bond counsel	70,000
Corporation counsel	40,000
Accountants fee	20,000
Printing	10,000
Trustee fee and counsel	7,750
Local Government Commission fee	8,750
Real estate costs & fees	5,000
Blue Sky Filing Fees	2,500
Miscellaneous	<u>6,714</u>
<b>Total Uses</b>	<b>\$71,033,733</b>

Tentative approval is given with the understanding that the governing board of Southminster, Inc. accepts the following conditions:

1. The project will continue to be developed pursuant to the applicable Medical Care Commission guidelines.
2. Any required certificate of need must be in effect at the time of the issuance of the bonds or notes.
3. Financial feasibility must be determined prior to the issuance of bonds.
4. The project must, in all respects, meet requirements of §G.S. 131A (Health Care Facilities Finance Act).
5. The Executive Committee of the Commission is delegated the authority to approve the issuance of bonds for this project and may approve the issuance of such greater principal amount of the loan as shall be necessary to finance the project; provided, however, that the amount set forth above shall not be increased by more than ten percent (10%).
6. The bonds or notes shall be sold in such a manner and upon such terms and conditions as will, in the sole judgment of the Executive Committee of the Commission, result in the lowest cost to the facility and its residents.

7. If public approval of the bonds is required for the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended ("Section 147(f)"), this tentative approval shall constitute the recommendation of the Commission that the Governor of the State of North Carolina (the "Governor") approve the issuance of such bonds, subject to the satisfaction of the requirements of Section 147(f) concerning the holding of a public hearing prior to the submission of such recommendation to the Governor.
8. The borrower will comply with the Commission's Resolution: Community Benefits/Charity Care Agreement and Program Description for CCRC's as adopted
9. The borrower will furnish, prior to the sale of or reissuance of the bonds or notes or execution of the leases, evidence that it is in compliance with the covenants of all of its outstanding Medical Care Commission debt.

Based on information furnished by applicant, the project is -

1. Financially feasible	✓	Yes	No	N/A
	_____		_____	_____
2. Construction and related costs are reasonable		Yes	No	✓ N/A
		_____	_____	_____

**Notes:**

**1) Information from 2015 Audit of Southminster, Inc.**

<b>Operating income</b>	<b>\$1,384,938</b>
<b>Change in unrestricted net assets (A)</b>	<b>(\$12,818)</b>
<b>Change in net assets (A)</b>	<b>(\$12,337)</b>
<b>Net cash provided by operating activities</b>	<b>\$2,240,699</b>
<b>Change in cash</b>	<b>\$730,385</b>

**(A) Primarily due to Unrealized Losses on Investments**

**2) Ratings: Southminster, Inc. is not rated**

3) **Community Benefit Percentage G.S. 105 = 5.88%, which qualifies for 100% property tax exemption.**

4) **Long Term Service Coverage Ratios**

<b>Actual</b>	<b>FYE</b>	<b>2015</b>	<b>1.95</b>
<b>Forecasted</b>	<b>FYE</b>	<b>2016</b>	<b>2.08</b>
<b>Forecasted</b>	<b>FYE</b>	<b>2017</b>	<b>2.01</b>
<b>Forecasted</b>	<b>FYE</b>	<b>2018</b>	<b>2.08</b>

5) **Transaction Participants**

<b>Underwriter</b>	<b>Ziegler</b>
<b>Bond counsel</b>	<b>Womble Carlyle Sandridge &amp; Rice, LLP</b>
<b>Corporation counsel</b>	<b>Robinson Bradshaw &amp; Hinson, PA</b>
<b>Underwriters counsel</b>	<b>Parker Poe Adams &amp; Bernstein, LLP</b>
<b>Trustee</b>	<b>Bank of New York Mellon</b>
<b>Accountants</b>	<b>CliftonLarsonAllen</b>

6) **Other Information**

(a) **Board diversity**

**Male: 11**  
**Female: 5**

**Caucasian: 16**  
**African American: 0**

**Board of Directors.** The business and other affairs of the Corporation are managed by a 16-member Board of Directors (the “Board”), comprised of 13 voting members, 1 non-voting Founding Director, and 2 non-voting Chairs Emeritus. The 13 voting directors consist of 11 members, who are elected by the majority vote of the directors then in office and serve terms of three years, or until their successors are duly elected and qualified, and 2 ex-officio members (the senior pastors of the two founding churches, with full voting rights). Southminster was founded by and continues to have a relationship with Christ Episcopal Church and Myers Park Baptist Church. Although the Directors need not be members of one of the sponsoring churches, the Board’s intention is to have not more than three non-members serving on the board, and the governing bodies of the two churches must ratify those individuals nominated to serve as Directors. The Board created the position of Founding Director to honor certain members of the Corporation’s initial Board. No member of the Board is an employee of the Corporation. Members of the Board serve on several Board committees, including the Executive Committee, the Finance & Audit Committee, Board Development & Nominating Committee, Health & Wellness Committee, Development & Charity Outreach Committee and the Foundation Board.

The 13 voting members of the Board are currently comprised of five females and eight males. Of the five females, one serves as the Board Chair and Chair of the Executive Committee and one as the Board Secretary and Chair of the Board Development & Nominating Committee. While Southminster does not currently have diverse (i.e. African American) Board members, it has in the past (e.g., Judge Regan Miller was elected in 2003, served a term from 2004-2006, was reelected in 2006, served in 2007 and 2008, and resigned before his term expired in 2008 because of a revised conflict of interest policy for Mecklenburg County District Court Judges preventing them from serving on community boards). One factor that affects our diversity efforts is that our Board members have historically been drawn from the membership of our two founding churches, which have low diverse membership. While current policy allows Southminster to have up to three non-church members on its Board, historically there have been times where the full Board has been comprised of church members. The Board is committed to adding diverse members again and the Nominating Committee is currently reaching out to two African Americans, one male and one female, to potentially nominate them to the Board for election.

**(b) Diversity records of residents at Southminster**

**Male: 27%**

**Female: 73%**

**Caucasian: 100%**

**African American: 0%**

**Resident Composition.** As of June 30, 2016, a total of 312 persons were living in 247 occupied independent living units. There also were 68 permanent residents in Southminster's Health Center, resulting in a total combined population of 380 residents as of June 30, 2016. Of the 380 residents, 276 (or 73%) were female, while the remaining 104 (or 27%) were male; all were Caucasian. There has been one previous Asian resident and of the 509 members on Southminster's wait list at June 30, 2016, there are representatives from Asian, Indian and Native American backgrounds. Resident diversity is also impacted by Southminster's relationship with its two founding churches, Christ Episcopal Church and Myers Park Baptist Church. Southminster is a direct product of the interest of these two churches and their concern for providing a retirement alternative for members of their congregations and other seniors in the Charlotte area. The initial funds used for start-up costs were raised primarily from the membership of these two churches and even today, a significant portion of the resident population comes from these two churches, which have low diverse membership. Southminster also operates under its original Certificate of Need which does not allow Medicare or Medicaid; however, Southminster can bring in residents under its scholarship program, which can be used to increase its diversity efforts. Seeking diversity is a goal in Southminster's current strategic plan. Development of a diversity plan is underway and is expected to be completed by the end of September.

Southminster is using many of its community benefit efforts to meet to needs of and obtain positive exposure in the broader more diverse community. For example, the neighboring middle school provides Freedom Schools programming in the summer. Southminster partnered with Freedom Schools to develop programming and resident volunteer initiatives with that campus and on the Southminster campus. When the Freedom Schools program lost a major corporate sponsor, Southminster made a significant contribution to fill the gap.

Last year Southminster partnered with the county parks and recreation department to design, fund, and build multi-generational fitness oriented playground adjacent to one of the major senior centers in the county. It was so successful that the county has communicated they would like to replicate the project in as many as 15 parks in underserved areas and Southminster is considering partnering in some of those future projects.

This year Southminster initiated and is the primary underwriter of a county-wide senior needs assessment. Southminster is partnering with the county health department and UNCC to design, implement, and distribute the results of the study. One of the main goals of the Community Needs Assessment Study includes examining the socio-demographic characteristics, health status and service use needs of Caucasians, African Americans and Latinos 50 and older in Charlotte and Mecklenburg County. Members of a community steering committee to help facilitate this study will include representation and leadership from local African American and Latino Associations. The findings will serve as a critical tool to address current and future challenges as well as opportunities in Mecklenburg County, and inform and assist policy makers and service professionals with planning and allocation of resources. Southminster plans to use the results to help target future outreach efforts.

Southminster also seeks to serve the broader community in other ways, such as providing space on campus for a 10 bed hospice center operated for the public by a non-profit hospice organization. Southminster is also beginning to serve clients off campus with its Embrace Homecare services. Southminster's swimming pool is made available for the cardiac rehab program that is based at a nearby hospital.

**(c) Entrance fees and service fee schedule**

**Entrance Fee Schedules.** The Entrance Fee schedules are as follows:

**Entrance Fees (Current)**

Type of Unit	Number of Units	Square Footage	Standard
<b>Apartments:</b>			
Studio	4	262-292	\$36,000-43,000
One Bedroom	52	598-800	\$99,000-147,000
One Bedroom with den	12	955-1,137	\$177,000-241,000
One Bedroom with den - expansion	24	1,080-1,390	\$238,000-300,000
Two Bedroom	43	955-1,345	\$183,000-290,000
Two Bedroom with den	20	1,256-1,995	\$247,000-435,000
Two Bedroom - expansion	29	1,280-2,260	\$299,000-527,000
Two Bedroom with den - expansion	36	1,465-3,190	\$342,000-744,000
Second Occupant			\$20,000
<b>Cottages:</b>			
Small Sunroom	8	1,500	\$276,000
Large Sunroom	31	1,700-1,900	\$314,000-350,000
Second Occupant			\$20,000
<b>Health Center:</b>			
Assisted Living	25	256-308	\$25,000
Nursing Care Units	60	150-200	\$10,000-12,500

Health Center entrance fees apply only to direct admissions. The 50% and the 90% Refundable Fee options are not available for direct admissions to the Health Center.

## Service Fees currently in effect

### Type Unit

#### Independent Living Service Fees (per month)

Studio	\$2,515
Extended Studio	\$2,591
One Bedroom	\$3,102
One Bedroom with den	\$3,350
One Bedroom with den – Expansion	\$3,570
Two Bedroom	\$3,374
Two Bedroom with den	\$3,917
Two Bedroom - Expansion	\$3,886
Two Bedroom with den - Expansion	\$4,275
Cottage w/standard sunroom	\$3,328
Cottage w/large sunroom	\$3,445
Second Occupant Rate	\$1,808

#### Health Center Service Fees (per day)

Assisted Living	\$211
Assisted Living with memory support	\$279
Nursing Care:	
Semi-private	\$240
Private	\$318

**(d) Compliance**

It was reported to the Commission at the August 2016 Medical Care Commission meeting that had zero findings as of their most recent compliance examination for the fiscal year ended September 30, 2014.

As of August 12, 2016, the routine documents required per the bond covenants for FYE 2015 and FYE 2016 have been timely filed to the Commission. In addition, Southminster was in compliance with the Long Term Debt Service Coverage Ratio and Days Cash on Hand requirements.

At the time the in depth compliance examination for FYE 2015 and FYE 2016 is completed, other findings may be identified that are not routine and typical.

**EXHIBIT A**

**MATURITY SCHEDULE**

<u>Due October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2018	\$ 2,235,000	5.00%
2019	2,985,000	5.00
2020	3,120,000	5.00
2026	5,155,000	5.00
2027	5,415,000	5.00
2028	5,685,000	5.00
2029	7,925,000	5.00
2030	8,320,000	5.00
2031	8,740,000	5.00
2032	9,180,000	5.00
2033	9,635,000	5.00
2034	10,115,000	5.00
2035	10,620,000	5.00
2036	11,155,000	5.00



**PROFESSIONAL FEES**

<u>Professional</u>	<u>Preliminary Approval</u>	<u>Actual</u>
Underwriters	\$516,225	\$501,425
Accountant/Auditor	50,000	64,747*
Bond Counsel	75,000	87,408*
Underwriters' Counsel	60,000	69,926*
Combined Group Counsel	10,000	11,978*
Trustee (including counsel)	5,750	9,065*

\*These fees represent a pro rata portion of the combined fees for such entities relating to the Bonds and the \$53,985,000 North Carolina Medical Care Commission Health System Revenue Refunding Bonds (Mission Health Combined Group), Series 2016 approved on the date hereof.

8. **Adjournment**

There being no further business, the meeting was adjourned at 12:20 p.m.

Respectfully submitted,

  
 Christopher B. Taylor, CPA  
 Assistant Secretary

**Date: August 19, 2016**