

**THE
NORTH CAROLINA
MEDICAL CARE COMMISSION**

**THE
HEALTH CARE
FACILITIES FINANCE ACT
ANNUAL REPORT**

JUNE 30, 2016

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

“It is hereby declared to be the policy of the State of North Carolina to promote the public health and welfare by providing means for financing, refinancing, acquiring, constructing, equipping and providing of health care facilities to serve the people of the State and to make accessible to them modern and efficient health care facilities”

G e n e r a l S t a t u t e 1 3 1 A - 2

THE NORTH CAROLINA MEDICAL CARE COMMISSION

ROLE OF THE COMMISSION

The North Carolina Medical Care Commission was created primarily as a result of the findings of the North Carolina Hospital and Medical Care Commission, a special commission appointed in 1944 to study the critical shortages in general hospital facilities and trained medical personnel in the State of North Carolina and to make recommendations for improvements in these areas. Among the recommendations made was that the legislature provide for a permanent State agency that would be responsible for the maintenance of high standards in North Carolina's hospitals, and the administration of a medical student loan fund, and a statewide hospital and medical care program.

The Commission was established in 1945 and empowered by its enabling legislation to, among other things:

1. make a survey of the hospital resources of the State and formulate a statewide program for construction and maintenance of local hospitals, health centers and related facilities, and receive and administer federal and State Funds appropriated for such purposes;
2. make loans to medical students; and
3. survey all factors concerning the location of the expanded university medical school. (The same act authorized the expansion of the University of North Carolina Medical School from a two-year to a four-year program).

In 1946, Congress passed the Hospital Survey and Construction Act (Hill-Burton) to provide funds for the construction and renovation of health care facilities, and the Commission was designated as the State agency empowered to administer the program within North Carolina. Under this program, which is also known as the Hill-Burton program, health care facility construction in North Carolina totaled more than \$500 million dollars, of which 40 percent was provided by federal sources, 5 percent by the State, and 55 percent by local sponsors. Of the more than 500 Hill-Burton projects approved by the Commission between 1946 and 1976, 241 were general hospital projects, including 80 completely new facilities.

Pursuant to the Executive Organization Act of 1973, the 17-member Commission was incorporated into the Department of Health and Human Services. Three members of the Commission are nominated by the North Carolina Medical Society, one by the North Carolina Pharmaceutical Association, one by the North Carolina State Nurses' Association, one by the North Carolina Hospital Association, and one by the Duke Endowment. Each nomination is subject to the Governor's approval. In addition, ten members, one of whom must be a dentist, are appointed by the Governor. Each member is appointed to a four-year term and memberships are staggered. The Commission is attached organizationally to the Department of Health and Human Services, Division of Health Service Regulation (formerly Division of Facility Services), and is staffed by that Agency. Since its inception the Commission has been assigned new responsibilities, while some of the original activities are either no longer needed or are carried out elsewhere. Today the Commission is responsible for the development of rules for:

1. the licensure and operations of hospitals, hospices, free-standing outpatient surgical facilities, nursing homes, home health agencies, home care agencies, nursing pools, and adult care facilities;

2. the regulation of ambulances and emergency medical services personnel;
3. the financing of construction and modernization projects for qualifying health care facilities.

In 1975, the North Carolina General Assembly enacted the Health Care Facilities Finance Act. The Act provides that the North Carolina Medical Care Commission may conduct financing activities to "acquire, construct, equip, or provide health care facilities for any public or nonprofit agency." The Act defines health care facilities as "any building, addition, or improvement including machinery, equipment, or furnishings that are suitable for health care." This definition includes but is not necessarily limited to: general acute care or specialty hospitals, nursing homes, continuing care facilities for the elderly, health care clinics, and outpatient facilities; laboratories and research facilities; laundries and other ancillary service facilities; training facilities for health care personnel, administration buildings, parking lots, garages, and other buildings normally under the jurisdiction of health care facilities.

The law provides that to qualify for assistance under the Act a project must meet several criteria:

1. the applicant must be a non-profit agency or public agency as defined in General Statute 131A-3;
2. the Commission must be satisfied that there is a need for the project in the area where it is to be located;
3. the project applicant must be financially responsible and capable of fulfilling its obligation for making debt service payments;
4. all public facilities such as utilities and other public services necessary for the health care facility must be made available; and
5. all costs associated with the project must be borne by the applicant and not the State.

While several states have health care finance authorities, which issue tax-exempt bonds, the organization and authority of the North Carolina Medical Care Commission make it unique. First, it is not a quasi-independent authority. It is an operational agency of the executive branch of North Carolina State Government, located in the Department of Health and Human Services. Second, it has an affiliation that covers all the major steps involved in a construction project, either directly or through the Division of Health Service Regulation which staffs the Commission. The Division of Health Service Regulation develops the State Medical Facilities Plan, issues Certificates of Need, assists in project development, approves construction plans, monitors the construction process, and finally licenses the facility.

***OUTSTANDING DEBT**

As of June 30, 2016, the Commission has closed 478 revenue bonds, notes and leases. The total authorized principal amount of all such financings was \$22,410,273,097 and the total outstanding principal amount of all such financings as of June 30, 2016, was \$7,096,463,507 excluding financings that have been refunded. Each issue is payable solely from revenues derived from each corporate entity financed, is separately secured, and is separate and independent from all other series of bonds as to source of payment and security.

MEMBERSHIP

As of June 30, 2016, the Commission consisted of the following 17 members.

| Name | Term | Principal Occupation | Residence |
|--|-------------|---|------------------|
| John A. Fagg, MD, Chairman | 2003-2019 | Physician | Winston-Salem |
| Joseph D. Crocker Vice-Chairman | 1988-2016 | Director, Poor and Needy Division Kate B. Reynolds Charitable Trust | Winston-Salem |
| Robert S. Alphin, MD | 2015-2019 | Anesthesiologist | Raleigh |
| Vickie L. Beaver | 2016-2018 | President, Choice Health Management Services | Conover |
| Charles T. Frock | 2008-2016 | Retired Hospital Administrator | Raleigh |
| Charles H. Hauser | 2014-2020 | CEO of Physician-Discoveries, LLC | Winston-Salem |
| Elizabeth P. Kanof, MD | 2008-2016 | Physician | Raleigh |
| Eileen C. Kugler, RN, MSN, MPH, FNP | 2010-2018 | Registered Nurse | Leland |
| Albert F. Lockamy, RPh | 1986-2018 | Pharmacist | Raleigh |
| G. Wayne Long | 2014-2017 | CEO, WellCare Home Health | Holden Beach |
| Paul A. McGill, DDS | 2012-2016 | Orthodontist | Charlotte |
| Mary L. Piepenbring | 2005-2017 | Director, Health Care Division The Duke Endowment | Charlotte |

| | | | |
|----------------------------|-----------|--------------------------------|---------------|
| Carl K. Rust, II, MD | 2002-2017 | Physician | Wilmington |
| Devdutta G. Sangvai, MD | 2015-2019 | Physician | Durham |
| Robert E. Schaaf, MD | 2005-2018 | Physician | Raleigh |
| Henry A. Unger, MD | 1998-2017 | Physician | Jefferson |
| Paul M. Wiles | 2013-2017 | Retired Hospital Administrator | Winston-Salem |

STAFF OF THE COMMISSION

The Division of Health Service Regulation of the Department of Health and Human Services employs a staff of approximately 560 persons, (including registered architects, professional engineers and consultants in fields of emergency medicine, hospital administration, nursing service and administration, dietetics and nutrition and laboratory design and operation), the services of whom are available to and used by the Commission. The Division of Health Service Regulation provides all necessary administrative and clerical assistance to the Commission.

ADMINISTRATIVE PERSONNEL

S. Mark Payne, Director, Division of Health Service Regulation / Secretary, NC Medical Care Commission

Christopher B. Taylor, CPA, Assistant Secretary, NC Medical Care Commission

Steven Lewis, Chief of Construction, Division of Health Service Regulation

Kathy C. Larrison, Auditor, NC Medical Care Commission

Crystal Watson-Abbott, Auditor, NC Medical Care Commission

Diana Barbry, Administrative Assistant, Division of Health Service Regulation

Alice S. Creech, Executive Assistant, NC Medical Care Commission

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|--------------------------|--|---|
| Presbyterian Hospital Charlotte, North Carolina | 12/21/1977 | \$20,000,000 | \$0 (a) |
| Lexington Memorial Hospital Lexington, North Carolina | 3/1/1978 | 6,510,000 | 0 (ss) |
| Rex Hospital Raleigh, North Carolina | 6/1/1978 | 31,535,000 | 0 (y) |
| Duke University Hospital Durham, North Carolina | 7/1/1978 | 79,000,000 | 0 (b) |
| Cape Fear Memorial Hospital Wilmington, North Carolina | 7/1/1978 | 3,600,000 | 0 |
| Memorial Mission Hospital of Western North Carolina Asheville, North Carolina | 1/1/1979 | 35,100,000 | 0 (c) |
| Duke University Hospital Durham, North Carolina | 1/1/1979 | 6,650,000 | 0 (b) |
| Annie Penn Memorial Hospital Reidsville, North Carolina | 5/1/1979 | 7,650,000 | 0 (t) |
| Stanly Memorial Hospital Albemarle, North Carolina | 5/1/1979 | 7,535,000 | 0 (p) |
| Moore Regional Healthcare Corporation Pinehurst, North Carolina | 8/23/1979 | 10,710,000 | 0 (d) |
| Duke University Hospital Durham, North Carolina | 6/25/1980 | 6,736,000 | 0 |
| | Series B | 7/1/1980 | 7,930,000 |
| Carolinas Hospital and Health Services Charlotte, North Carolina | 7/22/1980 | 200,000 | 0 |
| Mercy Hospital Charlotte, North Carolina | 1/1/1981 | 8,275,000 | 0 (e) |
| The Greater Carolinas Chapter of the American National Red Cross Charlotte, North Carolina | 3/1/1981 | 2,500,000 | 0 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|------------------|-----------------------------------|--|
| Memorial Hospital of Alamance County Burlington, North Carolina | 4/1/1981 | \$7,000,000 | \$0 (u) |
| Carolinas Hospital and Health Services (Sun Health) Charlotte, North Carolina | 4/8/1981 | 500,000 | 0 |
| Scotland Memorial Hospital Laurinburg, North Carolina | 6/1/1981 | 10,800,000 | 0 (m) |
| Rex Hospital Raleigh, North Carolina | 12/15/1981 | 760,000 | 0 |
| Morehead Memorial Hospital Eden, North Carolina | 2/1/1982 | 6,000,000 | 0 (z) |
| Chatham Hospital Siler City, North Carolina | 6/16/1982 | 355,000 | 0 |
| Grace Hospital Morganton, North Carolina | 8/1/1982 | 9,465,000 | 0 (f) |
| Carolinas Hospital and Health Services (Sun Health) Charlotte, North Carolina | 8/4/1982 | 600,000 | 0 |
| Southeastern General Hospital Lumberton, North Carolina | 9/1/1982 | 14,100,000 | 0 (g) |
| Community General Hospital Thomasville, North Carolina | 12/1/1982 | 3,100,000 | 0 (q) |
| Grace Hospital Morganton, North Carolina | 7/1/1983 | 10,855,000 | 0 (j) |
| High Point Regional Hospital High Point, North Carolina | 9/1/1983 | 29,820,000 | 0 (k) |
| Grace Hospital Morganton, North Carolina | 11/1/1983 | 8,870,000 | 0 (j) |
| Mercy Hospital Charlotte, North Carolina | 11/10/1983 | 2,205,000 | 0 |
| Rowan Memorial Hospital Salisbury, North Carolina | 3/16/1984 | 1,833,000 | 0 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|------------------|-----------------------------------|--|
| High Point Regional Hospital High Point, North Carolina | 4/16/1984 | \$915,000 | \$0 |
| The Episcopal Home for the Ageing in the Diocese of North Carolina (Penick Village) Southern Pines, North Carolina | 5/1/1984 | 6,200,000 | 0 (h) |
| Memorial Mission Hospital of Western North Carolina Asheville, North Carolina | 5/2/1984 | 1,475,000 | 0 |
| St. Joseph's Hospital Asheville, North Carolina | 6/15/1984 | 30,330,000 | 0 (n) |
| The Moses H. Cone Memorial Hospital Greensboro, North Carolina | 8/1/1984 | 29,330,000 | 0 (aa) |
| Alamance County Hospital Burlington, North Carolina | 2/22/1985 | 2,504,000 | 0 (u) |
| Wesley Long Community Hospital Greensboro, North Carolina | 4/1/1985 | 10,670,000 | 0 (ee) |
| The Greater Carolinas Chapter of the American National Red Cross Charlotte, North Carolina | 4/24/1985 | 845,000 | 0 |
| Carolina Medicorp, Inc. Winston-Salem, North Carolina | 5/1/1985 | 36,550,000 | 0 (l) |
| Presbyterian Hospital Charlotte, North Carolina | 5/24/1985 | 8,700,000 | 0 (i) |
| Southeastern General Hospital Lumberton, North Carolina | 7/1/1985 | 16,345,000 | 0 (v) |
| Duke University Hospital Durham, North Carolina | 7/1/1985 | 48,245,000 | 0 (mm) |
| North Carolina Baptist Hospitals, Inc. Winston-Salem, North Carolina | 7/15/1985 | 86,000,000 | 0 (w) |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|--------------------------|--|---|
| Bowman Gray School of Medicine of Wake Forest University Winston-Salem, North Carolina | 7/15/1985 | \$42,000,000 | \$0 |
| Mercy Hospital Charlotte, North Carolina | 8/1/1985 | 29,980,000 | 0 (bb) |
| The Episcopal Home for the Ageing in the Diocese of North Carolina (Penick Village) Southern Pines, North Carolina | 8/1/1985 | 8,180,000 | 0 (ff) |
| The United Church Retirement Home, Inc. Thomasville, North Carolina | 8/1/1985 | 6,400,000 | 0 (nn) |
| Duke University Hospital Durham, North Carolina | 10/2/1985 | 43,500,000 | 0 |
| Presbyterian Hospital Charlotte, North Carolina | 12/1/1985 | 24,000,000 | 0 (r) |
| Southminster, Inc. Charlotte, North Carolina | 12/1/1985 | 23,825,000 | 0 (oo) |
| Pooled Equipment Financing Project, Series 1985 Raleigh, North Carolina | 12/1/1985 | 100,000,000 | 0 |
| The Moses H. Cone Memorial Hospital Greensboro, North Carolina | 12/1/1985 | 15,000,000 | 0 (aa) |
| Moore Memorial Hospital Pinehurst, North Carolina | 12/1/1985 | 10,980,000 | 0 |
| Memorial Mission Hospital of Western North Carolina Asheville, North Carolina | 12/1/1985 | 25,855,000 | 0 |
| Duke University Hospital Durham, North Carolina | 12/18/1985 | 34,415,000 | 0 |
| The McDowell Hospital Marion, North Carolina | 6/1/1986 | 8,935,000 | 0 (x) |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|------------------|-----------------------------------|--|
| Pooled Financing Project Series 1986 Raleigh, North Carolina | 7/1/1986 | \$100,000,000 | \$0 |
| Cornelia Nixon Davis Nursing Home Wilmington, North Carolina | 10/16/1986 | 980,980 | 0 |
| Grace Hospital Morganton, North Carolina | 2/1/1987 | 23,450,000 | 0 (tt) |
| High Point Regional Hospital Greensboro, North Carolina | 2/1/1987 | 34,280,000 | 0 (xx) |
| Blumenthal Jewish Home Clemmons, North Carolina | 3/25/1987 | 6,600,000 | 0 (o) |
| Carolina Medicorp, Inc. Winston-Salem, North Carolina | 8/1/1987 | 53,142,316 | 0 (cc) |
| Wesley Long Community Hospital Greensboro, North Carolina | 8/15/1987 | 25,715,000 | 0 (ee) |
| The Methodist Home, Inc. Charlotte, North Carolina | 2/1/1988 | 13,500,000 | 0 |
| The Greater Carolinas Chapter of the American National Red Cross Charlotte, North Carolina | 6/1/1988 | 2,750,000 | 0 |
| Memorial Mission Hospital of Western North Carolina Asheville, North Carolina | 6/15/1988 | 21,337,717 | 0 (gg) |
| Scotland Memorial Hospital Laurinburg, North Carolina | 6/1/1988 | 14,087,969 | 0 (hh) |
| Davidson Retirement Community, Inc. Davidson, North Carolina | 9/15/1988 | 24,210,000 | 0 (ii) |
| St. Joseph's Hospital Asheville, North Carolina | 11/1/1988 | 34,553,639 | 0 (jj) |
| Blumenthal Jewish Home Clemmons, North Carolina | 11/1/1988 | 6,350,000 | 0 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|----------|--|------------------|-----------------------------------|--|
| Fletcher Hospital, Incorporated dba Park Ridge Hospital Fletcher, North Carolina | | | 12/1/1988 | \$20,300,000 | \$0 <i>(eee)</i> |
| Gaston Health Care Support, Inc. Gastonia, North Carolina | | | 5/1/1989 | 42,472,967 | 0 <i>(pp)</i> |
| Roanoke-Chowan Hospital Ahoskie, North Carolina | | | 7/1/1989 | 12,165,000 | 0 <i>(ddd)</i> |
| Transylvania Community Hospital Brevard, North Carolina | | | 9/1/1989 | 4,060,000 | 0 <i>(yy)</i> |
| Stanly Memorial Hospital Albemarle, North Carolina | | | 11/1/1989 | 17,285,000 | 0 <i>(qq)</i> |
| The Forest at Duke, Inc. Durham, North Carolina | | | 4/16/1990 | 3,150,000 | 0 <i>(s)</i> |
| Angel Community Hospital Franklin, North Carolina | | | 5/1/1990 | 7,050,000 | 0 <i>(zz)</i> |
| Presbyterian Hospital Charlotte, North Carolina | | | 10/1/1990 | 101,108,090 | 0 <i>(dd)</i> |
| Community General Hospital Thomasville, North Carolina | | | 10/1/1990 | 6,860,000 | 0 <i>(aaa)</i> |
| The Greater Carolinas Chapter of the American National Red Cross Charlotte, North Carolina | | | 11/1/1990 | 5,150,000 | 0 |
| The Forest at Duke, Inc. Durham, North Carolina | Series A | | 11/1/1990 | 53,630,000 | 0 <i>(kk)</i> |
| | Series B | | 11/15/1990 | 965,000 | 0 |
| Wilson Memorial Hospital Wilson, North Carolina | | | 12/1/1990 | 53,658,422 | 0 <i>(uu)</i> |
| St. Joseph of the Pines, Inc. Southern Pines, North Carolina | | | 1/1/1991 | 3,350,000 | 0 <i>(eee)</i> |
| Memorial Mission Hospital Asheville, North Carolina | | | 2/5/1991 | 2,055,870 | 0 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|--|------------------|-----------------------------------|--|
| Pooled Financing Project Series 1991 A Raleigh, North Carolina | 3/1/1991 | \$54,300,000 | \$0 |
| Carolina Medicorp, Inc. Winston-Salem, North Carolina | 4/1/1991 | 50,152,471 | 0 (aaa) |
| Chapel Hill Residential Retirement Center dba Carol Woods Chapel Hill, North Carolina | 4/1/1991 | 25,900,000 | 0 (nnn) |
| Wayne Memorial Hospital Goldsboro, North Carolina | 5/1/1991 | 41,016,323 | 0 (fff) |
| Valdese General Hospital Valdese, North Carolina | 5/15/1991 | 11,390,000 | 0 (ggg) |
| Pooled Financing Project Series 1991 B Raleigh, North Carolina | 6/1/1991 | 22,500,000 | 0 |
| Duke University Hospital Durham, North Carolina | 6/1/1991 | 14,872,987 | 0 (mm) |
| C. J. Harris Community Hospital Sylva, North Carolina | 7/26/1991 | 1,384,246 | 0 (ll) |
| Glenaire, Inc. Cary, North Carolina | 10/1/1991 | 27,565,000 | 0 (rr) |
| Annie Penn Memorial Hospital Reidsville, North Carolina | 11/1/1991 | 13,140,000 | 0 (bbb) |
| Well Spring Retirement Community, Inc. Greensboro, North Carolina | 11/1/1991 | 44,495,000 | 0 (ww) |
| Southeastern General Hospital Lumberton, North Carolina | 11/1/1991 | 27,835,626 | 0 (iiii) |
| The McDowell Hospital Marion, North Carolina | 11/1/1991 | 8,780,000 | 0 (lll) |
| North Carolina Baptist Hospitals, Inc. Winston-Salem, North Carolina | 1/1/1992 | 87,456,982 | 0 (fff) |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|--------------------------|--|---|
| Friends Home, Inc. Greensboro, North Carolina | 2/1/1992 | \$34,405,000 | \$0 (vv) |
| Alamance Health Service, Inc. Burlington, North Carolina | 2/15/1992 | 18,315,000 | 0 (hhh) |
| Halifax Memorial Hospital Roanoke Rapids, North Carolina | 6/15/1992 | 21,995,000 | 0 (iii) |
| Memorial Mission Hospital Asheville, North Carolina | 7/1/1992 | 40,794,261 | 0 (ijj) |
| Carolina Medicorp, Inc. Winston-Salem, North Carolina | 8/1/1992 | 57,100,495 | 0 (vvv) |
| Presbyterian Health Services Corp. Charlotte, North Carolina | 10/1/1992 | 70,385,000 | 0 (aaa) |
| North Carolina Baptist Hospitals Winston-Salem, North Carolina | 10/29/1992 | 55,000,000 | 0 (wwwww) |
| Mercy Hospital Charlotte, North Carolina | 11/1/1992 | 34,335,000 | 0 |
| The Moses H. Cone Memorial Hospital Greensboro, North Carolina | 1/28/1993 | 61,600,000 | 0 (nnnnn), (wwwww) |
| Rex Hospital Raleigh, North Carolina | 1/1/1993 | 68,060,075 | 0 (ccc) |
| Alamance Health Services, Inc. Burlington, North Carolina | 3/1/1993 | 53,000,000 | 0 |
| Morehead Memorial Hospital Eden, North Carolina | 5/1/1993 | 11,010,000 | 0 (gggg) |
| Presbyterian Health Services Corp. Charlotte, North Carolina | 6/1/1993 | 114,595,000 | 0 (vvv) |
| Duke University Hospital Durham, North Carolina | 8/12/1993 | 28,650,000 | 0 (uuuu) |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|----------------------|--------------------------|--|---|
| Memorial Mission Hospital Asheville, North Carolina | | 7/15/1993 | \$24,245,000 | \$0 <i>(www)</i> |
| The Episcopal Home for the Ageing in the Diocese of North Carolina (Penick Village) Southern Pines, North Carolina | Series A Series B | 10/1/1993 10/1/1993 | 8,000,000 290,000 | 0 <i>(xxx)</i> 0 |
| Moore Regional Hospital Pinehurst, North Carolina | | 10/1/1993 | 50,150,373 | 0 <i>(ppp)</i> |
| Wesley Long Community Hospital Greensboro, North Carolina | | 11/15/1993 | 39,065,000 | 0 <i>(hhh)</i> |
| Scotland Memorial Hospital Laurinburg, North Carolina | | 12/1/1993 | 20,905,000 | 0 |
| St. Joseph's Hospital Asheville, North Carolina | | 1/1/1994 | 35,970,000 | 0 <i>(ijj)</i> |
| Davidson Retirement Community, Inc. Davidson, North Carolina | | 1/1/1994 | 17,090,000 | 100,000 <i>(dddd)</i> |
| The Forest at Duke, Inc. Durham, North Carolina | | 3/1/1994 | 35,685,000 | 155,000 <i>(yyy)</i> |
| C. J. Harris Community Hospital Sylva, North Carolina | | 3/15/1994 | 15,000,000 | 0 <i>(qqq)</i> |
| Pooled Financing Project Series 1994 Raleigh, North Carolina | | 5/12/1994 | 16,100,000 | 0 |
| Southminster, Inc. Charlotte, North Carolina | | 7/1/1994 | 19,500,000 | 0 <i>(rrr)</i> |
| United Church Retirement Home Newton, North Carolina | | 9/15/1994 | 19,065,000 | 0 <i>(kkk)</i> |
| The Moses H. Cone Memorial Hospital Greensboro, North Carolina | | 6/15/1995 | 15,000,000 | 0 |
| Gaston Memorial Hospital Gastonia, North Carolina | | 10/15/1995 | 62,580,000 | 0 <i>(eeee)</i> |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|----------|------------------|-----------------------------------|--|
| Pavillon International (Michigan nonprofit corporation) | | 12/14/1995 | \$5,100,000 | \$0 |
| Glenaire, Inc. Cary, North Carolina | | 2/15/1996 | 22,120,000 | 0 (iii) |
| Pooled Financing Project Series 1996 Raleigh, North Carolina | | 5/8/1996 | 45,100,000 | 0 |
| Stanly Memorial Hospital Albemarle, North Carolina | | 5/1/1996 | 28,990,000 | 0 |
| North Carolina Baptist Hospitals, Inc. Winston-Salem, North Carolina | | 6/27/1996 | 50,000,000 | 0 (mmm), (wwwww) |
| Grace Hospital Morganton, North Carolina | | 8/15/1996 | 26,240,000 | 0 (iiii) |
| Saint Joseph of the Pines Pinehurst, North Carolina | | 9/24/1996 | 10,000,000 | 0 (eee) |
| Duke University Hospital Durham, North Carolina | | 10/1/1996 | 121,379,383 | 0 (iii) |
| Lincoln Health System Lincolnton, North Carolina | Series A | 11/20/1996 | 12,800,000 | 0 |
| Southminster, Inc. Charlotte, North Carolina | | 11/1/1996 | 5,055,000 | 100,000 |
| Carolina Medicorp, Inc. Winston-Salem, North Carolina | | 11/1/1996 | 104,428,199 | 0 |
| Friends Home Greensboro, North Carolina | | 12/1/1996 | 25,715,000 | 0 (zzz) |
| Lincoln Health System Lincolnton, North Carolina | Series B | 12/12/1996 | 2,500,000 | 0 |
| Cypress Glen Greenville, North Carolina | | 12/11/1996 | 20,130,000 | 0 (aaaa) |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|--|------------------|-----------------------------------|--|
| ACTS West Point, Pennsylvania | 12/19/1996 | \$37,655,000 | \$0 <i>(sss)</i> |
| Wilson Memorial Hospital Wilson, North Carolina | 2/1/1997 | 50,953,361 | 0 <i>(ffff)</i> |
| Well Spring Retirement Community, Inc. Greensboro, North Carolina | 2/15/1997 | 40,060,000 | 0 <i>(bbbb)</i> |
| Wake County Hospital System, Inc. Raleigh, North Carolina | 3/1/1997 | 108,550,000 | 0 <i>(xxxxx)</i> |
| Cabarrus Memorial Hospital Concord, North Carolina | 3/13/1997 | 20,175,000 | 0 <i>(ttt)</i> |
| Lexington Memorial Hospital Lexington, North Carolina | 4/9/1997 | 16,500,000 | 0 |
| Spruce Pine Community Hospital (Blue Ridge Hospital System Inc.) Spruce Pine, North Carolina | 7/17/1997 | 2,935,000 | 0 |
| Deerfield Episcopal Retirement Community Asheville, North Carolina | 11/1/1997 | 73,780,000 | 50,000 <i>(cccc)</i> |
| Transylvania Community Hospital Brevard, North Carolina | 11/1/1997 | 4,855,000 | 0 <i>(zzzzzz)</i> |
| High Point Regional Health System High Point, North Carolina | 11/1/1997 | 29,880,000 | 0 |
| Givens Estates, Inc. Asheville, North Carolina | 11/18/1997 | 12,000,000 | 0 <i>(ddd)</i> |
| Angel Medical Center Franklin, North Carolina | 11/21/1997 | 13,475,000 | 0 <i>(uuuu)</i> |
| Glenaire, Inc. Cary, North Carolina | 12/1/1997 | 14,395,000 | 0 <i>(kkkkkk)</i> |
| Pungo District Hospital Belhaven, North Carolina | 12/23/1997 | 4,000,000 | 0 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|--|----------------------|------------------------|-----------------------------------|--|
| DePaul Community Facilities Rochester, New York | | 1/28/1998 | \$4,645,000 | \$0 (ggggg) |
| First Health of the Carolinas Pinehurst, North Carolina | | 2/1/1998 | 88,335,000 | 0 (ooooo) |
| Annie Penn Memorial Hospital Reidsville, North Carolina | | 3/15/1998 | 13,460,000 | 0 |
| Rex Healthcare Raleigh, North Carolina | | 3/15/1998 | 124,215,000 | 0 (lllll) |
| Mission-Thoms-St. Joseph's Health Services Asheville, North Carolina | | 3/17/1998 | 4,670,000 | 0 |
| Novant Health Winston-Salem, North Carolina | | 4/1/1998 | 121,425,000 | 0 (ppppp) |
| Lutheran Services for the Aging Salisbury, North Carolina | | 4/2/1998 | 23,625,000 | 11,595,000 |
| Stanley Total Living Center Stanley, North Carolina | | 4/23/1998 | 4,210,000 | 0 |
| Cornelia Nixon Davis Health Care Center Wilmington, North Carolina | | 6/17/1998 | 7,500,000 | 0 (mmmmmm) |
| Carolina Meadows Chapel Hill, North Carolina | | 6/23/1998 | 5,000,000 | 0 (kkkk) |
| Catholic Health East (St. Joseph of the Pines) Pinehurst, North Carolina | Series C Series D | 6/15/1998 7/15/1998 | 41,945,000 30,000,000 | 0 (aaaaaaa) 0 (hhhhh) |
| United Church Retirement Homes Newton, North Carolina | | 7/1/1998 | 19,705,000 | 0 (lll) |
| Alamance Regional Medical Center Burlington, North Carolina | | 7/1/1998 | 16,575,000 | 0 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|------------------|-----------------------------------|--|
| The Presbyterian Home at Charlotte (Sharon Towers) Charlotte, North Carolina | 8/25/1998 | \$8,500,000 | \$0 <i>(ooo)</i> |
| Gaston Health Care Gastonia, North Carolina | 8/1/1998 | 82,935,000 | 0 <i>(qqqqq)</i> |
| Duke University Health System Durham, North Carolina | 8/1/1998 | 83,235,000 | 0 <i>(iii)</i> |
| Valdese General Hospital Valdese, North Carolina | 9/3/1998 | 11,030,000 | 0 <i>(mmmm)</i> |
| Pitt County Memorial Hospital Greenville, North Carolina | 9/1/1998 | 207,170,000 | 0 <i>(pppp)</i> |
| Halifax Regional Medical Center Roanoke Rapids, North Carolina | 9/1/1998 | 33,670,000 | 11,445,000 |
| Wayne Memorial Hospital Goldsboro, North Carolina | 9/15/1998 | 41,310,000 | 0 |
| Duke University Health System Durham, North Carolina | 10/1/1998 | 199,300,000 | 0 <i>(iii)</i> |
| Carolina Village Hendersonville, North Carolina | 10/21/1998 | 7,700,000 | 0 <i>(nnnnnnn)</i> |
| Novant Health Winston-Salem, North Carolina | 10/1/1998 | 57,925,000 | 0 <i>(ppppp)</i> |
| Pitt County Memorial Hospital Greenville, North Carolina | 10/1/1998 | 84,000,000 | 0 |
| J. Arthur Doshier Memorial Hospital Southport, North Carolina | 11/12/1998 | 5,000,000 | 0 |
| The Moses Cone Health System Greensboro, North Carolina | 11/12/1998 | 15,000,000 | 0 |
| Cabarrus Memorial Hospital (NorthEast Medical Center) Concord, North Carolina | 11/1/1998 | 15,405,000 | 0 |
| Mission-St. Joseph's Health System Asheville, North Carolina | 11/1/1998 | 114,650,000 | 0 <i>(vvvv) (bbbbbb)</i> |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|--------------------------|--|---|
| Lutheran Retirement Ministries of Alamance County (Twin Lakes) Burlington, North Carolina | 1/14/1999 | \$20,465,000 | \$0 (iiii) |
| The Cross Road Rest and Retirement Center Asheboro, North Carolina | 3/11/1999 | 5,700,000 | 0 (www) |
| Randolph Hospital Asheboro, North Carolina | 3/18/1999 | 25,970,000 | 0 (xxx) |
| WakeMed Raleigh, North Carolina | 4/22/1999 | 36,265,000 | 0 |
| High Point Regional Health System High Point, North Carolina | 4/1/1999 | 61,070,000 | 0 |
| Transylvania Community Hospital Brevard, North Carolina | 8/1/1999 | 1,000,000 | 0 |
| North Carolina Cancer Institute Lumberton, North Carolina | 8/1/1999 | 1,500,000 | 0 |
| Scotland Memorial Hospital Laurinburg, North Carolina | 7/15/1999 | 13,500,000 | 6,195,000 |
| Moravian Home, Incorporated (Salem towne) Winston-Salem, North Carolina | 10/1/1999 | 15,595,000 | 0 (yyy) |
| Stanly Memorial Hospital Albemarle, North Carolina | 10/15/1999 | 15,000,000 | 0 |
| Southeastern Regional Medical Center Lumberton, North Carolina | 10/15/1999 | 25,270,000 | 0 (ooooo) |
| DePaul Community Facilities Rochester, New York | 12/7/1999 | 14,315,000 | 0 (gggg) |
| The McDowell Hospital Marion, North Carolina | 12/16/1999 | 6,765,000 | 0 |
| North Carolina Housing Foundation Winston-Salem, North Carolina | 2/1/2000 | 11,970,000 | 0 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|--|----------------------|------------------------|-----------------------------------|--|
| Grace Hospital, Inc. Morganton, North Carolina | | 3/16/2000 | \$20,700,000 | \$0 (mmmm) |
| North Carolina Baptist Hospitals, Inc. Winston-Salem, North Carolina | | 6/15/2000 | 150,800,000 | 0 (wwwww) |
| United Methodist Retirement Homes Croasdaile Village Durham, North Carolina | | 9/28/2000 | 46,465,000 | 0 (qqqq) |
| United Methodist Retirement Homes Croasdaile Village Durham, North Carolina | Series A | 9/28/2000 | 15,795,000 | 0 (nnnn) |
| NorthEast Medical Center Concord, North Carolina | | 10/27/2000 | 32,290,000 | 0 |
| Mission-St. Joseph's Asheville, North Carolina | | 12/12/2000 | 4,775,000 | 0 |
| Presbyterian Homes Jamestown, North Carolina | | 2/21/2001 | 91,885,000 | 0 (zzzz) |
| Providence Place High Point, North Carolina | Series A Series B | 4/29/2001 4/29/2001 | 11,235,000 175,000 | 0 0 |
| WakeMed Raleigh, North Carolina | | 4/5/2001 | 150,000,000 | 0 (ppppppp) |
| Moravian Home (Salemtowne) Winston-Salem, North Carolina | | 4/26/2001 | 24,215,000 | 0 (yyyy) |
| Cleveland Regional Medical Center Shelby, North Carolina | | 5/10/2001 | 30,000,000 | 0 (oooo), (pppppp) |
| Chapel Hill Residential Retirement Center dba Carol Woods Retirement Community Chapel Hill, North Carolina | | 7/2/2001 | 33,030,000 | 0 (jjjjj), (uuuuuu) |
| The Moses Cone Health System Greensboro, North Carolina | Series A Series B | 7/11/2001 7/11/2001 | 42,600,000 42,600,000 | 42,600,000 42,600,000 |
| Aldersgate United Methodist Retirement Community, Inc. Charlotte, North Carolina | | 7/12/2001 | 40,835,000 | 0 (yyyyy) |
| Rutherford Hospital Rutherfordton, North Carolina | | 8/1/2001 | 16,800,000 | 0 (mmmmm) |
| Mission-St. Joseph's Health System Asheville, North Carolina | | 9/1/2001 | 109,720,000 | 0 (vvvv) |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|----------------------------------|--|---------------------------------------|--|
| Duke University Health System, Inc. Durham, North Carolina | | 9/21/2001 | \$42,000,000 | \$0 |
| Presbyterian Home at Charlotte (Sharon Towers) Charlotte, North Carolina | | 9/25/2001 | 23,500,000 | 0 (nnnnn) |
| Baptist Retirement Homes of North Carolina, Inc. (Taylor Glen) Winston-Salem, North Carolina | Series A Series B Series C | 10/11/2001 10/17/2001 10/17/2001 | 40,285,000 8,100,000 5,900,000 | 0 0 0 |
| Alamance Extended Care, Inc. (Village at Brookwood) Burlington, North Carolina | Series A Series B Series C | 11/1/2001 11/28/2001 11/28/2001 | 32,560,000 8,500,000 17,000,000 | 0 (aaaaa) 0 (aaaaa) 0 (yyyyyyy) |
| Aston Park Health Care Center, Inc. Asheville, North Carolina | | 2/14/2002 | 4,100,000 | 0 |
| FirstHealth of the Carolinas Pinehurst, North Carolina | | 2/27/2002 2/27/2002 | 29,400,000 50,000,000 | 0 0 (qqqqqqq) |
| Arbor Acres United Methodist Retirement Community, Inc. Winston-Salem, North Carolina | | 3/1/2002 | 23,105,000 | 0 (zzzzz) |
| The Forest at Duke, Inc. Durham, North Carolina | | 3/15/2002 | 23,495,000 | 0 (kkkkk) |
| Senior Care Group of McDowell, LLC Nebo, North Carolina | Series A Series B | 6/1/2002 6/1/2002 | 7,210,000 800,000 | 0 0 |
| Union Regional Medical Center Monroe, North Carolina | Series A Series B | 7/11/2002 7/11/2002 | 25,000,000 15,000,000 | 0 0 |
| Southeastern Regional Medical Center Lumberton, North Carolina | | 8/14/2002 | 48,980,000 | 0 (oooooooo) |
| Wake Forest University Health Sciences Winston-Salem, North Carolina | | 8/22/2002 | 198,800,000 | 0 (rrrr) |
| NorthEast Medical Center Concord, North Carolina | Series A Series B | 9/10/2002 9/10/2002 | 30,000,000 30,000,000 | 0 0 |
| Southminster, Inc. Charlotte, North Carolina | | 10/1/2002 | 13,320,000 | 0 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|----------------------------------|-------------------------------------|---------------------------------------|--|
| North Carolina Baptist Hospitals Winston-Salem, North Carolina | | 10/31/2002 | \$162,400,000 | \$0 <i>(ssss)</i> |
| WestCare Health System Sylva, North Carolina | Series A Series B | 11/14/2002 11/14/2002 | 26,860,000 880,000 | 0 0 |
| ACTS Retirement-Life Communities, Inc. West Point, Pennsylvania | | 12/18/2002 | 27,255,000 | 0 |
| CaroMont Health Gastonia, North Carolina | | 1/23/2003 | 120,000,000 | 0 <i>(tttt)</i> |
| Cornelia Nixon Davis Nursing Home Wilmington, North Carolina | | 1/23/2003 | 7,000,000 | 0 <i>(mmmmmmm)</i> |
| FirstHealth of the Carolinas Pinehurst, North Carolina | | 4/10/2003 | 45,750,000 | 0 |
| Hugh Chatham Memorial Hospital Elkin, North Carolina | | 4/23/2003 | 40,000,000 | 0 <i>(qqqqqqqq)</i> |
| Memorial Mission Hospital, Inc. Asheville, North Carolina | | 5/29/2003 | 25,000,000 | 0 |
| Novant Health Winston-Salem, North Carolina | | 7/1/2003 | 164,325,000 | 0 |
| Givens Estates, Inc. Asheville, North Carolina | Series A Series B Series C | 7/15/2003 7/15/2003 8/14/2003 | 63,385,000 7,000,000 39,000,000 | 0 <i>(ccccc)</i> 0 <i>(ccccc)</i> 0 <i>(ccccc)</i> |
| Maria Parham Medical Center Henderson, North Carolina | | 8/1/2003 | 50,835,000 | 0 |
| Betsy Johnson Regional Hospital Dunn, North Carolina | | 9/24/2003 | 24,770,000 | 0 |
| Mission St. Joseph's Health System Asheville, North Carolina | | 10/1/2003 | 18,530,000 | 4,655,000 |
| Friends Homes, Inc. Greensboro, North Carolina | | 10/16/2003 | 45,165,000 | 0 <i>(ccccccc)</i> |
| The Forest at Duke, Inc. Durham, North Carolina | Series A Series B | 11/1/2003 11/1/2003 | 25,990,000 5,210,000 | 6,865,000 0 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|----------|------------------|-----------------------------------|--|
| Northern Hospital District of Surry County Mount Airy, North Carolina | | 12/1/2003 | \$2,422,050 | \$0 |
| Well Spring Retirement Community Greensboro, North Carolina | Series A | 12/1/2003 | 15,450,000 | 4,620,000 |
| | Series B | 12/1/2003 | 2,000,000 | 2,000,000 |
| | Series C | 12/23/2003 | 10,000,000 | 0 (oooooo) |
| Lutheran Retirement Ministries Burlington, North Carolina | | 12/11/2003 | 13,030,000 | 0 (iiii) |
| The Episcopal Home for the Ageing In the Diocese of North Carolina (Penick Village) Southern Pines, North Carolina | Series A | 2/1/2004 | 3,185,000 | 0 |
| | Series B | 2/1/2004 | 2,470,000 | 0 |
| Deerfield Episcopal Retirement Community Asheville, North Carolina | Series A | 3/1/2004 | 37,505,000 | 0 (ffffff) |
| | Series B | 3/1/2004 | 5,000,000 | 0 (ffffff) |
| | Series C | 3/1/2004 | 10,000,000 | 0 (rrrrr) |
| Cypress Glen Retirement Community Greenville, North Carolina | Series A | 3/15/2004 | 15,410,000 | 0 (qqqqqqq) |
| | Series B | 3/15/2004 | 5,000,000 | 0 (aaaaaa) |
| Cleveland County Healthcare System Shelby, North Carolina | Series A | 6/30/2004 | 38,600,000 | 0 (pppppp) |
| Cleveland County Healthcare System Shelby, North Carolina | | 7/15/2004 | 29,475,000 | 0 |
| Stanly Memorial Hospital Albemarle, North Carolina | | 7/22/2004 | 5,000,000 | 0 |
| NorthEast Medical Center Concord, North Carolina | | 8/5/2004 | 30,000,000 | 0 |
| Rowan Regional Medical Center Salisbury, North Carolina | | 8/18/2004 | 87,125,000 | 0 |
| Cypress Glen Retirement Community Greenville, North Carolina | Series C | 8/19/2004 | 12,960,000 | 0 (rrrrrr) |
| | Series D | 8/19/2004 | 2,500,000 | 0 |
| Moses Cone Health System Greensboro, North Carolina | Series A | 10/19/2004 | 47,500,000 | 47,500,000 |
| | Series B | 10/19/2004 | 47,500,000 | 0 (mmmmm) |
| The ARC of North Carolina Raleigh, North Carolina | Series A | 10/21/2004 | 34,650,000 | 30,055,000 |
| | Series B | 10/21/2004 | 1,270,000 | 0 |
| Carolina Meadows Chapel Hill, North Carolina | | 11/7/2004 | 20,110,000 | 0 (yyyyyy) |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|----------|------------------|-----------------------------------|--|
| Novant Health Winston-Salem, North Carolina | | 11/8/2004 | \$135,000,000 | \$135,000,000 |
| Fletcher Hospital dba Park Ridge Hospital Fletcher, North Carolina | | 1/13/2005 | 14,000,000 | 0 |
| United Methodist Retirement Homes Durham, North Carolina | Series A | 2/16/2005 | 20,790,000 | 0 (rrrrrrrr) |
| | Series B | 2/16/2005 | 24,250,000 | 0 (ffffff) |
| United Church Homes and Services Newton, North Carolina | Series A | 4/21/2005 | 13,755,000 | 0 (sssssss) |
| | Series B | 4/21/2005 | 5,000,000 | 5,000,000 |
| Presbyterian Homes Jamestown, North Carolina | Series A | 5/4/2005 | 13,465,000 | 0 (ttttttt) |
| | Series B | 5/4/2005 | 4,090,000 | 0 (kkkkkk) |
| Duke University Health System Durham, North Carolina | Series A | 5/19/2005 | 107,380,000 | 0 (bbbbbb) |
| | Series B | 5/19/2005 | 107,380,000 | 0 (bbbbbb) |
| | Series C | 5/19/2005 | 107,380,000 | 0 (bbbbbb) |
| Blue Ridge Health System Morganton, North Carolina | Series A | 6/19/2005 | 35,000,000 | 35,000,000 |
| | Series B | 6/19/2005 | 43,075,000 | 0 (jjjjj) |
| Watauga Medical Center Boone, North Carolina | | 6/14/2005 | 31,350,000 | 0 (rrrrrr) |
| Morehead Memorial Hospital Eden, North Carolina | | 6/15/2005 | 47,675,000 | 0 |
| Alamance Regional Medical Center Burlington, NC | | 8/1/2005 | 10,000,000 | 0 |
| Duke University Health System Durham, North Carolina | | 8/12/2005 | 40,000,000 | 0 |
| United Methodist Retirement Homes Durham, North Carolina | Series C | 9/8/2005 | 47,835,000 | 6,285,000 (hhhhhhh) |
| Mission Hospitals, Inc. Asheville, North Carolina | | 9/13/2005 | 25,000,000 | 0 |
| Southeastern Regional Medical Center Lumberton, North Carolina | | 9/15/2005 | 20,000,000 | 17,635,000 |
| Lenoir Memorial Hospital Kinston, North Carolina | | 9/22/2005 | 22,000,000 | 17,000,000 |
| Novant Health Winston-Salem, North Carolina | | 12/12/2005 | 50,000,000 | 0 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|--|--------------|-----------------------|-----------------------------------|--|
| Rex Hospital Raleigh, North Carolina | | 12/12/2005 | \$30,000,000 | \$0 |
| Transylvania Community Hospital Brevard, North Carolina | | 12/15/2005 | 1,700,000 | 0 |
| Person Memorial Hospital Roxboro, North Carolina | | 12/15/2005 | 18,000,000 | 0 |
| Pennybyrn at Maryfield High Point, North Carolina | Series A | 12/29/2005 | 67,315,000 | 0 (uuuuuuuu) |
| | Series B | 12/29/2005 | 3,000,000 | 0 |
| | Series C | 12/29/2005 | 24,000,000 | 0 (xxxxxx) |
| University Health Systems of Eastern Carolina | Series A & B | 2/16/2006 | 227,970,000 | 0 (sssss) |
| Greenville, North Carolina | Series C & D | 2/16/2006 | 246,025,000 | 0 (sssss) |
| Wake Forest University Health Sciences Winston-Salem, North Carolina | | 4/6/2006 | 196,050,000 | 0 (uuuuu) |
| North Carolina Baptist Hospitals Winston-Salem, North Carolina | | 5/3/2006 | 162,400,000 | 0 (vvvvv) |
| Cumberland County Hospital System dba Cape Fear Valley Health Fayetteville, North Carolina | Series A | 5/4/2006 | 37,020,000 | 0 |
| | Series B | 5/4/2006 | 262,650,000 | 0 (tttt) |
| CaroMont Health Gastonia, North Carolina | | 5/9/2006 | 119,800,000 | 118,800,000 |
| NorthEast Medical Concord, North Carolina | | 6/27/2006 | 50,000,000 | 0 |
| The Pines at Davidson Davidson, North Carolina | | 7/7/2006 | 30,980,000 | 0 (vvvvvvvv) |
| Presbyterian Homes Jamestown, North Carolina | Series B | 7/13/2006 8/9/2006 | 79,235,000 33,290,000 | 78,835,000 16,260,000 |
| Wayne Memorial Hospital Goldsboro, North Carolina | | 9/21/2006 | 35,000,000 | 0 |
| The Cross Road Rest and Retirement Center, Inc. Asheboro, North Carolina | | 10/19/2006 | 8,300,000 | 0 |
| Moravian Homes, Inc. dba Salemtowne Winston-Salem, North Carolina | | 11/14/2006 | 35,225,000 | 27,470,000 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|--|-----------------|--------------------------|--|---|
| Duke University Health System | Series A | 11/15/2006 | \$65,355,000 | \$0 |
| Durham, North Carolina | Series B | 11/15/2006 | 65,360,000 | 0 |
| | Series C | 11/15/2006 | 20,000,000 | 0 |
| Novant Health | | 12/14/2006 | 250,000,000 | 250,000,000 |
| Winston-Salem, North Carolina | | | | |
| Mission Health | | 1/31/2007 | 260,430,000 | 136,015,000 (iiiiiii) |
| Asheville, North Carolina | | | | |
| Chatham Hospital | | 2/8/2007 | 30,540,000 | 24,940,000 |
| Siler City, North Carolina | | | | |
| Iredell Memorial Hospital | | 3/15/2007 | 39,465,000 | 0 (ssssss) |
| Statesville, North Carolina | | | | |
| Arbor Acres United Methodist Retirement Community | | 3/21/2007 | 17,765,000 | 15,180,000 |
| Winston-Salem, North Carolina | | | | |
| Angel Medical Center | | 3/22/2007 | 18,500,000 | 0 (eeeeeee) |
| Franklin, North Carolina | | | | |
| Givens Estates, Inc. | | 4/4/2007 | 66,900,000 | 60,580,000 |
| Asheville, North Carolina | | | | |
| United Church Homes and Services | | 4/18/2007 | 15,780,000 | 0 (ttttt) |
| Newton, North Carolina | | | | |
| Alamance Extended Care, Inc. (The Village at Brookwood) | | 5/18/2007 | 29,280,000 | 0 (yyyyyyy) |
| Burlington, North Carolina | | | | |
| Randolph Hospital | | 6/14/2007 | 49,230,000 | 0 |
| Asheboro, North Carolina | | | | |
| The Forest at Duke, Inc. | | 7/12/2007 | 28,200,000 | 23,505,000 |
| Durham, North Carolina | | | | |
| Wilson Medical Center | | 8/7/2007 | 33,825,000 | 0 |
| Wilson, North Carolina | | | | |
| Sisters of Mercy Services Corporation | | 9/13/2007 | 4,400,000 | 0 |
| Asheville, North Carolina | | | | |
| Lutheran Retirement Ministries dba Twin Lakes | | 10/10/2007 | 39,800,000 | 0 (ccccc) |
| Alamance County | | | | |
| Burlington, North Carolina | | | | |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|---------------|--------------------------|--|---|
| DePaul Community Facilities, Inc. Rochester, New York | Series A | 10/25/2007 | \$30,125,000 | \$0 (ddddd) |
| | Series B | 10/25/2007 | 1,765,000 | 0 |
| Lower Cape Fear Hospice Wilmington, North Carolina | | 11/15/2007 | 4,000,000 | 2,900,000 |
| Southminster, Inc. Charlotte, North Carolina | Series A & B | 11/15/2007 | 64,180,000 | 63,965,000 |
| | Series C | 11/15/2007 | 25,500,000 | 0 |
| Carol Woods Residential Retirement Center Chapel Hill, North Carolina | | 11/28/2007 | 29,510,000 | 0 |
| CaroMont Health Gastonia, North Carolina | | 1/31/2008 | 118,400,000 | 68,080,000 |
| Carolina Village Hendersonville, North Carolina | Series A | 2/28/2008 | 19,575,000 | 17,850,000 |
| | Series B | 2/28/2008 | 10,000,000 | 0 |
| | Series C | 2/28/2008 | 15,000,000 | 0 (gggggg) |
| Catholic Health East Newtown Square, Pennsylvania | | 4/24/2008 | 30,475,000 | 21,775,000 |
| Moses Cone Health System Greensboro, North Carolina | | 4/30/2008 | 48,140,000 | 0 |
| Transylvania Community Hospital Brevard, North Carolina | | 6/6/2008 | 5,000,000 | 0 |
| Deerfield Episcopal Retirement Asheville, North Carolina | Series A | 8/13/2008 | 47,945,000 | 46,585,000 |
| | Series B | 8/13/2008 | 50,035,000 | 30,035,000 |
| Novant Health Winston-Salem, North Carolina | Series A | 8/19/2008 | 70,000,000 | 0 (vvvvvv) |
| | Series B | 8/19/2008 | 75,090,000 | 0 (vvvvvv) |
| | Series C | 8/19/2008 | 50,870,000 | 0 (vvvvvv) |
| Cape Fear Valley Health System Fayetteville, North Carolina | Series 2008 A | 9/23/2008 | 152,000,000 | 152,000,000 |
| | Series 2008 C | 9/23/2008 | 133,335,000 | 0 (ssssss) |
| Hugh Chatham Memorial Hospital Elkin, North Carolina | | 9/24/2008 | 45,455,000 | 0 |
| Wake Forest Univeristy Health Sciences Winston-Salem, North Carolina | | 10/16/2008 | 188,640,000 | 0 (tttttt) |
| The Moses H. Cone Memorial Hospital Greensboro, North Carolina | | 10/23/2008 | 61,600,000 | 0 (wwwwww) |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 | |
|--|---------------|------------------|-----------------------------------|--|------------|
| Duke University Health System Durham, North Carolina | | 12/4/2008 | \$40,000,000 | \$0 | |
| FirstHealth of the Carolinas Pinehurst, North Carolina | Series A | 12/9/2008 | 75,015,000 | 38,415,000 | (eeeeee) |
| | Series B | 12/9/2008 | 31,830,000 | 0 | (zzzzz) |
| University Health Systems of Eastern Carolina Greenville, North Carolina | Series A | 12/10/2008 | 112,690,000 | 0 | (wwwwwww) |
| | Series B | 12/10/2008 | 123,850,000 | 0 | (wwwwwww) |
| | Series C | 12/10/2008 | 74,455,000 | 0 | |
| | Series D | 12/10/2008 | 119,715,000 | 0 | (iiiiiii) |
| | Series E | 12/10/2008 | 77,900,000 | 0 | |
| Hospice of Alamance-Caswell Burlington, North Carolina | | 12/23/2008 | 5,000,000 | 4,200,000 | |
| North Carolina Baptist Hospital Winston-Salem, North Carolina | Series A | 1/29/2009 | 77,000,000 | 0 | (wwwww) |
| | Series B | 1/29/2009 | 40,000,000 | 0 | (wwwww) |
| | Series C | 1/29/2009 | 40,000,000 | 0 | (wwwww) |
| WakeMed Raleigh, North Carolina | Series A | 2/10/2009 | 169,750,000 | 0 | |
| | Series B | 2/26/2009 | 75,000,000 | 75,000,000 | |
| Transylvania Regional Hospital Brevard, North Carolina | | 3/9/2009 | 13,240,000 | 0 | (zzzzzz) |
| Wayne Memorial Hospital Goldsboro, North Carolina | | 3/19/2009 | 35,720,000 | 32,015,000 | |
| FirstHealth of the Carolinas Pinehurst, North Carolina | Series A | 4/19/2009 | 45,505,000 | 0 | (hhhhhhh) |
| | Series B | 4/15/2009 | 45,505,000 | 0 | (zzzzz) |
| WakeMed Raleigh, North Carolina | | 7/16/2009 | 81,780,000 | 62,720,000 | |
| Duke University Health System Durham, North Carolina | Series 2005 A | 8/21/2009 | 107,380,000 | 0 | (iiiiiii) |
| | Series 2005 B | 8/21/2009 | 107,380,000 | 0 | (iiiiiii) |
| | Series 2005 C | 8/21/2009 | 107,380,000 | 0 | (iiiiiii) |
| DePaul Community Facilities, Inc. Rochester, New York | Series 2007A | 9/17/2009 | 30,000,000 | 25,690,000 | |
| Mission Health System Asheville, North Carolina | | 10/9/2009 | 30,000,000 | 0 | |
| Cypress Glen Retirement Community Greenville, North Carolina | | 10/15/2009 | 6,585,000 | 0 | (kkkkkkkk) |
| CN Davis Wilmington, North Carolina | | 10/29/2009 | 5,705,000 | 0 | (mmmmmmm) |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|----------------------|--------------------------|--|---|
| High Point Regional High Point, North Carolina | | 11/4/2009 | \$9,540,000 | \$0 |
| Duke University Health System Durham, North Carolina | | 11/10/2009 | 180,000,000 | 0 (wwwwwww) |
| FirstHealth of the Carolinas Pinehurst, North Carolina | Series 2009 C | 12/9/2009 | 54,500,000 | 36,020,000 |
| | Series 2009 D | 12/9/2009 | 40,830,000 | 0 (kkkkkkk) |
| Lutheran Services for the Aging Salisbury, North Carolina | | 12/17/2009 | 27,364,250 | 0 (uuuuuuu) |
| Lutheran Retirement Services (Twin Lakes) Burlington, North Carolina | | 12/29/2009 | 29,630,000 | 23,530,000 |
| Aldersgate United Methodist Retirement Community Charlotte, North Carolina | | 12/30/2009 | 29,995,000 | 0 (xxxxxxx) |
| FirstHealth of the Carolinas Pinehurst, North Carolina | | 1/6/2010 | 29,535,000 | 29,535,000 |
| Lutheran Retirement Services Burlington, North Carolina | | 1/14/2010 | 5,495,000 | 0 |
| The Episcopal Home for the Ageing in Diocese of North Carolina (Penick Village) Southern Pines, NC | | 1/20/2010 | 30,000,000 | 17,985,000 |
| University Health Systems of Eastern Carolina Greenville, North Carolina | | 1/28/2010 | 22,425,000 | 10,700,211 |
| United Methodist Retirement Homes Durham, North Carolina | | 2/4/2010 | 14,300,000 | 0 (lllllll) |
| Mission Health System Asheville, North Carolina | | 2/24/2010 | 65,000,000 | 56,605,000 |
| United Methodist Retirement Homes Durham, North Carolina | | 2/19/2010 | 12,880,000 | 0 (mmmmmmm) |
| Carolina Village Hendersonville, North Carolina | | 2/25/2010 | 15,000,000 | 0 (nnnnnnn) |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|----------|--------------------------|--|---|
| North Carolina Baptist Hospitals Winston-Salem, North Carolina | | 3/1/2010 | \$322,750,000 | \$272,275,000 |
| Catholic Health East / St. Joseph of the Pines Pinehurst, North Carolina | | 4/7/2010 | 15,360,000 | 7,805,000 |
| Aldersgate United Methodist Retirement Community Charlotte, North Carolina | | 4/14/2010 | 8,605,000 | 0 (xxxxxxx) |
| Duke University Health System Durham, North Carolina | | 4/28/2010 | 120,000,000 | 120,000,000 |
| Arbor Acres Winston-Salem, North Carolina | | 6/10/2010 | 28,875,000 | 0 (zzzzzzz) |
| The Presbyterian Home at Charlotte, Inc. (Sharon Towers) Charlotte, North Carolina | | 9/24/2010 | 11,515,000 | 0 (cccccccc) |
| Blue Ridge Healthcare System, Inc. Morganton, North Carolina | | 10/7/2010 | 51,195,000 | 38,470,000 |
| Ashe Memorial Hospital Jefferson, North Carolina | | 10/15/2010 | 1,244,536 | 840,318 |
| Galloway Ridge, Inc. Pittsboro, North Carolina | Series A | 10/21/2010 | 61,180,000 | 41,310,000 |
| | Series B | 10/21/2010 | 15,000,000 | 15,000,000 |
| | Series C | 10/21/2010 | 19,930,000 | 0 |
| Chapel Hill Residential Retirement Center dba Carol Woods Chapel Hill, North Carolina | | 10/22/2010 | 30,000,000 | 24,610,000 |
| Rex Hospital Raleigh, North Carolina | | 10/26/2010 | 122,965,000 | 100,210,000 |
| Novant Health, Inc. Winston-Salem, North Carolina | | 11/3/2010 | 264,165,000 | 264,165,000 |
| Maryfield, Incorporated (Pennybyrn at Maryfield) High Point, North Carolina | | 11/9/2010 | 5,000,000 | 0 |
| Well-Spring Retirement Community Greensboro, North Carolina | | 11/10/2010 | 7,065,000 | 3,395,000 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|--|----------|--------------------------|--|---|
| Rutherford Hospital Rutherfordton, North Carolina | | 12/16/2010 | \$22,160,000 | \$0 |
| The Presbyterian Homes, Inc. High Point, North Carolina | | 12/17/2010 | 14,375,000 | 0 (tttttt) |
| Lutheran Services for the Aging, Inc. Salisbury, North Carolina | | 12/16/2010 | 8,300,000 | 0 (uuuuuuu) |
| United Church Homes and Services Newton, North Carolina | | 12/21/2010 | 23,225,000 | 0 (nnnnnnnn) |
| Hospice and Palliative Care Charlotte Region Charlotte, North Carolina | | 12/21/2010 | 4,995,000 | 3,530,000 |
| Carolina Meadows Chapel Hill, North Carolina | | 12/22/2010 | 17,810,000 | 15,125,000 |
| Moses Cone Health System Greensboro, North Carolina | | 2/16/2011 | 60,170,000 | 42,185,000 |
| Appalachian Regional Healthcare System Boone, North Carolina | | 2/16/2011 | 35,310,000 | 32,125,000 |
| Novant Health Winston-Salem, North Carolina | Series A | 3/23/2011 | 65,605,000 | 0 (bbbbbbbbb) |
| | Series B | 3/23/2011 | 70,695,000 | 0 (bbbbbbbbb) |
| | Series C | 3/23/2011 | 47,165,000 | 0 (bbbbbbbbb) |
| Lower Cape Fear Hospice, Inc. Wilmington, North Carolina | | 4/13/2011 | 3,400,000 | 2,055,000 |
| WhiteStone, A Masonic & Eastern Star Community Greensboro, North Carolina | Series A | 4/28/2011 | 22,395,000 | 21,810,000 |
| | Series B | 4/28/2011 | 4,700,000 | 0 |
| Cleveland County Healthcare System Shelby, North Carolina | | 5/12/2011 | 39,560,000 | 0 |
| Iredell Memorial Hospital Statesville, North Carolina | | 6/30/2011 | 35,000,000 | 0 (ddddddd) |
| University Health Systems of Eastern Carolina, Inc. Greenville, North Carolina | | 6/23/2011 | 50,000,000 | 44,850,000 |
| Halifax Regional Medical Center Roanoke Rapids, North Carolina | | 7/26/2011 | 6,500,000 | 5,990,000 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|--|-------------------------------------|--|--|
| Cone Health Greensboro, North Carolina | 8/4/2011 | \$47,980,000 | \$47,885,000 |
| Mission Health Asheville, North Carolina | 8/17/2011 | 32,270,000 | 0 (xxxxxxx) |
| Angel Medical Center Franklin, North Carolina | 8/17/2011 | 14,485,000 | 0 (xxxxxxx) |
| Transylvania Regional Hospital Brevard, North Carolina | 8/24/2011 | 14,655,000 | 0 (xxxxxxx) |
| Cone Health Greensboro, North Carolina | 9/21/2011 | 50,000,000 50,000,000 | 0 (aaaaaaa) 0 (aaaaaaa) |
| Duke University Health System Durham, North Carolina | 10/6/2011 10/6/2011 10/6/2011 | 63,205,000 63,210,000 19,300,000 | 0 (oooooooo) 0 (oooooooo) 0 (oooooooo) |
| Friends Homes Greensboro, North Carolina | 11/1/2011 | 37,745,000 | 33,090,000 |
| FirstHealth of the Carolinas Pinehurst, North Carolina | 3/4/2012 | 40,830,000 | 40,830,000 |
| Duke University Health System Durham, North Carolina | 3/6/2012 | 40,000,000 | 19,918,001 |
| Duke University Health System Durham, North Carolina | 3/22/2012 | 107,380,000 | 100,615,000 |
| Carolina Adventist Retirement System Candler, North Carolina | 3/27/2012 | 13,045,000 | 0 |
| FirstHealth of the Carolinas Pinehurst, North Carolina | 4/24/2012 | 45,610,000 | 45,180,000 |
| University Health Systems of Eastern Carolina dba Vidant Health Greenville, North Carolina | 5/3/2012 | 150,500,000 | 141,235,000 |
| Duke University Health System Durham, North Carolina | 5/30/2012 5/30/2012 | 107,380,000 107,380,000 | 32,570,000 (wwwwwwww) 0 (wwwwwwww) |
| Catholic Health East / St. Joseph of the Pines Pinehurst, North Carolina | 6/27/2012 | 17,110,000 | 17,110,000 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|--|--|---|
| Duke University Health System Durham, North Carolina | 6/28/2012 | \$300,000,000 | \$279,570,000 |
| Wayne Memorial Hospital Goldsboro, North Carolina | 7/3/2012 | 23,290,000 | 0 |
| WakeMed Raleigh, North Carolina | 7/11/2012 | 294,840,000 | 270,865,000 |
| Carol Woods Retirement Community Chapel Hill, North Carolina | 7/18/2012 | 22,000,000 | 19,240,000 |
| Duke University Health System Durham, North Carolina | 8/28/2012 8/28/2012 | 28,650,000 19,575,000 | 28,650,000 0 |
| Cornelia Nixon Davis Wilmington, North Carolina | 9/27/2012 | 27,665,000 | 23,990,000 |
| FirstHealth of the Carolinas Pinehurst, North Carolina | 10/3/2012 | 28,435,000 | 28,435,000 |
| Southeastern Medical Center Lumberton, North Carolina | 10/31/2012 | 40,210,000 | 33,195,000 |
| Wake Forest Obligated Group Winston-Salem, North Carolina | 11/15/2012 11/15/2012 11/15/2012 12/13/2012 | 118,405,000 112,605,000 59,045,000 80,000,000 | 118,405,000 102,155,000 52,615,000 80,000,000 |
| Lutheran Services for the Aging Salisbury, North Carolina | 12/5/2012 12/5/2012 | 44,790,000 26,254,401 | 43,595,000 23,610,270 |
| Cape Fear Valley Health System Fayetteville, North Carolina | 12/19/2012 | 108,195,000 | 92,390,000 |
| Columbus Regional Healthcare System Whiteville, North Carolina | 2/7/2013 | 25,605,000 | 22,635,000 |
| Carolina Village Hendersonville, North Carolina | 2/20/2013 | 18,745,000 | 17,030,000 |
| United Methodist Retirement Homes / Cypress Glen Retirement Community Durham / Greenville, North Carolina | 4/11/2013 | 8,370,000 | \$8,295,000 |
| Novant Health Winston-Salem, North Carolina | 5/7/2013 | 152,400,000 | 142,740,000 |
| Hugh Chatham Memorial Hospital Elkin, North Carolina | 7/25/2013 | 43,600,000 | 39,655,000 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|--|--------------|--------------------------|--|---|
| University Health Systems of Eastern Carolina, Inc. dba Vidant Health Greenville, North Carolina | | 8/22/2013 | \$101,605,000 | \$86,685,000 |
| | | 8/23/2013 | 112,000,000 | 96,640,000 |
| Davidson Retirement Community, Inc. dba The Pines at Davidson Davidson, North Carolina | | 9/17/2013 | 14,645,000 | 14,235,000 |
| Aldersgate United Methodist Retirement Community, Inc. Charlotte, North Carolina | | 10/24/2013 | 38,025,000 | 34,280,000 |
| Cone Health Greensboro, North Carolina | | 11/20/2013 | 88,775,000 | 88,775,000 |
| | | 11/20/2013 | 25,000,000 | 18,400,000 |
| | | 11/20/2013 | 16,410,000 | 12,075,000 |
| Arbor Acres United Methodist Retirement Community Winston-Salem, North Carolina | | 12/20/2013 | 28,000,000 | 26,491,318 |
| Cone Health Greensboro, North Carolina | | 1/8/2014 | 50,000,000 | 48,435,000 |
| | | 1/8/2014 | 50,000,000 | 48,440,000 |
| Novant Health Winston-Salem, North Carolina | | 3/3/2014 | 55,105,000 | 47,455,000 |
| | | 3/3/2014 | 60,195,000 | 52,545,000 |
| | | 3/3/2014 | 40,280,000 | 32,600,000 |
| Presbyterian Home at Charlotte dba Sharon Towers Charlotte, North Carolina | | 5/23/2014 | 9,265,000 | 7,795,000 |
| Iredell Memorial Hospital Statesville, North Carolina | | 6/30/2014 | 30,000,000 | 0 (pppppppp) |
| FirstHealth of the Carolinas, Inc. Pinehurst, North Carolina | Series 2014A | 7/17/2014 | 18,160,000 | 18,160,000 |
| Deerfield Episcopal Retirement Community Asheville, North Carolina | Series 2014 | 8/5/2014 | 24,160,000 | 20,910,000 |
| United Methodist Retirement Homes Durham, North Carolina | Series 2014 | 7/16/2014 | 12,025,000 | 10,385,000 |
| United Methodist Retirement Homes Durham, North Carolina | Series 2009A | 8/25/2014 | 5,955,000 | 5,625,000 |
| Galloway Ridge, Inc. Pittsboro, North Carolina | Series 2014A | 9/10/2014 | 15,495,000 | 15,485,000 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|--|-----------------------|--------------------------|--|---|
| United Methodist Retirement Homes Durham, North Carolina | Series 2010A | 10/3/2014 | \$9,350,000 | \$8,983,916 |
| United Methodist Retirement Homes Durham, North Carolina | Series 2005B | 11/17/2014 | 9,990,000 | 9,990,000 |
| United Methodist Retirement Homes Durham, North Carolina | Series 2014B | 12/23/2014 | 16,630,000 | 16,450,000 |
| Mission Health System, Inc. Asheville, North Carolina | Series 2015 | 3/25/2015 | 73,885,000 | 73,735,000 |
| Duke University Health System Durham, North Carolina | Series 2006A | 3/19/2015 | 55,720,000 | 52,835,000 |
| | Series 2006B | 3/19/2015 | 55,730,000 | 52,845,000 |
| | Series 2006C | 3/19/2015 | 16,875,000 | 15,940,000 |
| Duke University Health System Durham, North Carolina | Series 2015 | 4/1/2015 | 40,000,000 | 4,966,795 |
| Vidant Health (University Health Systems of Eastern Carolina Greenville, North Carolina | Series 2015 | 4/1/2015 | 297,100,000 | 295,975,000 |
| United Church Homes and Services Newton, North Carolina | Series 2015A | 4/8/2015 | 23,180,000 | 23,030,000 |
| Maryfield, Incorporated dba Pennybyrn at Marfield High Point, North Carolina | Series 2015 | 4/29/2015 | 66,135,000 | 65,365,000 |
| Rex Healthcare Raleigh, North Carolina | Series 2015A | 5/21/2015 | 50,000,000 | 50,000,000 |
| | Series 2015B-1 | 5/21/2015 | 50,000,000 | 50,000,000 |
| | Series 2015B-2 | 5/21/2015 | 50,000,000 | 50,000,000 |
| Iredell Memorial Hospital Statesville, North Carolina | Series 2007 | 6/30/2015 | 29,215,000 | 28,400,000 |
| Presbyterian Homes, Inc. Jamestown, North Carolina | Series 2015 | 7/14/2015 | 14,712,108 | 14,092,720 |
| Wayne Memorial Hospital Goldsboro, North Carolina | Series 2015 | 7/21/2015 | 17,455,000 | 15,310,000 |
| Moravian Home Incorporated dba Salemtowne Winston-Salem, North Carolina | Series 2015 | 8/18/2015 | \$42,585,000 | \$42,585,000 |
| Hugh Chatham Memorial Hospital Elkin, North Carolina | Series 2008 | 9/1/2015 | 42,235,000 | 41,510,000 |

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

| | | DATE OF ISSUE | AUTHORIZED PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2016 |
|---|------------------------|--------------------------|--|---|
| The Pines at Davidson, Inc. Davidson, North Carolina | Series 2015 | 10/7/2015 | 11,125,000 | 10,975,000 |
| Mission Health Asheville, North Carolina | Series 2015 B-1 | 11/13/2015 | 27,495,000 | 27,495,000 |
| | Series 2015 B-2 | 11/13/2015 | 8,570,000 | 8,250,000 |
| | Series 2015 B-3 | 11/13/2015 | 11,200,000 | 11,200,000 |
| Aldersgate United Methodist Retirement Community, Inc. Charlotte, North Carolina | Series 2015 | 11/18/2015 | 49,240,000 | 49,240,000 |
| United Church Homes & Services Newton, North Carolina | 2015B | 12/12/2015 | 31,570,000 | 9,569,958 |
| Hugh Chatham Memorial Hospital Elkin, North Carolina | Series 2015 | 12/16/2015 | 25,845,000 | 25,845,000 |
| Prebyterian Homes, Inc. Jamestowne, North Carolina | Series 2016A | 4/20/2016 | 20,000,000 | 20,000,000 |
| United Methodist Retirement Homes Durham, North Carolina | Series 2016A | 5/11/2016 | 34,485,000 | 34,485,000 |
| Duke University Health System Durham, North Carolina | Series 2016A | 5/22/2016 | 167,075,000 | 167,075,000 |
| | Series 2016B | 5/22/2016 | 90,000,000 | 90,000,000 |
| | Series 2016C | 5/22/2016 | 90,000,000 | 90,000,000 |
| | | | \$22,410,273,097 | \$7,096,463,507 |

Footnotes through June 30, 2016

- (a) Defeased by 5/24/85 Presbyterian Hospital Bond Issue
- (b) Defeased by 7/1/85 Duke University Hospital Refunding Bond Issue
- (c) Defeased by 12/1/85 Memorial Mission Bond Issue
- (d) Defeased by 12/1/85 Moore Memorial Bond Issue
- (e) Defeased by 8/1/85 Mercy Hospital Bond Issue
- (f) Defeased by 7/1/83 Grace Hospital Bond Issue
- (g) Defeased by 7/1/85 Southeastern General Hospital Bond Issue
- (h) Defeased by 8/1/85 The Episcopal Home for the Ageing in the Diocese of North Carolina Bond Issue
- (i) Defeased by 12/1/85 Presbyterian Hospital Bond Issue
- (j) Defeased by 2/1/87 Grace Hospital Bond Issue
- (k) Defeased by 2/1/87 High Point Regional Hospital Bond Issue
- (l) Defeased by 8/1/87 Carolina Medicorp Bond Issue
- (m) Defeased by 6/1/88 Scotland Memorial Hospital Bond Issue
- (n) Defeased by 11/1/88 St. Joseph's Hospital Bond Issue
- (o) Defeased by 11/1/88 Blumenthal Jewish Home Bond Issue
- (p) Defeased by 11/1/89 Stanly Memorial Hospital Bond Issue
- (q) Defeased by 10/1/90 Community General Hospital Bond Issue
- (r) Defeased by 10/1/90 Presbyterian Hospital Bond Issue
- (s) Defeased by 11/1/90 Forest at Duke Bond Issue
- (t) Defeased by 11/1/91 Annie Penn Memorial Hospital Bond Issue
- (u) Defeased by 2/15/92 Alamance Health Services Bond Issue
- (v) Defeased by 11/1/91 Southeastern General Hospital Bond Issue
- (w) Defeased by 1/1/92 North Carolina Baptist Hospitals Bond Issue
- (x) Defeased by 11/1/91 McDowell Hospital Bond Issue
- (y) Defeased by 1/1/93 Rex Hospital Bond Issue
- (z) Defeased by 5/1/93 Morehead Memorial Hospital Bond Issue
- (aa) Defeased by 1/29/93 The Moses H. Cone Memorial Hospital Bond Issue
- (bb) Defeased by 11/1/92 Mercy Hospital Bond Issue
- (cc) Defeased by 8/1/92 Carolina Medicorp, Inc. Bond Issue
- (dd) Defeased by 6/1/93 Presbyterian Health Services Corp. Bond Issue
- (ee) Defeased by 11/15/93 Wesley Long Community Hospital, Series 1993 Bond Issue
- (ff) Defeased by 10/1/93 Penick Memorial Home Series 1993A Bond Issue
- (gg) Defeased by 7/15/93 Memorial Mission Hospital Series 1993 Bond Issue
- (hh) Defeased by 12/1/93 Scotland Memorial Hospital Series 1993 Bond Issue
- (ii) Defeased in part by 1/1/94 The Pines at Davidson Series 1994 Bond Issue
- (jj) Defeased by 1/1/94 St. Joseph's Hospital Series 1994 Bond Issue
- (kk) Defeased in part by 3/1/94 The Forest at Duke Series 1994 Bond Issue
- (ll) Defeased by 3/15/94 C. J. Harris Community Hospital Series 1994 Bond Issue
- (mm) Defeased in part by 8/12/93 Duke University Hospital Series 1993A Bond Issue
- (nn) Defeased by 9/15/94 United Church Retirement Homes Series 1994 Bond Issue
- (oo) Defeased by 7/1/94 Southminster Series 1994 Bond Issue
- (pp) Defeased by 10/15/95 Gaston Memorial Hospital Series 1995 Bond Issue
- (qq) Defeased by 5/1/96 Stanly Memorial Hospital Series 1996 Bond Issue
- (rr) Defeased by 2/15/96 Glenaire Project Series 1996 Bond Issue
- (ss) Defeased by 4/9/97 Lexington Memorial Hospital Series 1997 Bond Issue
- (tt) Defeased by 8/15/96 Grace Hospital Series 1996 Bond Issue
- (uu) Defeased by 2/1/97 Wilson Memorial Hospital Series 1997 Bond Issue
- (vv) Defeased by 12/1/96 Friends Home West Series 1996 Bond Issue
- (ww) Defeased by 2/15/97 Well Spring Retirement Community Series 1997 Bond Issue
- (xx) Defeased by 11/1/97 High Point Regional Health System Series 1997 Bond Issue
- (yy) Defeased by 11/1/97 Transylvania Community Hospital Series 1997 Bond Issue
- (zz) Defeased by 11/21/97 Angel Medical Center Series 1997 Bond Issue
- (aaa) Defeased by 4/1/98 Novant Health System Series 1998A Bond Issue

Footnotes through June 30, 2016

| | |
|---------|--|
| (bbb) | Defeased by 3/15/98 Annie Penn Memorial Hospital Series 1998 Bond Issue |
| (ccc) | Defeased in part by 3/15/98 Rex Healthcare Series 1998 Bond Issue |
| (ddd) | Defeased by 9/1/98 Pitt County Memorial Hospital Series 1998A Bond Issue |
| (eee) | Defeased by 6/15/98 Catholic Health East 1998C and 1998D Bond Issues |
| (fff) | Defeased by 9/15/98 Wayne Memorial Hospital Series 1998 Bond Issue |
| (ggg) | Defeased by 9/3/98 Valdese General Hospital, Inc. Series 1998 Bond Issue |
| (hhh) | Defeased by 7/1/98 Alamance Regional Medical Center, Inc. Series 1998 Bond Issue |
| (iii) | Defeased by 9/1/98 Halifax Regional Medical Center Series 1998 Bond Issue |
| (jjj) | Defeased by 11/1/98 Mission-St. Joseph's Health System Series 1998 Bond Issues |
| (kkk) | Defeased by 7/1/98 United Church Retirement Homes Series 1998 Bond Issue |
| (lll) | Defeased by 12/16/99 The McDowell Hospital, Inc., Series 1999 Bond Issue |
| (mmm) | Defeased in part by 6/15/2000 North Carolina Baptist Hospitals Project Series 2000 Bond Issue |
| (nnn) | Defeased by July 2, 2001 Carol Woods Project Bond Issue |
| (ooo) | Defeased by August 1, 2001 The Presbyterian Home at Charlotte, Inc. Bond Issue |
| (ppp) | Defeased by 2003 FirstHealth of the Carolinas Bond Issue |
| (qqq) | Defeased by 2002 WestCare Bond Issue |
| (rrr) | Defeased by 2002 Southminster, Inc. Bond Issue |
| (sss) | Defeased by 2002 ACTS Bond Issue |
| (ttt) | Defeased by 2002 NorthEast Medical Bond Issue |
| (uuu) | Defeased in part by 2003 Gaston Healthcare Bond Issue |
| (vvv) | Defeased by July 1, 2003 Novant Health Bond Issue |
| (www) | Defeased by October 1, 2003 Mission-St. Joseph's Health System Bond Issue |
| (xxx) | Defeased by February 1, 2004 Penick Village Bond Issue |
| (yyy) | Defeased in part by November 1, 2003 The Forest at Duke Bond Issue |
| (zzz) | Defeased by October 16, 2003 Friends Home Bond Issue |
| (aaaa) | Defeased March 15, 2004 Cypress Glen Bond Issue |
| (bbbb) | Defeased in part by December 1, 2003 Well Spring Bond Issue |
| (cccc) | Defeased in part by March 1, 2004 Deerfield Episcopal Retirement Community Bond Issue |
| (dddd) | Defeased by July 15, 2003 Givens Estates Bond Issue |
| (eeee) | Defeased by reissuance of debt January 13, 2005 |
| (ffff) | Defeased in part by October 2002 NC Baptist Bond Issue |
| (gggg) | Defeased by June 15, 2005 Morehead Memorial Hospital Bond Issue |
| (hhhh) | Defeased by October 19, 2004 Moses Cone Bond Issue |
| (iiii) | Defeased in part by May 4, 2005 Presbyterian Home Bond Issue |
| (jjjj) | Defeased in part by May 19, 2005 Duke University Health System Bond Issue |
| (kkkk) | Defeased by November 7, 2004 Carolina Meadows Bond Issue |
| (llll) | Defeased in part by April 21, 2005 United Church Bond Issue |
| (mmmm) | Defeased by June 9, 2005 Blue Ridge Health System Bond Issue |
| (nnnn) | Defeased by February 16, 2005 United Methodist Retirement Homes Bond Issue |
| (oooo) | Reissued for federal tax purposes July 15, 2004 |
| (pppp) | Defeased in part by February 16, 2006 University Health Systems of Eastern Carolina Bond Issue |
| (qqqq) | Defeased by September 8, 2005 United Methodist Retirement Homes Bond Issue |
| (rrrr) | Reissued for federal tax purposes by May 3, 2006 Bond Issue in amount of \$196,050,000 |
| (ssss) | Reissued for federal tax purposes by May 3, 2006 NC Baptist Hospital Bond Issue |
| (tttt) | Reissued for federal tax purposes by May 9, 2006 CaroMont Bond Issue |
| (uuuu) | Defeased by March 22, 2007 Angel Medical Center Bond Issue |
| (vvvv) | Defeased in part by January 31, 2007 Mission Health Bond Issue |
| (wwww) | Defeased by October 19, 2006 CrossRoad Rest and Retirement Bond Issue |
| (xxxx) | Defeased by June 14, 2007 Randolph Hospital Bond Issue |
| (yyyy) | Defeased by November 14, 2006 Moravian Homes, Inc. (Salemtowne) Bond Issue |
| (zzzz) | Defeased by July 13, 2006 Presbyterian Homes, Inc. Bond Issue |
| (aaaaa) | Defeased in part by May 18, 2007 Alamance Extended Care, Inc. Bond Issue |
| (bbbbb) | Defeased by March 21, 2007 Arbor Acres (United Methodist Retirement Community) Bond Issue |

Footnotes through June 30, 2016

| | |
|--------|---|
| (cccc) | Defeased in part by April 4, 2007 Givens Estates Bond Issue |
| (dddd) | Defeased in part by July 7, 2006 The Pines at Davidson Bond Issue |
| (eeee) | Defeased by January 31, 2008 CaroMont Health Bond Issue |
| (ffff) | Defeased in part by August 7, 2007 Wilson Medical Center Bond Issue |
| (gggg) | Defeased by October 25, 2007 DePaul Community Facilities, Inc. Bond Issue |
| (hhhh) | Defeased by April 24, 2008 Catholic Health East Bond Issue |
| (iiii) | Defeased by October 10, 2007 Lutheran Retirement Ministries in Alamance County Bond Issue |
| (jjjj) | Reissued for federal tax purposes on November 28, 2007 |
| (kkkk) | Defeased by July 12, 2007 The Forest at Duke Bond Issue |
| (llll) | Not Used |
| (mmmm) | Defeased by April 30, 2008 Moses Cone Bond Issue |
| (nnnn) | Reissued for federal tax purposes October 23, 2008 |
| (oooo) | Defeased by December 9, 2008 First Health of the Carolinas Bond Issue |
| (pppp) | Defeased by August 19, 2008 Novant Health Bond Issue |
| (qqqq) | Defeased by CaroMont Health January 31, 2008 Bond Issue |
| (rrrr) | Defeased by August 13, 2008 Deerfield Bond Issue |
| (ssss) | Defeased by December 10, 2008 University Health Systems Bond Issue |
| (tttt) | Defeased by September 23, 2008 Cumberland County Hospital System Bond Issue |
| (uuuu) | Converted to VRDO October 16, 2008 |
| (vvvv) | Defeased/Converted by January 29, 2009 North Carolina Baptist Hospital Bond Issue |
| (wwww) | Defeased by March 1, 2010 North Carolina Baptist Hospital Bond Issue |
| (xxxx) | Defeased by July 16, 2009 WakeMed Bond Issue |
| (yyyy) | Defeased by December 30, 2009 and April 8, 2010 Aldersgate Bond Issue |
| (zzzz) | Defeased in whole or in part by December 9, 2009 FirstHealth of the Carolinas Bond Issue |
| (aaaa) | Defeased by October 15, 2009 Cypress Glen Bond Issue |
| (bbbb) | Defeased by August 21, 2009 Duke University Health System Bond Issue |
| (cccc) | Defeased by January 14, 2010 Lutheran Retirement Homes (Twin Lakes) Bond Issue |
| (dddd) | Defeased by September 17, 2009 DePaul Bond Issue |
| (eeee) | Defeased in part by January 6, 2010 FirstHealth of the Carolinas Bond Issue |
| (ffff) | Defeased /Converted by UMRH February 19, 2010 Bond Issue |
| (gggg) | Defeased /Converted by February 25, 2010 Carolina Village Bond Issue |
| (hhhh) | Defeased in part by April 7, 2010 Catholic Health East Bond Issue |
| (iiii) | Defeased by August 14, 2002 Southeastern General Bond Issue |
| (jjjj) | Defeased by October 7, 2010 Blue Ridge HealthCare Bond Issue |
| (kkkk) | Defeased by December 17, 2010 Presbyterian Homes Bond Issue |
| (llll) | Defeased by October 26, 2010 Rex Healthcare Bond Issue |
| (mmmm) | Defeased by December 16, 2010 Rutherford Hospital Bond Issue |
| (nnnn) | Converted to Bank Qualified Bonds September 25, 2010 |
| (oooo) | Converted to Bank Qualified Bonds November 10, 2010 |
| (pppp) | Defeased by May 12, 2011 Cleveland County Healthcare Bond Issue |
| (qqqq) | Not Used |
| (rrrr) | Defeased by February 16, 2011 Appalachian Regional Healthcare Bond Issue |
| (ssss) | Converted to Bank Bought Bonds June 30, 2011 |
| (tttt) | Defeased by December 21, 2010 United Church Bond Issue |
| (uuuu) | Defeased by October 22, 2010 Carol Woods Bond Issue |
| (vvvv) | Converted to Bank Bought Bonds March 23, 2011 |
| (wwww) | Defeased by February 16, 2011 Moses Cone Bond Issue |
| (xxxx) | Defeased by November 9, 2010 Pennybyrn of Maryfield Bond Issue |
| (yyyy) | Converted to Bank Qualified Bonds December 22, 2010 |
| (zzzz) | Defeased by August 24, 2011 Transylvania Bond Issue |
| (aaaa) | Defeased by June 27, 2012 Catholic Health East Bond Issue |
| (bbbb) | Defeased by August 17, 2011 Mission Health Bond Issue |
| (cccc) | Defeased by November 1, 2011 Friends Homes Bond Issue |

Footnotes through June 30, 2016

(ddddddd) Converted by October 6, 2011 to Bank Bought Bonds
(eeeeeee) Converted to Bank Bought Bonds August 17, 2011
(ffffff) Defeased by August 4, 2011 Moses Cone Bond Issue
(ggggggg) Defeased by May 3, 2012 University Health Systems of Eastern Carolina Bond Issue
(hhhhhhh) Defeased by April 24, 2012 FirstHealth Bond Issue
(iiiiiii) Converted to Bank Bought Bonds March 22, 2012
(jjjjjjj) Converted to Bank Bought Bonds May 30, 2012
(kkkkkkk) Converted to Bank Bought Bonds March 4, 2012
(lllllll) Defeased by August 28, 2012 Duke University Health System Bond Issue
(mmmmmmm) Defeased by October 3, 2012 CN Davis Bond Issue
(nnnnnnn) Defeased by February 20, 2012 Carolina Village Bond Issue
(oooooooo) Defeased by October 31, 2012 Southeastern Regional Medical Center Bond Issue
(ppppppp) Defeased by July 11, 2012 WakeMed Bond Issue
(qqqqqqq) Defeased by October 3, 2012 FirstHealth Bond Issue
(rrrrrrr) Defeased by April 11, 2013 United Methodist Retirement Bond Issue
(sssssss) Defeased by December 18, 2012 Cape Fear Valley Health System Bond Issue
(ttttttt) Defeased by November 15, 2012 Wake Forest Baptist Bond Issue
(uuuuuuu) Defeased by December 5, 2012 Lutheran Services for the Aging Bond Issue
(vvvvvvv) Converted to Bank Bought Bonds July 25, 2013
(wwwwwww) Defeased by August 22, 2013 University Health Systems of Eastern Carolina 2013A and 2013B Bond Issues
(xxxxxxx) Defeased by October 24, 2013 Aldersgate Series 2013 Bond Issue
(yyyyyyy) Defeased by November 20, 2013 Cone Health Series 2013B & 2013C Bond Issues
(zzzzzzz) Converted/Refunded by Arbor Acres Series 2010 Bonds on December 20, 2013
(aaaaaaaa) Defeased by Cone Health January 8, 2014 Bond Issue
(bbbbbbb) Converted to Bank Bought Bonds by March 3, 2014 Issue (Novant Health)
(ccccccc) Converted as Bank Bought Bonds to extend holding period to maturity of original Bond Issue (Sharon Towers)
(ddddddd) Converted as Bank Bought Bonds to extend holding period of Bonds (Iredell Memorial)
(eeeeeee) Converted to Bank Bought Bonds July 25, 2013 (Hugh Chatham)
(ffffff) Defeased by Deerfield 2014 Bond Issue
(ggggggg) Defeased by UMRH Series 2014 Bond Issue
(hhhhhhh) Defeased in part UMRH 2014B Bond Issue
(iiiiiii) Defeased in part by Mission Health Series 2015 Bond Issue
(jjjjjjj) Defeased by April 1, 2015 Vidant Bond Issue
(kkkkkkk) Reissued for federal tax purposes August 25, 2014
(lllllll) Reissued for federal tax purposes October 3, 2014
(mmmmmmm) Reissued for federal tax purposes November 17, 2014
(nnnnnnn) Defeased by UMRH Series 2015 Bonds April 8, 2015
(oooooooo) Reissued for federal tax purposes March 19, 2015
(ppppppp) Reissued for federal tax purposes June 30, 2015
(qqqqqqq) Reissued for federal tax purposes December 16, 2015
(rrrrrrr) Defeased by May 11, 2016 UMRH 2016 Bond Issue
(sssssss) Defeased by December 10, 2015 United Church Bond Issue
(ttttttt) Defeased by July 14, 2015 Presbyterian Homes Bond Issue
(uuuuuuu) Defeased by April 20, 2015 Pennybyrn Bond Issue
(vvvvvvv) Defeased by October 7, 2015 The Pines at Davidson Bond Issue
(wwwwwww) Defeased by May 26, 2016 Duke Health Bond Issue
(xxxxxxx) Defeased by November 13, 2015 Mission Health Bond Issue
(yyyyyyy) Defeased by July 21, 2015 Wayne Memorial Bond Issue

Revenue Bonds, Notes and Leases July 1, 2015 - June 30, 2016

1. Presbyterian Homes, Inc. - \$14,712,108

On July 14, 2015, the Commission issued its \$14,712,108 North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Refunding Bonds (The Presbyterian Homes Obligated Group), Series 2015 dated as of July 14, 2015. The Bonds are being used, together with other available funds, to refund \$6,080,000 Series 2005 A & B Bonds and \$11, 263,574 Series 2010 Bonds. The Series 2015 Bonds are being purchased by BB&T Community Holding Company and held as Bank Bought Bonds. The Series 2015 Bonds have a final maturity date of July 1, 2031 and carry an interest rate of 2.89%. The refunding of the Series 2010 Bonds is being done to remove variable interest rate risks. The refunding of the Series 2005A Bonds is being done for interest rate savings.

The Bonds are not rated. Ziegler served as Placement Agent for the Issue. Parker Poe Adams & Bernstein, LLP served as bond counsel. Moore & Van Allen, PLLC served as counsel to the Purchaser. US Bank serves as Bond Trustee.

2. Wayne Memorial Hospital - \$17,455,000

On July 21, 2015, the Commission issued its \$17,455,000 North Carolina Medical Care Commission Hospital Revenue Refunding Bonds (Wayne Memorial Hospital), Series 2015 dated July 1, 2015. The proceeds of Series 2015 Bonds are being used to refund the \$23,290,000 North Carolina Medical Care Commission Hospital Revenue Bonds (Wayne Memorial Hospital), Series 2012 outstanding in the amount of \$17,455,000. The Series 2015 Bonds are being purchased by Branch Banking & Trust Company and will carry a fixed interest rate to 2021 (which is the final maturity date of the Series 2012 Bonds) and will carry an interest rate of 1.98% per annum. The refunding was done for interest rate savings.

Branch Banking and Trust Company purchased the Series 2015 Bonds as Bank Bought Bonds. McGuire Woods, LLP served as bond counsel. Moore Van Allen, PLLC served as counsel to the purchaser. Branch Banking and Trust Company serves as Bond Trustee.

3. Moravian Home, Incorporated dba Salemtowne - \$42,585,000

On August 18, 2015, the Commission issued its \$42,585,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (Salemtowne Project) Series 2015, dated as of the date of delivery (August 18, 2015). The proceeds of the Issue will be used for the purpose of providing funds, together with other available funds, to (a) pay or reimburse the Corporation for paying all or a portion of the cost of improving and expanding its continuing care retirement community, including constructing, furnishing and equipping a new nursing facility, which will initially contain 100 skilled

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nursing beds (40 of which will be used as rehabilitation beds) and 20 assisted living memory care beds, (b) pay interest accruing on the Bonds to August 1, 2016; (c) fund a debt service reserve fund, and (d) pay certain expenses incurred in connection with the issuance of the Bonds by the Commission.

Moravian Home, Incorporated owns and operates a continuing care retirement community known as "Salem towne" on an approximately 115 acre site in Winston-Salem, North Carolina. The Corporation is a North Carolina nonprofit corporation affiliated with the Moravian Church in America Southern Province, and is governed by a volunteer Board of Trustees. The Corporation is a 501 (c)(3) tax-exempt organization. The Moravian Church in America, is responsible for the financial or contractual obligations of the Corporation. The Corporation was founded on the principles of the Moravian Church, and its mission is to provide a broad variety of services to persons of retirement age.

The Community is located on the Corporation's campus at 1000 Salem towne Drive in Winston-Salem, North Carolina. The Community has operated at this site since 1972. The Community consists of: (a) 171 independent living units, (b) 46 licensed assisted living beds, (c) an 84 bed Health Care Center, and (d) complementary facilities such as, among others, a community center, fitness center, walking trails and art galleries (collectively, the "Existing Facilities"). The Existing Facilities and other continuing care retirement facilities or health care delivery or residential facilities are designed to provide services to the elderly.

The Series 2015 Bonds are not rated. The \$4,000,000 5.25% Term Bonds due October 1, 2035 yield 5.25%. The \$11,840,000 5.25% Term Bonds due October 1, 2037 yield 5.32%. The \$26,745,000 5.3752% Term Bonds due October 1, 2045 yield 5.45%.

Robinson Bradshaw & Hinson, PA served as bond counsel. Parker Poe Adams & Bernstein, LLP served as counsel to the underwriters. Ziegler served as senior manager for the Issue with Davenport & Company, LLC as Co-Manager. Dixon Hughes Goodman, LLP served as Feasibility Consultant for the Issue. The Bank of New York Mellon Trust Company, N.A. serves as Bond Trustee.

4. Hugh Chatham Memorial Hospital - \$42,235,000

On September 1, 2015, the Commission reissued for federal tax purposes the \$45,455,000 of the North Carolina Medical Care Commission Variable Rate Demand Health Care Facilities Revenue Bonds (Hugh Chatham Memorial Hospital Project) Series 2008 outstanding in the amount of \$45,455,000, as of the date of issuance/conversion. The 2008 Bonds were initially secured by an Irrevocable Letter of Credit issued by Wachovia Bank, National Association, succeeded by Wells Fargo, National Association. On July 25,

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2015, the original Trust Agreement was amended to add an Index Interest Rate mode and the Bonds were converted to the Bank Bought Mode. The Bonds carried an interest rate of 70% of one month LIBOR plus 1.65% per annum for a three year holding period. The reissuance/conversion will extend the holding period of the Bonds for two years (until July 25, 2018) keeping the same interest rate of 70% of one month LIBOR plus 1.65% per annum. Wells Fargo Municipal Capital Strategies, LLC will continue to hold the Bonds for the extended holding period.

Robinson Bradshaw & Hinson, P.A. served as bond counsel. Kutak Rock, LLP served as counsel to the Purchaser. Wells Fargo Municipal Capital Strategies, LLC served as Purchaser of the Bonds. US Bank serves as Bond Trustee.

5. The Pines at Davidson, Inc. - \$11,125,000

On October 7, 2015, the Commission issued its North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (The Pines at Davidson), Series 2015 in the amount of \$11,125,000. The proceeds of the Series 2015 Bonds are being used, together with the available funds, to (1) refund \$12,620,000 of the Commission's Health Care Facilities First Mortgage Revenue Bonds (The Pines at Davidson) Series 2006A, and (2) pay certain expenses incurred in connection with the issuance of the Bonds. The \$11,125,000 in proceeds is being combined with the 2006A Debt Service Reserve Fund and 2006A Principal and Interest accounts together with an equity contribution from The Pines at Davidson in the amount of \$6,664,125 to refund all of the outstanding Series 2006A Bonds (\$19,120,000). The refunding will yield present value savings in the amount of \$1.9 million.

The Series 2006A Bonds were used to (1) finance the costs of expanding and improving The Pines at Davidson Continuing Care Retirement Community, (2) refund a portion of the Commission's Health Care Facilities First Mortgage Revenue Refunding Bonds (The Pines at Davidson) Series 1994, (3) pay the capitalized interest on the Series 2006A Bonds, (4) fund a debt service reserve fund, and (5) pay certain expenses incurred in connection with the issuance of the Series 2006A Bonds.

The Series 2015 Bonds are being purchased by STI Institutional & Government, Inc., an affiliate of SunTrust Bank, and held as Bank Bought Bonds. The Series 2015 Bonds will bear interest at a fixed rate of 2.87% for the initial direct purchase period, which is the maturity date of the Series 2015 Bonds, which are subject to sinking fund redemption in the years 2016-2030.

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Robinson Bradshaw & Hinson, P.A. served as bond counsel. Ziegler served as placement agent. Moore & Van Allen, PLLC served as counsel to the purchaser and US Bank serves as Bond Trustee.

6. Mission Health - \$47,265,000 (\$27,495,000 Series 2015 B-1, \$8,570, 000 Series 2015 B-2 and \$11,200,000 Series 2015 B-3)

On November 13, 2015, the Commission issued its (1) \$27,495,000 North Carolina Medical Care Commission Health System Revenue Refunding Bonds (Mission Health Combined Group) Series 2015 B-1, (2) \$8,570,000 North Carolina Medical Care Commission Health System Revenue Refunding Bonds (Mission Health Combined Group) Series 2015 B-2, and (3) \$11,200,000 North Carolina Medical Care Commission Health System Revenue Refunding Bonds (Mission Health System Combined Group) Series 2015 B-3, all dated as of November 13, 2015. The proceeds of the Series 2015 Bonds are being used to refund all of the Commission's outstanding (1) North Carolina Medical Care Commission Variable Rate Demand Health System Refunding Revenue Bonds (Mission Health Combined Group), Series 2011 (2) North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Angel Medical Center Project), Series 2007, and (3) North Carolina Medical Care Commission Variable Rate Demand Health System Refunding Revenue Bonds (Transylvania Regional Hospital), Series 2011, and to pay certain fees and expenses incurred in connection with the authorization, sale and issuance of the Bonds.

The refunding of the Angel Series 2007 and the Transylvania Series 2011 Bonds is being done in order to facilitate the incorporation of the two entities into the Mission Health Combined Group. The Bonds are being purchased by Wells Fargo Bank and held as Bank Bought Bonds. The 2015 B-1 Bonds and the 2015 B-3 Bonds will mature October 1, 2028. The 2015 B-2 Bonds mature April 1, 2029. The Bonds shall initially bear interest at a rate of 1.54%. The Bonds are subject to mandatory tender for purchase on November 13, 2020 (5 year initial put period).

Wells Fargo Bank served as Purchaser of the Bonds. Womble Carlyle Sandridge & Rice, LLP served as bond counsel. The Bank of New York Mellon Trust Company, NA serves as Bond Trustee. Kutak Rock served as counsel to the Purchaser.

7. Aldersgate United Methodist Retirement Community, Inc. - \$49,240,000

On November 18, 2015, the Commission issued its \$49,240,000 North Carolina Medical Care Commission Retirement First Mortgage Revenue Bonds (Aldersgate) Series 2015 dated as of November 18, 2015. The proceeds of the Series 2015 Bonds are being used, together with other available funds, to (1) finance or refinance the cost of an approximately 140,000 square foot replacement 125 bed nursing home, (2) refinance the cost of the completion of, and the additions and improvements to, the existing memory

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care support facility, including, without limitation, the renovation and reconfiguration of the existing memory support town center, (3) fund capitalized interest and the Debt Service Reserve Fund so that the amount on deposit in such fund is equal to the Debt Service Reserve Fund Requirement, and (4) pay certain expenses incurred in connection with the issuance of the Bonds.

Aldersgate United Methodist Retirement Community, Inc. (“Aldersgate”) is a North Carolina not-for-profit corporation incorporated in 1945, which operates a continuing care retirement community located in Charlotte, North Carolina. Aldersgate is an affiliate of the Western North Carolina Conference of the United Methodist Church. The Conference is not responsible in any way for the financial and contractual obligations of Aldersgate.

Aldersgate, originally known as Methodist Home for the Aged, Inc., was created in the late 1940’s as a community where people can gracefully, and in a supportive environment, “age in place.” As a Continuing Care Retirement Community (CCRC), Aldersgate is designed to serve a variety of needs and contains many types of accommodations, activities, and services for enhancing the lives of older adults. The different levels of living ranges from independent through assisted living and skilled nursing care.

The Series 2015 Bonds are not rated. The \$16,165,000 Term Bonds due July 1, 2037 have an interest rate of 4.70% and a yield of 4.72% and are subject to sinking fund redemption in the years 2032-2037. The \$10,940,000 Term Bonds due July 1, 2040 have an interest rate of 4.875% and a yield of 4.92% and are subject to sinking fund redemption in the years 2038-2040. The \$22,135,000 Term Bonds due July 1, 2045 have an interest rate of 5.00% and a yield of 5.00% and are subject to sinking fund redemption in the years 2041-2043.

Parker Poe Adams & Bernstein, LLP served as bond counsel. Harris Beach, PLLC served as counsel to the underwriters. BB&T Capital Markets served as senior manager for the Issue with Davenport & Company, LLC as co-manager. The Bank of New York Mellon Trust Company, NA serves as Bond Trustee. Clifton Larsen Allen, LLP served as feasibility consultant for the Issue.

8. United Church Homes and Services - \$31,570,000

On December 12, 2015, the Commission issued its \$31,570,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (United Church Homes and Services) Series 2015B. The proceeds of the Bonds are being used to (1) pay or reimburse United Church Homes and Services for paying the costs of the Project, (2)

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refund the outstanding Retirement Facilities First Mortgage Revenue Refunding Bonds (United Church Homes and Services) Series 2005A, and (3) pay certain expenses incurred in connection with the issuance of the Bonds.

The Project is composed of a two story 96-bed nursing building adjacent to the existing building with each floor organized into three households of 16 private beds, an enclosed connection from the new to the existing buildings, the reconfiguration of some of the existing semi-private beds dedicated to long term nursing care, common and administrative space.

The Bonds are not rated and are being purchased by STI Institutional & Government, Inc. (SunTrust). The Bonds are being issued as draw down bonds in which the borrower only draws down and incurs liability as needed to fund the project. The Bonds will bear interest at the rate of 69% of one month LIBOR plus 2.10% for an initial put period of fifteen years with a final maturity date of January 1, 2046.

McGuire Woods, LLP served as bond counsel. Parker Poe Adams & Bernstein, LLP served as counsel to the Purchaser (STI). The Bank of New York Mellon Trust Company, N.A. serves as Bond Trustee. Ziegler served as placement agent.

9. Hugh Chatham Memorial Hospital, Inc. - \$25,495,000

On December 16, 2015, the Commission issued its \$25,495,000 North Carolina Medical Care Commission Health Care Facilities Refunding Revenue Bonds (Hugh Chatham Memorial Hospital) Series 2015. The proceeds of the Bonds are being used to (1) refund the outstanding principal amount of the Commission's Health Care Facilities Revenue Bonds (Hugh Chatham Memorial Hospital Project) Series 2003, (2) fund a debt service reserve fund, and (3) pay certain expenses incurred in connection with the issuance of the Bonds.

The Series 2015 Bonds are not rated and are being purchased by Siemens Financial Services, Inc. to be held for an initial put period of ten years to carry a fixed interest rate of 3.26% for that period. The Bonds are subject to sinking fund redemption requirements in the years 2016-2030 with final maturity of the Bonds being 2030.

Robinson Bradshaw & Hinson, P.A. served as bond counsel. Siemens Financial Services, Inc. purchased the 2015 Bonds. McGuire Woods, LLP served as counsel to the Purchaser. US Bank serves as Bond Trustee. Efficient Capital served as financial advisor to Hugh Chatham.

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10. Presbyterian Homes, Inc. - \$20,000,000

On April 20, 2016, the Commission issued its \$20,000,000 North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Bonds (The Presbyterian Homes Obligated Group) Series 2016A dated as of April 1, 2016. The proceeds of the Issue are being used, together with other available funds, to pay for the costs of the Project and pay the cost of issuance of the Bonds. The Project consists of (1) total renovation of the skilled nursing and assisted living areas in order to implement the household model for care and to add a 12 unit apartment building with underground parking at Glenaire in Cary, (2) total renovation of the skilled nursing and common spaces in order to implement the household model of care at Scotia Village in Laurinburg, (3) common space renovation with repurposing of programming space for River Landing at Sandy Ridge in Greensboro, and (4) capital expenditures for information technology, furniture, fixtures, apartment and other common area renovations and upgrades at all three locations.

The Presbyterian Homes, Inc. and Glenaire, Inc. make up the Obligated Group under the Master Trust Indenture with First Citizens Bank and Trust Company as Master Trustee. Presbyterian Homes, Inc. and Glenaire, Inc. operate continuing care retirement centers in Cary, Colfax and Laurinburg. The Series 2016 Bonds are not rated and are being purchased by BB&T Community Holdings Co. and held as Bank Bought Bonds. The Bonds have a maturity date of July 1, 2027.

The Bonds will carry a variable interest rate equal to 68% of one month Libor plus 0.8125%. BB&T Community Holdings Co. will hold the Bonds with principal amortization commencing April 1, 2017 with monthly payments until April 1, 2027.

Ziegler, Inc. served as Financial Advisor to Presbyterian Homes. Parker Poe Adams & Bernstein, LLP served as bond counsel. BB&T Community Holdings, CO. served as Purchaser. US Bank National Association serves as Bond Trustee.

11. Pennybyrn at Maryfield - \$66,135,000

On April 29, 2015, the Commission issued its \$66,135,000 North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Refunding Bonds (Pennybyrn at Maryfield) Series 2015 dated as of the Date of Delivery (April 29, 2015). The proceeds of the Series 2015 Bonds are being used to provide funds, together with other available funds, to (a) refund all of the outstanding (i) North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Bonds (Pennybyrn at Maryfield Project), Series 2005A, dated December 29, 2005, (ii) North Carolina Health Care Facilities First

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Mortgage Revenue Bonds, Series 2005B Extendable Rate Adjustable Securities, dated December 29, 2005, and (iii) North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Refunding Bonds, Series 2010, dated November 9, 2010 (b) fund a debt service reserve fund for the Bonds, and (c) pay certain fees and expenses incurred in connection with the sale and issuance of the Bonds.

The Series 2015 Bonds are not rated. The \$11,020,000 Serial Bonds mature annually October 1, 2015 through October 1, 2020 and have interest rates ranging from 1.25% to 5.00% with yields ranging from 1.25% to 3.00%. The \$1,250,000 4.00% Term Bonds due October 1, 2025 yield 4.00%. The \$11,595,000 5.00% Term Bonds due October 1, 2025 yield 3.875%. The \$750,000 4.50% Term Bonds due October 1, 2030 yield 4.50%. The \$15,590,000 5.00% Term Bonds due October 1, 2030 yield 4.35%. The \$1,500,000 4.75% Term Bonds due October 1, 2035 yield 4.75%. The \$24,430,000 Term Bonds due October 1, 2035 yield 4.60%.

Maryfield, Incorporated, dba Pennybyrn at Maryfield, was founded in November 1947 by the Congregation of the Poor Servants of the Mother of God, an order of the Roman Catholic Church originally founded in 1869 in England and dedicated to healing the sick and wounded people of England and Ireland. In 1947, the Congregation was operating hospitals and nursing institutions in many cities and towns in the British Isles, as well as in Ireland, Rome, Florence and Paris, when the decision was made to extend its mission to the United States. While the first patients were admitted to the Corporation's convalescent home for seniors in late 1947, the Corporation was actually organized to provide housing and long-term care for the elderly under the laws and regulations of the State of North Carolina as a nonprofit organization in 1950.

The Corporation has been determined to be exempt from federal income taxation under section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, and is also exempt from state income taxation under North Carolina law.

While the Corporation is sponsored by SMG "Poor Servants of the Mother of God" the Corporation is not affiliated with or owned by any other religious, charitable or other non-profit organization. The Corporation is solely responsible for all the financial and contractual obligations incurred by the Corporation, including the Bonds.

The Corporation currently owns and operates a continuing care retirement community known as Pennybyrn at Maryfield on a 68-acre campus in High Point, North Carolina consisting of a 131 unit independent living apartment building (with attached community center and wellness center), 49 independent living cottages, 24 assisted living apartments, 24 assisted living memory support units, and 125 skilled nursing beds.

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Ziegler served as senior manager for the Issue with Davenport & Company, LLC as co-manager. Womble Carlyle Sandridge & Rice, LLP served as bond counsel. Parker Poe Adams & Bernstein, LLP served as counsel to the underwriters. The Bank of New York Mellon Trust Company, NA serves as Bond Trustee.

12. United Methodist Retirement Homes - \$34,485,000

On May 11, 2016, the Commission issued its \$34,485,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Refunding Bonds (The United Methodist Retirement Homes), Series 2016A dated as of the Date of Delivery (May 11, 2016).

The Proceeds of the Series 2016A Bonds are being used, together with other available funds, to (1) refund all of the Commission's outstanding \$16,960,000 Retirement Facilities First Mortgage Revenue Bonds (The United Methodist Retirement Homes Project), Series 2005A, (2) refund all of the Commission's outstanding \$22,715,000 Retirement Facilities First Mortgage Revenue Refunding Bonds (The United Methodist Retirement Homes Project), Series 2005C and (3) pay certain expenses incurred in connection with the sale and issuance of the Bonds.

The United Methodist Retirement Homes, Incorporated ("UMRH") is a nonprofit corporation. UMRH is exempt from federal income taxation under Section 501 (a) of the Internal Revenue Code of 1986, as amended, as an organization described in Section 501 (c)(3) of the code. UMRH is also affiliated with The United Methodist Retirement Homes Foundation, Inc. (the "Foundation"). The Foundation is a nonprofit corporation, which was organized for the benefit of the retirement communities operated by UMRH. UMRH and the Foundation are the only Members of the Obligated Group.

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

The Series 2016A Bonds are rated BBB by Fitch Ratings Inc. The \$4,845,000 Serial Bonds mature October 1, 2025 and 2026 and have interest rates of 2.500% and 2.625% and yields of 2.625% and 2.750%. The \$8,250,000 Term Bonds maturing October 1, 2030 have

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an interest rate of 5.00% and yield 2.88%. The \$2,500,000 Term Bonds maturing October 1, 2030 have an interest rate of 3.125% and yield 3.25%. The \$3,000,000 Term Bonds maturing October 1, 2031 have an interest rate of 5.000% and yield 2.950%. The \$2,500,000 Term Bonds maturing October 1, 2035 have an interest rate of 3.500% and a yield of 3.600%. The \$13,390,000 Term Bonds maturing October 1, 2035 have an interest rate of 5.00% and yield 3.86%.

Robinson Bradshaw & Hinson, P.A. served as bond counsel. Parker Poe Adams & Bernstein, LLP served as counsel to the underwriters. Ziegler acted as Senior Manager for the Issue with Davenport & Company, LLC as co-manager. US Bank serves as Bond Trustee.

13. Duke University Health System - \$167,075,000 Series 2016A, \$90,000,000 Series 2016B and \$90,000,000 Series 2016C

On May 22, 2016, the Commission issued its (1) \$167,075,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Duke University Health System) Series 2016A, (2) \$90,000,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Duke University Health System) Series 2016B, and (3) \$90,000,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Duke University Health System) Series 2016C, dated as of May 26, 2016. The proceeds of the three Series are being used for the purpose of providing funds, together with other available funds, to (1) refund \$72,620,000 of the Commission's Health Care Facilities Revenue Refunding Bonds (Duke University Health System), Series 2005B, (2) refund all of the Commission's \$107,380,000 Health Care Facilities Revenue Refunding Bonds (Duke University Health System), Series 2005C, (3) advance refund all of the Commission's \$180,000,000 Health Care Facilities Revenue Bonds (Duke University Health System), Series 2009A, and (4) pay certain expenses incurred in connection with the issuance of the Bonds by the Commission.

The refunding will result in a 26.14% savings of the Bonds being refunded for a net present value savings of \$72,509,728.

Duke University Health System, Inc. ("DUHS") is an integrated health care network founded by Duke University in 1998. DUHS is dedicated to providing efficient, effective patient care, while adapting to the changing health care environment, and to employing the University's strengths in education and research to enhance and improve health care throughout North Carolina and southern Virginia.

DUHS's flagship facility is Duke University Hospital, an academic medical center that is recognized nationally and internationally for excellence in patient care, medical

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education, and biomedical research. Duke University Hospital is located on the campus of the University in Durham, North Carolina. With 957 licensed beds, it is one of the largest private hospitals in the Southeast. DUHS also operates two general acute care community hospital facilities. Duke Regional Hospital in Durham, North Carolina, with 369 licensed beds, provides both secondary and tertiary care. Duke Raleigh Hospital in Raleigh, North Carolina, with 186 licensed beds, provides secondary care.

DUHS is a private, nonprofit corporation exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended, as an organization described in Section 501 (c)(3) of the Code. The University, a private, nonprofit institution of higher education, research, and health care based in Durham, North Carolina, established DUHS in March 1998 and leased or transferred its health system assets to DUHS in April 1999.

The \$167,075,000 Series 2016A Bonds are rated Aa2 by Moody's, AA by Standard & Poor's Rating Services and AA by Fitch. The \$167,075,000 2016A Serial Bonds mature in the years 2017-2028 and have coupon rates ranging from 3.00% to 5.00% with yields ranging from .620% to 2.12%.

The \$90,000,000 Series 2016B Bonds were purchased by J.P. Morgan Chase and are being held as Bank Bought Bonds and mature in the years 2029-2042. During the initial Bank Bought Index Floating Rate Period (10 years for both the Series 2016B and Series 2016C Bonds), the 2016B Bonds will bear interest at 72% of one-month LIBOR plus .73%. The \$90,000,000 Series 2016C were bought by PNC Bank to be held as Bank Bought Bonds and bear interest at 75% of one-month LIBOR plus .83%. The Series 2016C Bonds mature in the years 2019-2042.

J.P Morgan Chase Securities served as senior manager for the Series 2016A Bond Issue with PNC Capital Markets, LLC, Bank of America Merrill Lynch and Jefferies as co-managers. Robinson Bradshaw & Hinson, P.A. served as bond counsel for the three series of bonds. Parker Poe Adams & Bernstein, LLP Served as counsel to the underwriters and counsel to PNC Bank. Alston & Bird served as counsel to JP Morgan Chase Bank. The Bank of New York Mellon Trust Company, N.A. serves as Bond Trustee.

“The North Carolina Department of Health and Human Services does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.”

Seventeen copies of this report were printed internally for members of the North Carolina Medical Care Commission at an immaterial cost.