

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

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

MINUTES

CALLLED MEETING OF THE EXECUTIVE COMMITTEE  
CONFERENCE TELEPHONE MEETING ORIGINATING  
FROM THE COMMISSION'S OFFICE  
NOVEMBER 17, 2017  
11:00 A.M.

Members of the Executive Committee Present:

John A. Fagg, M.D., Chairman  
Joseph D. Crocker, Vice-Chairman  
Charles H. Hauser  
Eileen C. Kugler  
Devdutta G. Sangvai, M.D.  
Robert E. Schaaf, M.D.

Members of the Executive Committee Absent:

None

Members of Staff Present:

S. Mark Payne, Director, DHSR, Secretary, MCC  
Geary W. Knapp, JD, CPA, Assistant Secretary, MCC  
Crystal Watson Abbott, Auditor, MCC  
Kathy C. Larrison, Auditor, MCC  
Alice S. Creech, Executive Assistant

Others Present:

Allen Robertson, Robinson Bradshaw & Hinson, P.A.  
Kevin Dougherty, McGuire Woods, LLP  
Jonathan Erickson, United Methodist Retirement Homes  
Lee Syria, United Church Homes and Services  
Gary Shull, United Church Homes and Services  
Tommy Brewer, Ziegler

1. **Purpose of Meeting**

To authorize the sale of bonds, the proceeds of which are to be loaned to United Church Homes and Services, Series 2017A and Series 2017B (2) to authorize the sale of bonds, the proceeds of which are to be loaned to The United Methodist Retirement Homes, Incorporated, and (3) to consider approval for the sale of bonds, the proceeds of which are to be loaned to United Church Homes and Services.

A. **Resolved:** The North Carolina Medical Care Commission authorizes the issuance of \$10,820,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (United Church Homes and Services), Series 2017A.

Remarks were made by Dr. Fagg, Mr. Crocker, Mr. Hauser, Mr. Dougherty, Ms. Syria and Mr. Brewer.

**EXECUTIVE COMMITTEE ACTION:** Motion was made by Dr. Fagg to approve the new money project for United Church, seconded by Dr. Sangvai, and unanimously approved.

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

**WHEREAS,** United Church Homes and Services (the "Corporation") is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina which owns and operates continuing care retirement communities located in Thomasville and Newton, North Carolina; and

**WHEREAS,** Lake Prince Center, Inc. ("Lake Prince") is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina which owns and operates a continuing care retirement community located in Suffolk, Virginia; and

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

**WHEREAS,** the Commission has determined that the public will best be served by the proposed financing described above, and, by resolution adopted on May 12, 2017, has approved the issuance of the Bonds, subject to compliance by the Corporation with the conditions set forth in such resolution, and the Corporation has complied with such conditions to the satisfaction of the Commission; and

**WHEREAS**, there have been presented to the officers and staff of the Commission draft copies of the following documents relating to the issuance of the Bonds:

(a) the Contract of Purchase, to be dated November 30, 2017 (the "Contract of Purchase"), between the North Carolina Local Government Commission (the "LGC") and STI Institutional & Government, Inc. (the "Purchaser"), and approved by the Commission and the Corporation;

(b) Supplemental Indenture for Obligation No. 15, dated as of November 1, 2017 ("Supplemental Indenture No. 15"), by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as master trustee (the "Master Trustee"), supplementing the Amended and Restated Master Trust Indenture, dated as of April 1, 2005 (the "Master Indenture"), by and among the Corporation, Lake Prince and the Master Trustee;

(c) the Trust Agreement, dated as of November 1, 2017 (the "Trust Agreement"), by and between the Commission and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the "Bond Trustee"), the provisions of which relate to the issuance of and security for the Bonds;

(d) the Loan Agreement, dated as of November 1, 2017 (the "Loan Agreement"), by and between the Commission and the Corporation, pursuant to which the Commission will lend the proceeds of the Bonds to the Corporation;

(e) Obligation No. 15, dated the date of its delivery ("Obligation No. 15"), to be issued by the Corporation to the Commission pursuant to the Master Indenture and Supplemental Indenture No. 15 and assigned to the Bond Trustee;

(f) the Guaranty and Credit Agreement, dated as of November 1, 2017 (the "Credit Agreement"), by and among the Corporation, Lake Prince and the Purchaser;

(g) Supplemental Indenture for Obligation No. 16, dated as of November 1, 2017 ("Supplemental Indenture No. 16"), by and between the Corporation and the Master Trustee;

(h) Obligation No. 16, dated the date of its delivery ("Obligation No. 16"), to be issued by the Corporation to the Purchaser pursuant to the Master Indenture and Supplemental Indenture No. 16;

(i) the Seventh Amendment to Amended and Restated Deed of Trust, dated as of November 1, 2017 (the "Lake Prince Amendment"), among Lake Prince, Mark D. Williamson, as Deed of Trust Trustee, and the Master Trustee, amending the Amended and Restated Deed of Trust, dated as of April 1, 2005, as amended (the "Lake Prince Deed of Trust"), from Lake Prince to Mark D. Williamson and Karen L. Duncan, as Deed of Trust Trustees, for the benefit of the Master Trustee, with respect to certain real property of Lake Prince located in the City of Suffolk, Virginia;

(j) the Eighth Amendment to Amended and Restated Deed of Trust, dated as of November 1, 2017 (the "Piedmont Crossing Amendment"), among the Corporation, The Fidelity Company, as Deed of Trust Trustee, and the Master Trustee, amending the Amended and Restated

Deed of Trust, dated as of April 1, 2005, as amended (the "Piedmont Crossing Deed of Trust"), from the Corporation to The Fidelity Company, as Deed of Trust Trustee, for the benefit of the Master Trustee, with respect to certain real property of the Corporation located in Davidson County, North Carolina; and

(k) the Seventh Amendment to Amended and Restated Deed of Trust, dated as of November 1, 2017 (the "Abernethy Laurels Amendment" and, together with the Lake Prince Amendment and the Piedmont Crossing Amendment, the "Amendments to the Deeds of Trust"), among the Corporation, The Fidelity Company, as Deed of Trust Trustee, and the Master Trustee, amending the Amended and Restated Deed of Trust, dated as of April 1, 2005, as amended (the "Abernethy Laurels Deed of Trust" and, together with the Lake Prince Deed of Trust and the Piedmont Crossing Deed of Trust, the "Deeds of Trust"), from the Corporation to The Fidelity Company, as Deed of Trust Trustee, for the benefit of the Master Trustee, with respect to certain real property of the Corporation located in Catawba County, North Carolina; and

**WHEREAS**, the Commission has determined that, taking into account the historical financial performance of the Members of the Obligated Group (as defined in the Master Indenture) and financial forecasts internally generated by the Corporation, (i) the Members of the Obligated Group are financially responsible and capable of fulfilling their respective obligations under the Master Indenture, Obligation No. 15, Supplemental Indenture No. 15, Obligation No. 16, Supplemental Indenture No. 16, the Credit Agreement and the Deeds of Trust and (ii) the Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement; and

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

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

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

**Section 2. Authorization of Bonds.** Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of the North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (United Church Homes and Services), Series 2017A in the aggregate principal amount of \$10,820,000 (the "Bonds"), dated as of the date of delivery thereof, and having a final stated maturity date of September 1, 2047.

The Bonds shall be issued as fully registered bonds in denominations authorized by the provisions of the Trust Agreement. During the initial Bank-Bought Rate Period, the Bonds shall bear interest at the Bank-Bought Rate. The Bank-Bought Rate on the Bonds before the Occupancy Date shall be the rate of interest per annum equal to the product of (x) 67% and (y) LIBOR plus

2.30%; and the Bank-Bought Rate on the Bonds on and after the Occupancy Date shall be the rate of interest per annum equal to the product of (x) 67% and (y) LIBOR plus 1.75%. The Bank-Bought Minimum Holding Period shall commence on the date of delivery of the Bonds and shall end on December 10, 2030. Interest on the Bonds shall be calculated in accordance with the Trust Agreement and shall be payable on each Interest Payment Date. Payments of principal of and interest on the Bonds shall be forwarded by the Bond Trustee to the registered owners of the Bonds in such manner as is set forth in the Trust Agreement. The Interest Rate Determination Method for the Bonds may be converted in accordance with the provisions of the Trust Agreement.

**Section 3. Redemption.** The Bonds shall be subject to extraordinary, optional and mandatory redemption at the times, upon the terms and conditions, and at the price set forth in the Trust Agreement. The mandatory sinking fund requirements for the Bonds are set forth in Schedule 1 attached to this Series Resolution.

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

**Section 5. Use of Bond Proceeds.** The Commission hereby finds that the use of the proceeds of the Bonds for the purposes described in the preamble to this Series Resolution accomplishes the public purposes set forth in the Act. The proceeds of the Bonds shall be applied as set forth in Section 2.10 of the Trust Agreement.

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

**Section 7. Authorization of Contract of Purchase.** The form, terms and provisions of the Contract of Purchase are hereby approved in all respects and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman of the Commission for such purpose is hereby authorized and directed to approve, by execution and delivery, the Contract of Purchase in substantially the form presented to this meeting, together with such changes, modifications, insertions and deletions as the Chairman, the Vice Chairman or such member of the Commission, with the advice of counsel, may deem necessary and appropriate; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

**Section 8. Forms of Bonds.** The forms of the Bonds set forth in the Trust Agreement are hereby approved in all respects and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman of the Commission for such purpose and the

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

**Section 9. Approval of Other Financing Documents.** The forms, terms and provisions of Supplemental Indenture No. 15, Obligation No. 15, Supplemental Indenture No. 16, Obligation No. 16, the Credit Agreement and the Amendments to the Deeds of Trust are hereby approved in substantially the forms presented at this meeting, together with such changes, modifications and deletions as the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman of the Commission, with the advice of counsel, may deem necessary and appropriate; and the execution and delivery of the Trust Agreement pursuant to Section 6 of this Series Resolution shall be conclusive evidence of the approval of Supplemental Indenture No. 15, Obligation No. 15, Supplemental Indenture No. 16, Obligation No. 16, the Credit Agreement and the Amendments to the Deeds of Trust by the Commission.

**Section 10. Purchase of Bonds.** The Commission hereby approves the action of the LGC in awarding the Bonds to the Purchaser at a purchase price of \$10,820,000 (representing the aggregate principal amount of the Bonds). The Corporation will separately pay, on the date of Closing, the Purchaser a commitment fee of \$27,050.00 in consideration for such purchase.

Upon their execution in the form and manner set forth in the Trust Agreement, the Bonds shall be deposited with the Bond Trustee for authentication, and the Bond Trustee is hereby authorized and directed to authenticate the Bonds and, upon the due and valid execution of the Trust Agreement, the Loan Agreement, Supplemental Indenture No. 15, Obligation No. 15, Supplemental Indenture No. 16, Obligation No. 16, the Credit Agreement, the Amendments to the Deeds of Trust and the Contract of Purchase by the parties thereto, the Bond Trustee shall deliver the Bonds to the Purchaser against payment therefor in accordance with and subject to the provisions of the Contract of Purchase.

**Section 11. Commission Representatives.** S. Mark Payne, Secretary to the Commission, Geary W. Knapp, Assistant Secretary to the Commission, Steven C. Lewis, Chief of the Construction Section of the Division of Health Service Regulation, and Crystal M. Watson-Abbott, Auditor to the Commission, are each hereby appointed a Commission Representative, with full power to carry out the duties set forth in the Trust Agreement and the Loan Agreement.

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

**Section 13. Ancillary Actions.** The Chairman, the Vice Chairman, any member of the Commission designated in writing by the Chairman of the Commission, the Secretary and the Assistant Secretary of the Commission are authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, consents, agreements or other instruments, as they, with the

advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Trust Agreement, the Loan Agreement, the Master Indenture, Supplemental Indenture No. 15, Obligation No. 15, Supplemental Indenture No. 16, Obligation No. 16, the Credit Agreement, the Contract of Purchase, the Amendments to the Deeds of Trust and the Deeds of Trust.

**Section 14. Professional Fees.** A comparison of the professional fees as set forth in the resolution adopted by the Commission granting preliminary approval of this financing with the actual professional fees incurred in connection with this financing is attached to this Series Resolution as Schedule 2.

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

**Schedule 1**

**Sinking Fund Requirements**

<b>Year</b>	<b>Amount</b>
<b>(September 1)</b>	
2023	\$ 90,000
2024	90,000
2025	105,000
2026	105,000
2027	130,000
2028	130,000
2029	130,000
2030	145,000
2031	145,000
2032	365,000
2033	365,000
2034	365,000
2035	395,000
2036	395,000
2037	420,000
2038	630,000
2039	630,000
2040	680,000
2041	680,000
2042	735,000
2043	735,000
2044	785,000
2045	785,000
2046	915,000
2047*	870,000

\* Maturity



**Schedule 2**  
**Professional Fees<sup>(1)(2)</sup>**

<u>Professional</u>	<u>Preliminary Approval</u>	<u>Actual</u>
Borrower's Counsel	\$ 25,000	\$ 25,000
Bond Counsel	68,000	69,000
Bank Counsel	—	40,000
Counsel to Series 2017B Purchaser	—	5,000
Counsel to Trustee	6,000	8,000
Placement Agent	—	103,275

<sup>(1)</sup> Fees are shown on a combined basis for Series 2017A and Series 2017B.

<sup>(2)</sup> At the time of preliminary approval of this financing, one series of publicly offered fixed rate bonds was contemplated.

**B. Resolved:** The North Carolina Medical Care Commission authorizes the issuance of \$9,835,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (United Church Homes and Services), Series 2017B.

Remarks were made by Dr. Fagg, Mr. Crocker, Mr. Hauser, Mr. Dougherty, Ms. Syria, and Mr. Brewer.

**EXECUTIVE COMMITTEE ACTION:** Motion was made by Mr. Charles Hauser to approve the Series 2017B Bonds for United Church Homes and Services, seconded by Ms. Eileen Kugler, and unanimously approved.

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

**WHEREAS,** United Church Homes and Services (the "Corporation") is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina which owns and operates continuing care retirement communities located in Thomasville and Newton, North Carolina; and

**WHEREAS,** Lake Prince Center, Inc. ("Lake Prince") is a private, nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina which owns and operates a continuing care retirement community located in Suffolk, Virginia; and

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

**WHEREAS,** the Commission has determined that the public will best be served by the proposed financing described above, and, by resolution adopted on May 12, 2017, has approved the issuance of the Bonds, subject to compliance by the Corporation with the conditions set forth in such resolution, and the Corporation has complied with such conditions to the satisfaction of the Commission; and

**WHEREAS,** there have been presented to the officers and staff of the Commission draft copies of the following documents relating to the issuance of the Bonds:

(1) the Contract of Purchase, to be dated November 30, 2017 (the "Contract of Purchase"), between the North Carolina Local Government Commission (the "LGC") and Peoples Bank (the "Purchaser"), and approved by the Commission and the Corporation;

(m) Supplemental Indenture for Obligation No. 17, dated as of November 1, 2017 (“Supplemental Indenture No. 17”), by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as master trustee (the “Master Trustee”), supplementing the Amended and Restated Master Trust Indenture, dated as of April 1, 2005 (the “Master Indenture”), by and among the Corporation, Lake Prince and the Master Trustee;

(n) the Trust Agreement, dated as of November 1, 2017 (the “Trust Agreement”), by and between the Commission and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Bond Trustee”), the provisions of which relate to the issuance of and security for the Bonds;

(o) the Loan Agreement, dated as of November 1, 2017 (the “Loan Agreement”), by and between the Commission and the Corporation, pursuant to which the Commission will lend the proceeds of the Bonds to the Corporation;

(p) Obligation No. 17, dated the date of its delivery (“Obligation No. 17”), to be issued by the Corporation to the Commission pursuant to the Master Indenture and Supplemental Indenture No. 17 and assigned to the Bond Trustee;

(q) the Guaranty and Credit Agreement, dated as of November 1, 2017 (the “Credit Agreement”), by and among the Corporation, Lake Prince and the Purchaser;

(r) Supplemental Indenture for Obligation No. 18, dated as of November 1, 2017 (“Supplemental Indenture No. 18”), by and between the Corporation and the Master Trustee;

(s) Obligation No. 18, dated the date of its delivery (“Obligation No. 18”), to be issued by the Corporation to the Purchaser pursuant to the Master Indenture and Supplemental Indenture No. 18;

(t) the Seventh Amendment to Amended and Restated Deed of Trust, dated as of November 1, 2017 (the “Lake Prince Amendment”), among Lake Prince, Mark D. Williamson, as Deed of Trust Trustee, and the Master Trustee, amending the Amended and Restated Deed of Trust, dated as of April 1, 2005, as amended (the “Lake Prince Deed of Trust”), from Lake Prince to Mark D. Williamson and Karen L. Duncan, as Deed of Trust Trustees, for the benefit of the Master Trustee, with respect to certain real property of Lake Prince located in the City of Suffolk, Virginia;

(u) the Eighth Amendment to Amended and Restated Deed of Trust, dated as of November 1, 2017 (the “Piedmont Crossing Amendment”), among the Corporation, The Fidelity Company, as Deed of Trust Trustee, and the Master Trustee, amending the Amended and Restated Deed of Trust, dated as of April 1, 2005, as amended (the “Piedmont Crossing Deed of Trust”), from the Corporation to The Fidelity Company, as Deed of Trust Trustee, for the benefit of the Master Trustee, with respect to certain real property of the Corporation located in Davidson County, North Carolina; and

(v) the Seventh Amendment to Amended and Restated Deed of Trust, dated as of November 1, 2017 (the “Abernethy Laurels Amendment” and, together with the Lake Prince Amendment and the Piedmont Crossing Amendment, the “Amendments to the Deeds of Trust”),

among the Corporation, The Fidelity Company, as Deed of Trust Trustee, and the Master Trustee, amending the Amended and Restated Deed of Trust, dated as of April 1, 2005, as amended (the "Abernethy Laurels Deed of Trust" and, together with the Lake Prince Deed of Trust and the Piedmont Crossing Deed of Trust, the "Deeds of Trust"), from the Corporation to The Fidelity Company, as Deed of Trust Trustee, for the benefit of the Master Trustee, with respect to certain real property of the Corporation located in Catawba County, North Carolina; and

**WHEREAS**, the Commission has determined that, taking into account the historical financial performance of the Members of the Obligated Group (as defined in the Master Indenture) and financial forecasts internally generated by the Corporation, (i) the Members of the Obligated Group are financially responsible and capable of fulfilling their respective obligations under the Master Indenture, Obligation No. 17, Supplemental Indenture No. 17, Obligation No. 18, Supplemental Indenture No. 18, the Credit Agreement and the Deeds of Trust and (ii) the Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement; and

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

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

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

**Section 2. Authorization of Bonds.** Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of the North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (United Church Homes and Services), Series 2017B in the aggregate principal amount of \$9,835,000 (the "Bonds"), dated as of the date of delivery thereof, and having a final stated maturity date of September 1, 2047.

The Bonds shall be issued as fully registered bonds in denominations authorized by the provisions of the Trust Agreement. During the initial Bank-Bought Rate Period, the Bonds shall bear interest at the Bank-Bought Rate. The Bank-Bought Rate on the Bonds before the Occupancy Date shall be the rate of interest per annum equal to the product of (x) 67% and (y) LIBOR plus 2.30%; and the Bank-Bought Rate on the Bonds on and after the Occupancy Date shall be the rate of interest per annum equal to the product of (x) 67% and (y) LIBOR plus 1.75%. The Bank-Bought Minimum Holding Period shall commence on the date of delivery of the Bonds and shall end on December 10, 2030. Interest on the Bonds shall be calculated in accordance with the Trust Agreement and shall be payable on each Interest Payment Date. Payments of principal of and interest on the Bonds shall be forwarded by the Bond Trustee to the registered owners of the Bonds in such manner as is set forth in the Trust Agreement. The Interest Rate Determination Method for the Bonds may be converted in accordance with the provisions of the Trust Agreement.

**Section 3. Redemption.** The Bonds shall be subject to extraordinary, optional and mandatory redemption at the times, upon the terms and conditions, and at the price set forth in the Trust Agreement. The mandatory sinking fund requirements for the Bonds are set forth in Schedule 1 attached to this Series Resolution.

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

**Section 5. Use of Bond Proceeds.** The Commission hereby finds that the use of the proceeds of the Bonds for the purposes described in the preamble to this Series Resolution accomplishes the public purposes set forth in the Act. The proceeds of the Bonds shall be applied as set forth in Section 2.10 of the Trust Agreement.

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

**Section 7. Authorization of Contract of Purchase.** The form, terms and provisions of the Contract of Purchase are hereby approved in all respects and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman of the Commission for such purpose is hereby authorized and directed to approve, by execution and delivery, the Contract of Purchase in substantially the form presented to this meeting, together with such changes, modifications, insertions and deletions as the Chairman, the Vice Chairman or such member of the Commission, with the advice of counsel, may deem necessary and appropriate; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

**Section 8. Forms of Bonds.** The forms of the Bonds set forth in the Trust Agreement are hereby approved in all respects and the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman of the Commission for such purpose and the Secretary or the Assistant Secretary of the Commission are hereby authorized and directed to execute, by manual or facsimile signature as provided in such forms of the Bonds, and to deliver to the Bond Trustee for authentication on behalf of the Commission, the Bonds in definitive form, which shall be in substantially the forms presented to this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary, appropriate and consistent with the Trust Agreement; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

**Section 9. Approval of Other Financing Documents.** The forms, terms and provisions of Supplemental Indenture No. 17, Obligation No. 17, Supplemental Indenture No. 18, Obligation No. 18, the Credit Agreement and the Amendments to the Deeds of Trust are hereby approved in substantially the forms presented at this meeting, together with such changes, modifications and deletions as the Chairman, the Vice Chairman or any member of the Commission designated in writing by the Chairman of the Commission, with the advice of counsel, may deem necessary and appropriate; and the execution and delivery of the Trust Agreement pursuant to Section 6 of this Series Resolution shall be conclusive evidence of the approval of Supplemental Indenture No. 17, Obligation No. 17, Supplemental Indenture No. 18, Obligation No. 18, the Credit Agreement and the Amendments to the Deeds of Trust by the Commission.

**Section 10. Purchase of Bonds.** The Commission hereby approves the action of the LGC in awarding the Bonds to the Purchaser at a purchase price of \$9,835,000 (representing the aggregate principal amount of the Bonds). The Corporation will separately pay, on the date of Closing, the Purchaser a commitment fee of \$24,587.50 in consideration for such purchase.

Upon their execution in the form and manner set forth in the Trust Agreement, the Bonds shall be deposited with the Bond Trustee for authentication, and the Bond Trustee is hereby authorized and directed to authenticate the Bonds and, upon the due and valid execution of the Trust Agreement, the Loan Agreement, Supplemental Indenture No. 17, Obligation No. 17, Supplemental Indenture No. 18, Obligation No. 18, the Credit Agreement, the Amendments to the Deeds of Trust and the Contract of Purchase by the parties thereto, the Bond Trustee shall deliver the Bonds to the Purchaser against payment therefor in accordance with and subject to the provisions of the Contract of Purchase.

**Section 11. Commission Representatives.** S. Mark Payne, Secretary to the Commission, Geary W. Knapp, Assistant Secretary to the Commission, Steven C. Lewis, Chief of the Construction Section of the Division of Health Service Regulation, and Crystal M. Watson-Abbott, Auditor to the Commission, are each hereby appointed a Commission Representative, with full power to carry out the duties set forth in the Trust Agreement and the Loan Agreement.

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

**Section 13. Ancillary Actions.** The Chairman, the Vice Chairman, any member of the Commission designated in writing by the Chairman of the Commission, the Secretary and the Assistant Secretary of the Commission are authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, consents, agreements or other instruments, as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Trust Agreement, the Loan Agreement, the Master Indenture, Supplemental Indenture No. 17, Obligation No. 17, Supplemental Indenture No. 18, Obligation No. 18, the Credit Agreement, the Contract of Purchase, the Amendments to the Deeds of Trust and the Deeds of Trust.

**Section 14. Professional Fees.** A comparison of the professional fees as set forth in the resolution adopted by the Commission granting preliminary approval of this financing with the actual professional fees incurred in connection with this financing is attached to this Series Resolution as Schedule 2.

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

**Schedule 1**

**Sinking Fund Requirements**

Year (September 1)	Amount
2023	\$ 85,000
2024	85,000
2025	95,000
2026	95,000
2027	120,000
2028	120,000
2029	120,000
2030	130,000
2031	130,000
2032	335,000
2033	335,000
2034	335,000
2035	355,000
2036	355,000
2037	380,000
2038	570,000
2039	570,000
2040	620,000
2041	620,000
2042	665,000
2043	665,000
2044	715,000
2045	715,000
2046	835,000
2047*	785,000

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\* Maturity

**Schedule 2**  
**Professional Fees<sup>(1)(2)</sup>**

<u>Professional</u>	<u>Preliminary Approval</u>	<u>Actual</u>
Borrower's Counsel	\$ 25,000	\$ 25,000
Bond Counsel	68,000	69,000
Bank Counsel	—	40,000
Counsel to Series 2017B Purchaser	—	5,000
Counsel to Trustee	6,000	8,000
Placement Agent	—	103,275

<sup>(1)</sup> Fees are shown on a combined basis for Series 2017A and Series 2017B.

<sup>(2)</sup> At the time of preliminary approval of this financing, one series of publicly offered fixed rate bonds was contemplated.



United Church Homes and Services, Inc.  
 Series 2017 Bond Project Financing  
 NC Medical Care Commission Bond Sale Approval Policy

	Time of Preliminary Approval If Public Offering	Time of Preliminary Approval If Bank Placement	Time of Final Approval 2017A Bank Placement	Time of Final Approval 2017B Bank Placement	Explanation for Variance
- Estimated Interest Rate	6.00%	4.00%	3.25%	3.25%	Fine tuned interest rate assumption
- All in True Interest Cost	6.25%	4.16%	3.42%	3.42%	Fine tuned interest rate assumption
- Maturity Schedule Interest	2017 - 2047	2017-2047	2017-2047	2017-2047	NA
- Maturity Schedule Principal	2038 - 2047	2038 - 2047	2033-2047	2033-2047	Banks required amortization earlier
- Estimated NPV Savings (\$)	\$0	\$0	\$0	\$0	NA
- Estimated NPV Savings (%)	0.00%	0.00%	0.00%	0.00%	NA

2. **United Methodist Retirement Homes New Money Project/Refunding – Final Approval**

United Methodist Retirement Homes requested the Executive Committee grant them an exemption to the MCC Compliance Policy.

**EXECUTIVE COMMITTEE ACTION:** Motion was made by Dr. Fagg to approve the waiver to compliance, seconded by Mr. Crocker, and the exemption was unanimously approved.

Remarks were made by Dr. Fagg, Mr. Crocker, Mr. Knapp, Mr. Robertson, Mr. Hauser, Mr. Erickson, and Mr. Brewer.

**Resolved:** The North Carolina Medical Care Commission authorizes the issuance of \$71,970,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue and Revenue Refunding Bonds (The United Methodist Retirement Homes), Series 2017A and \$31,235,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (The United Methodist Retirement Homes Project), Series 2017B.

**EXECUTIVE COMMITTEE ACTION:** Motion was made to approve the new money project by Mr. Hauser, seconded by Ms. Kugler and unanimously approved with the recusal of Dr. John Fagg.

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

WHEREAS, The United Methodist Retirement Homes, Incorporated (the “Corporation”) is a nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina and is a “non-profit agency” within the meaning of the Act; and

WHEREAS, the Corporation has made application to the Commission for one or more loans, which will be used for the purpose of providing funds, together with other available funds, to (1) pay, or reimburse the Corporation for paying, all or a portion of the cost of acquiring, improving, constructing and equipping health care facilities at the Corporation’s continuing care retirement community known as Croasdaile Village (“Croasdaile Village”), including (a) constructing and equipping 17 independent living duplex cottages (34 total units) and four independent living sixplex homes (24 total units), (b) constructing a new maintenance building, parking field and outdoor recreation field, (c) redeveloping the main entrance gate, (d) constructing and equipping a new two-story assisted living building and renovating current assisted living facilities, (e) constructing and equipping new physical therapy and occupational therapy suites, new auditorium, and new pool/aquatic center and (f) renovating the ambulatory clinic, kitchen/dining areas and various

independent living common areas (collectively, the "Project"); (2) refund existing indebtedness of the Corporation, the proceeds of which were used to pay a portion of the costs of the Project; (3) refund all or a portion of the Commission's outstanding Retirement Facilities First Mortgage Revenue Bonds (The United Methodist Retirement Homes Project), Series 2005B (the "2005B Bonds"); (4) refund all or a portion of the Commission's outstanding Retirement Facilities First Mortgage Revenue Refunding Bonds (Cypress Glen Retirement Community) Series 2009A (the "2009A Bonds"); (5) refund all or a portion of the Commission's outstanding Retirement Facilities First Mortgage Revenue Bonds (The United Methodist Retirement Homes Project) Series 2010A (the "2010A Bonds" and collectively with the 2009A Bonds and the 2005B Bonds, the "Prior Bonds"); (6) pay a portion of the interest accruing on the Bonds during the construction and renovation of the Project; (7) fund a debt service reserve fund; and (8) pay certain expenses incurred in connection with the issuance of the Bonds by the by the Commission; and

WHEREAS, the Commission has determined that the public will best be served by the proposed financing and, by a resolution adopted on August 11, 2017, has approved the issuance of the Bonds, subject to compliance by the Corporation with the conditions set forth in such resolution, and the Corporation has complied with such conditions to the satisfaction of the Commission; and

WHEREAS, there have been presented to officers and staff of the Commission draft copies of the following documents relating to the issuance of the Bonds:

(a) a Contract of Purchase relating to the Commission's Retirement Facilities First Mortgage Revenue and Revenue Refunding Bonds (The United Methodist Retirement Homes), Series 2017A (the "2017A Bonds") to be dated November 17, 2017 (the "2017A Purchase Contract") between the Local Government Commission of North Carolina (the "Local Government Commission") and B.C. Ziegler and Company, as representative of the other underwriters named therein (collectively, the "Underwriters"), approved by the Corporation and the Commission, pursuant to which the Underwriters will offer to purchase the 2017A Bonds on the terms and conditions set forth therein;

(b) a Trust Agreement dated as of December 1, 2017 (the "2017A Trust Agreement"), between the Commission and U.S. Bank National Association, as bond trustee (the "2017A Bond Trustee"), securing the 2017A Bonds;

(c) a Loan Agreement dated as of December 1, 2017 (the "2017A Loan Agreement"), between the Commission and the Corporation, related to the Series 2017A Bonds;

(d) the Second Amended and Restated Master Trust Indenture, dated as of December 1, 2017 (the "Master Indenture"), between the Corporation, The United Methodist Retirement Homes Foundation, Inc. (the "Foundation") and U.S. Bank National Association, as master trustee (the "Master Trustee");

(e) a Supplemental Indenture for Obligation No. 25, dated as of December 1, 2017 ("Supplement No. 25"), by and between the Corporation, the Foundation and the Master Trustee;

(f) Obligation No. 25, dated as of the date of issuance of the Bonds (“Obligation No. 25”), to be issued by the Corporation to the Commission;

(g) a Preliminary Official Statement of the Commission dated November 7, 2017 relating to the 2017A Bonds (as supplemented, the “Preliminary Official Statement”);

(h) a Contract of Purchase relating to the Commission’s Retirement Facilities First Mortgage Revenue Bonds (The United Methodist Retirement Homes Project), Series 2017B (the “2017B Bonds” and, collectively with the 2017A Bonds, the “Bonds” and each a “Series” of Bonds), dated the date of delivery of the 2017B Bonds (the “2017B Purchase Contract” and, collectively with the 2017A Purchase Contract, the “Purchase Contracts”), between BB&T Community Holdings Co. (the “2017B Purchaser”), and the Local Government Commission and approved by the Commission and the Corporation, pursuant to which the 2017B Purchaser will purchase the 2017B Bonds on the terms and conditions set forth therein;

(i) a Trust Agreement dated as of December 1, 2017 (the “2017B Trust Agreement” and, collectively with the 2017A Trust Agreement, the “Trust Agreements” and each a “Trust Agreement”), between the Commission and U.S. Bank National Association, as bond trustee (the “2017B Bond Trustee” and, collectively with the 2017A Bond Trustee, the “Bond Trustees”), securing the 2017B Bonds;

(j) a Loan Agreement dated as of December 1, 2017 (the “2017B Loan Agreement” and, collectively with the 2017A Loan Agreement, the “Loan Agreements”), between the Commission and the Corporation, related to the 2017B Bonds;

(k) a Supplemental Indenture for Obligation No. 26, dated as of December 1, 2017 (“Supplement No. 26” and, collectively with Supplement No. 25, the “Bond Supplements”), by and between the Corporation, the Foundation and the Master Trustee;

(l) Obligation No. 26, dated as of the date of issuance of the Bonds (“Obligation No. 26” and collectively with Obligation No. 25, the “Bond Obligations”), to be issued by the Corporation to the Commission;

(m) a Continuing Covenants Agreement dated as of December 1, 2017 (the “Covenants Agreement”), between the Corporation, the Foundation and the 2017B Purchaser, related to the Series 2017B Bonds;

(n) a Supplemental Indenture for Obligation No. 27 dated as of December 1, 2017 (“Supplement No. 27” and, collectively with the Bond Supplements, the “Supplements”), between the Corporation and the Master Trustee;

(o) Obligation No. 27, dated as of the date of issuance of the 2017B Bonds (“Obligation No. 27” and, collectively with the Bond Obligations, the “Obligations”), to be issued by the Corporation to the 2017B Purchaser;

(p) three Second Amended and Restated Deeds of Trust, Assignment of Rents, Security Agreement and Fixture Filing, each dated as of December 1, 2017 (the

“Corporation Deeds of Trust”) and each from the Corporation to the trustee named therein for the benefit of the Master Trustee; and

(q) an Assignment of Contracts, dated as of December 1, 2017 (the “Assignment of Contracts”), from the Corporation to the Master Trustee; and

WHEREAS, the Commission has determined that the Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreements, the Master Indenture, the Bond Supplements and the Bond Obligations; and

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

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

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

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of the 2017A Bonds in the aggregate principal amount of \$71,970,000. The 2017A Bonds shall mature in such amounts and at such times and bear interest at such rates as are set forth in Schedule 1 attached hereto. The 2017A Bonds designated as Term Bonds shall be subject to the Sinking Fund Requirements set forth in Schedule 1 hereto.

The 2017A Bonds shall be issued as fully registered bonds in the denominations of \$5,000 or any whole multiple thereof. The 2017A Bonds shall be issuable in book-entry form as provided in the 2017A Trust Agreement. Interest on the 2017A Bonds shall be paid on each April 1 and October 1, beginning April 1, 2018, to and including October 1, 2047. Payments of principal of and interest on the 2017A Bonds shall be forwarded by the 2017A Bond Trustee to the registered owners of the 2017A Bonds in such manner as is set forth in the 2017A Trust Agreement.

Section 3. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of the 2017B Bonds in the aggregate principal amount of \$31,235,000, which shall be issued as the Series 2017B-1 Bonds (\$16,150,000) and the Series 2017B-2 Bonds (\$15,085,000) solely for the purpose of having different maturity dates and redemption requirements and being able to track the Qualifying Intermediate-Term Indebtedness (as defined in the Master Indenture) more easily. The 2017B-1 Bonds shall mature on October 1, 2041. The 2017B-2 Bonds shall mature on October 1, 2020. The 2017B Bonds shall bear interest at such rates determined in accordance with the applicable Trust Agreement and the 2017B-1 Bonds shall be subject to Sinking Fund Requirements set forth in Schedule 1 hereto. During the initial Direct Purchase Rate Period (which is ten years for the Series 2017B-1 Bonds and to maturity for the Series 2017B-2 Bonds), the 2017B Bonds will bear interest at 68% of one-month LIBOR plus 0.8125%, subject to adjustment under certain circumstances (e.g., taxability, event of default, corporate tax rate adjustments).

The 2017B Bonds shall be issued as fully registered bonds in (i) denominations of \$100,000 and any integral multiple of \$5,000 in excess of \$100,000 during any Direct Purchase Rate Period or Weekly Rate Period (provided, however, 2017B Bonds bearing interest at the Direct Purchase Rate may be initially issued to, and purchased by, the Purchaser in any principal amount) and (ii) denominations of \$5,000 and any integral multiples thereof during any Long-Term Rate Period or Adjustable Rate Period. While bearing interest at the Weekly Rate, Long-Term Rate or Adjustable Rate, the 2017B Bonds shall be issuable in book-entry form as provided in the 2017B Trust Agreement. Interest on the 2017B Bonds shall be paid at the times and at the rates determined as specified in the 2017B Trust Agreement. Payments of principal of and interest on the 2017B Bonds shall be made to the registered owners of the 2017B Bonds in such manner as is set forth in the 2017B Trust Agreement.

Section 4. The 2017A Bonds shall be subject to optional, extraordinary optional and mandatory redemption, all at the times, upon the terms and conditions, and at the prices set forth in the 2017A Trust Agreement. The 2017B Bonds shall be subject to (i) optional redemption, extraordinary optional redemption and mandatory redemption, (ii) during any Weekly Rate Period or Adjustable Rate Period, optional tender for purchase, and (iii) mandatory tender for purchase, all at the times, upon the terms and conditions, and at the prices set forth in the 2017B Trust Agreement.

Section 5. The proceeds of the Bonds shall be applied as provided in Section 2.08 of the 2017A Trust Agreement and Section 2.10 of the 2017B Trust Agreement, as applicable. The Commission hereby finds that the use of the proceeds of the Bonds for loans to refund the outstanding Prior Bonds, pay a portion of the costs of the Project, fund a debt service reserve fund, fund a portion of the interest on the Bonds and pay certain costs of issuing the Bonds will accomplish the public purposes set forth in the Act.

Section 6. The forms, terms and provisions of the Trust Agreements and the Loan Agreements are hereby approved in all respects, and the Chairman or Vice Chairman (or any other member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Trust Agreements and the Loan Agreements in substantially the forms presented, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 7. The form, terms and provisions of the Purchase Contracts are hereby approved in all respects, and the Chairman, Vice Chairman (or any other member of the Commission designated by the Chairman), Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Purchase Contracts in substantially the forms presented, together with such changes, modifications, insertions and deletions as they, with the advice of counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 8. The form of the Bonds of each Series set forth in the applicable Trust Agreement is hereby approved in all respects, and the Chairman or Vice Chairman (or any other

member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute, by manual or facsimile signature as provided in such form of the Bonds of such Series, and to deliver to the applicable Bond Trustee for authentication on behalf of the Commission, the Bonds of such Series in definitive form, which shall be in substantially the form presented, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary, appropriate and consistent with the applicable Trust Agreement, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 9. The forms of the Master Indenture, the Supplements, the Obligations, the Corporation Deeds of Trust, the Assignment of Contracts and the Covenants Agreement are hereby approved in substantially the forms presented, together with such changes, modifications, insertions and deletions as the Chairman, Vice Chairman (or any other member of the Commission designated by the Chairman), Secretary or any Assistant Secretary of the Commission, with the advice of counsel, may deem necessary and appropriate, and the execution and delivery of the Trust Agreements by the Commission shall be conclusive evidence of the approval of the documents listed in this Section by the Commission.

Section 10. The Commission hereby approves the action of the Local Government Commission in awarding the 2017A Bonds to the Underwriters at the purchase price of \$78,584,067.45 (representing the principal amount of the 2017A Bonds plus net original issue premium of \$7,513,692.45 and less underwriters' discount of \$899,625.00). The Commission hereby approves the action of the Local Government Commission authorizing the private sale of the 2017B Bonds to the 2017B Purchaser in accordance with the 2017B Contract of Purchase at the purchase price of 100% of the principal amount thereof.

Section 11. Upon their execution in the form and manner set forth in the applicable Trust Agreement, the Bonds of each Series shall be deposited with the applicable Bond Trustee for authentication, and the applicable Bond Trustee is hereby authorized and directed to authenticate the Bonds of such Series and, upon the satisfaction of the conditions set forth in Section 2.08 or Section 2.10 of the applicable Trust Agreement, the applicable Bond Trustee shall deliver (1) the 2017A Bonds to the Underwriters and (2) the 2017B Bonds to the 2017B Purchaser, each against payment therefor.

Section 12. The Commission hereby approves and ratifies the use and distribution of the Preliminary Official Statement and approves the use and distribution of a final Official Statement (the "Official Statement"), both in connection with the offer and sale of the 2017A Bonds. The Chairman, Vice Chairman (or any other member of the Commission designated by the Chairman), Secretary and any Assistant Secretary are hereby authorized to execute, on behalf of the Commission, the Official Statement in substantially the form of the Preliminary Official Statement, together with such changes, modifications and deletions as they, with the advice of counsel, may deem appropriate. Such execution shall be conclusive evidence of the approval thereof by the Commission. The Commission hereby approves and authorizes the distribution and use of copies of the Official Statement, the Trust Agreements, the Loan Agreements, the Master Indenture, the Supplements, the Obligations, the Corporation Deeds of Trust, the Assignment of

Contracts and the Covenants Agreement by the Underwriters in connection with such offer and sale.

Section 13. U.S. Bank National Association is hereby appointed as the initial Bond Trustee for each Series of Bonds.

Section 14. The Depository Trust Company, New York, New York is hereby appointed as the initial Securities Depository for the 2017A Bonds, with Cede & Co., a nominee thereof, being the initial Securities Depository Nominee and initial registered owner of the 2017A Bonds. If the 2017B Bonds are converted to an interest rate other than the Direct Purchase Rate, the Depository Trust Company, New York, New York is hereby appointed as the initial Securities Depository for the 2017B Bonds, with Cede & Co., a nominee thereof, being the initial Securities Depository Nominee and initial registered owner of the 2017B Bonds.

Section 15. S. Mark Payne, Secretary of the Commission, Geary W. Knapp, Assistant Secretary of the Commission, Steven Lewis, Chief of the Construction Section of the Division of Health Service Regulation, and Kathy C. Larrison and Crystal Watson-Abbott, Auditors for the Commission, are each hereby appointed a Commission Representative as that term is defined in the Loan Agreements, with full power to carry out the duties set forth therein.

Section 16. The Chairman, Vice Chairman (or any other member of the Commission designated by the Chairman), Secretary and any Assistant Secretary of the Commission and are authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Trust Agreements, the Loan Agreements, the Purchase Contracts and the Official Statement.

Section 17. This Resolution shall take effect immediately upon its passage.



Maturity Schedule for the 2017A Bonds

\$25,415,000 Serial Bonds

<u>Due October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2018	\$ 655,000	5.00%
2019	705,000	5.00
2020	765,000	5.00
2021	875,000	5.00
2022	1,895,000	5.00
2023	2,120,000	5.00
2024	4,595,000	5.00
2025	2,180,000	5.00
2026	2,275,000	5.00
2027	1,375,000	5.00
2028	1,420,000	3.00
2029	1,515,000	5.00
2030	1,625,000	5.00
2031	1,625,000	5.00
2032	1,790,000	5.00

\$12,670,000 5.00% Term Bonds due October 1, 2037

<u>Due October 1</u>	<u>Sinking Fund Requirement</u>
2033	\$2,050,000
2034	2,740,000
2035	2,850,000
2036	2,450,000
2037*	2,580,000

\* Maturity

\$2,690,000 3.75% Term Bonds due October 1, 2038  
(no Sinking Fund Requirements)

\$12,155,000 5.00% Term Bonds due October 1, 2042

<u>Due October 1</u>	<u>Sinking Fund Requirement</u>
2039	\$2,815,000
2040	2,960,000
2041	3,110,000
2042*	3,270,000

\* Maturity

\$19,040,000 5.00% Term Bonds due October 1, 2047

Due October 1

Sinking Fund Requirement

2043	\$3,435,000
2044	3,615,000
2045	3,800,000
2046	3,995,000
2047*	4,195,000

\* Maturity

Required Redemption of the 2017B-1 Bonds (\$16,150,000)

<u>Due October 1</u>	<u>Amount</u>	<u>Due October 1</u>	<u>Amount</u>
2020	\$250,000	2031	\$ 845,000
2021	300,000	2032	900,000
2022	300,000	2033	905,000
2023	300,000	2034	960,000
2024	300,000	2035	965,000
2025	300,000	2036	1,020,000
2026	780,000	2037	1,025,000
2027	780,000	2038	1,080,000
2028	785,000	2039	1,085,000
2029	840,000	2040	1,140,000
2030	840,000	2041*	450,000

\* Maturity

United Methodist Retirement Homes  
 Series 2017 Bond Project Financing  
 NC Medical Care Commission Bond Sale Approval Policy

Series 2017A

	Time of Preliminary Approval Public Offering	Time of Final Approval Public Offering	Explanation for Variance
- Estimated Interest Rate	6.00%	4.15%	
- All In True Interest Cost	6.25%	4.20%	
- Maturity Schedule Interest	2017 - 2047	2018 - 2047	
- Maturity Schedule Principal	2018 - 2047	2018 - 2047	
- Estimated NPV Savings (\$)	\$0	\$0	
- Estimated NPV Savings (%)	0.00%	0.00%	

Series 2017B

	Time of Preliminary Approval Bank-Placement	Time of Final Approval Bank Placement	Explanation for Variance
- Estimated Interest Rate	4.00%	3.00%	
- All In True Interest Cost	4.16%	3.19%	
- Maturity Schedule Interest	2017 - 2047	2017 - 2041	Reduced Bank Amount and Shortened Maturity
- Maturity Schedule Principal	2019 - 2047	2020 - 2041	
- Estimated NPV Savings (\$)	\$0	\$0	
- Estimated NPV Savings (%)	0.00%	0.00%	

Professional Fees Comparison for  
The United Methodist Retirement Homes, Incorporated  
Series 2017A Bonds and Series 2017B Bonds

<u>Professional</u>	<u>Fees Estimated In Preliminary Approval Resolution</u>	<u>Actual Fees</u>
Underwriters' discount and placement fee	\$1,044,165	\$977,712.50
Underwriters' counsel	55,000	55,000.00
Accountants	40,000	40,000.00
Corporation counsel	75,000	80,000.00
Bond counsel	140,000	130,000.00
Feasibility consultant	170,000	167,300.00
2017B Purchaser commitment fee	40,527	0.00
2017B Purchaser Counsel	45,000	45,000.00

3. **United Church Homes and Services Refunding – Preliminary Approval - Geary W. Knapp**

United Church requested the Executive Committee grant them an exemption to the MCC Compliance Policy.

**EXECUTIVE COMMITTEE ACTION:** Motion was made by Dr. Fagg to approve the waiver to compliance, seconded by Mr. Crocker, and the exemption was unanimously approved.

**Resolved:** The Commission grants preliminary approval to a transaction for United Church Homes and Services, Inc. (United Church) to (1) provide funds, to be used, together with other available funds, to partially refund the North Carolina Medical Care Commission \$31,500,000 Retirement Facilities First Mortgage Revenue Refunding Bonds, Series 2015B, outstanding as of the date of the refunding in the amount of \$30,065,000 and (2) provide funds, to be used, together with other available funds, to refund the North Carolina Medical Care Commission \$5,000,000 Retirement Facilities First Mortgage Revenue Refunding Bonds, Series 2005B, outstanding as of the date of refunding in the amount of \$5,000,000. The intent of the proposed 2017 Bond Issue is to take advantage of the low interest rate environment coupled with the implications of the contemplated tax law changes and restructure variable rate debt obligations to fixed rate debt obligations. The proposed transaction is in accordance with an application received as follows:

**EXECUTIVE COMMITTEE ACTION:** Motion was made to approve the refunding by Mr. Hauser, seconded by Dr. Sangvai, and unanimously approved.

**ESTIMATED SOURCES OF FUNDS**

Principal amount of bonds to be issued	\$33,305,000
Equity	125,530
2005B Interest Account	<u>56,250</u>
<b>Total Sources</b>	<b>\$33,486,780</b>

**ESTIMATED USES OF FUNDS**

Amount to refund Series 2015B Bonds	\$26,350,000
Amount to refund Series 2005B Bonds	5,072,500
Debt Service Reserve Fund	1,272,650
Underwriter Discount	532,880
Printing Costs	8,500
Real Estate Related Costs	65,000
Accountant's Fee	15,000
Trustee's Fee	3,000
Local Government Commission's Fee	8,750
Corporation's Counsel	25,000

Bond Counsel	70,000
Underwriter's Counsel	50,000
Blue Sky Counsel	7,500
Trustee's Counsel	6,000
<b>Total Uses</b>	<b>\$33,486,780</b>

Tentative approval is given with the understanding that the governing board of United Church accepts the following conditions:

1. The project will continue to be developed pursuant to the applicable Medical Care Commission guidelines.
2. Any required certificate of need must be in effect at the time of the issuance of the bonds or notes.
3. Financial feasibility must be determined prior to the issuance of bonds.
4. The project must, in all respects, meet requirements of G.S. § 131A (Health Care Facilities Finance Act).
5. The Executive Committee of the Commission is delegated the authority to approve the issuance of bonds for this project and may approve the issuance of such greater principal amount of the loan as shall be necessary to finance the project; provided, however, that the amount set forth above shall not be increased by more than ten percent (10%).
6. The bonds or notes shall be sold in such a manner and upon such terms and conditions as will, in the sole judgment of the Executive Committee of the Commission, result in the lowest cost to the facility and its residents.
7. If public approval of the bonds is required for the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended ("Section 147(f)"), this tentative approval shall constitute the recommendation of the Commission that the Governor of the State of North Carolina (the "Governor") approve the issuance of such bonds, subject to the satisfaction of the requirements of Section 147(f) concerning the holding of a public hearing prior to the submission of such recommendation to the Governor.
8. The borrower will comply with the Commission's Resolution: Community Benefits/Charity Care Agreement and Program Description for CCRC's as adopted
9. The borrower will furnish, prior to the sale of or reissuance of the bonds or notes or execution of the leases, evidence that it is in compliance with the covenants of all of its outstanding Medical Care Commission debt.

Based on information furnished by applicant, the project is -

- |  |                                     |     |                          |    |                                     |     |
|--|-------------------------------------|-----|--------------------------|----|-------------------------------------|-----|
| 1. Financially feasible                          | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/>            | N/A |
| 2. Construction and related costs are reasonable | <input type="checkbox"/>            | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | N/A |

**Compliance Summary:**

- Compliant as of 4/4/16 (19 months) – **eligible for exception to MCC Compliance policy**
  - 1) Violations of 12 month compliance requirement (Section B of MCC Compliance Policy):
    - NONE
  - 2) Violations of multi-year history of non-compliance requirement (Section A of MCC Compliance policy):  
FYE 2016
    - Opinion of Counsel letter filed 5 months late (Due: 10/31/15)  
FYE 2015
    - Opinion of Counsel letter filed 17 months late (Due: 10/31/14)

**Selected Application Information:**

**1) Information from 2016 Audit of United Church Homes and Services, Inc.:**

Operating income (A)	(3,573,745)
Change in unrestricted net assets	5,238,623
Change in net assets	2,795,544
Net cash provided by operating activities	9,452,499
Change in cash	340,149

(A) Primarily due to a decrease in skilled nursing revenue due to a decrease in the skilled nursing census at all three facilities and an increase in Independent Living Unit refurbishment costs.

**2) Ratings:**

United Church Homes and Services, Inc. is not rated

**3) Community Benefits:**

Per N.C.G.S § 105 – 20.76% (Eligible for 100% property tax exclusion)

**4) Long Term Service Coverage Ratios:**

Actual	FYE	2016	1.97
Forecasted	FYE	2017	2.24
Forecasted	FYE	2018	2.56
Forecasted	FYE	2019	2.77

**5) Transaction Participants:**

Placement Agent/Advisor	B.C. Ziegler and Company
Bond Counsel	McGuireWoods LLP
Corporation Counsel	Ellinger & Carr, PLLC
Underwriter Counsel	Robinson, Bradshaw & Hinson, P.A.
Bank Counsel	Parker, Poe, Adams & Bernstein, LLP
Bond Trustee	The Bank of New York Mellon Corporation

**6) Other Information:**

**(a) Board diversity**

Male: 15  
Female: 6  
Total: 21

Caucasian: 15  
Asian & Pacific Islander: 1  
African American: 5  
21

**(b) Diversity of residents – Attached (pages 34 – 35)**

**(c) Fee Schedule – Attached (pages 36 – 38)**

**(d) MCC Bond Sale Approval Policy Form – Attached (page 39)**



**UNITED CHURCH HOMES AND SERVICES**  
**Resident Diversity Report**  
**As of March 2017**

**Obligated Group:**  
**Abernethy Laurels (CCRC) Newton, NC**

	Number of Residents	Male	Female	White	Black or African American	Hispanic or Latin American	Asian or Pacific Islander
Residential (Independent Living)	200	71 (35.5%)	129 (64.5%)	199 (99.5%)	0 (0%)	0 (0%)	1 (0.5%)
Assisted Living	17	3 (17.7%)	14 (82.4%)	17 (100%)	0 (0%)	0 (0%)	0 (0%)
Healthcare (SNF)	143	36 (25.2%)	107 (74.8%)	133 (93%)	9 (6.3%)	1 (0.7%)	0 (0%)
<b>Total</b>	<b>360</b>	<b>110 (30.6%)</b>	<b>250 (69.4%)</b>	<b>349 (97%)</b>	<b>9 (2.5%)</b>	<b>1 (0.3%)</b>	<b>1 (0.3%)</b>

**Piedmont Crossing (CCRC) Thomasville, NC**

	Number of Residents	Male	Female	White	Black or African American	Hispanic or Latin American	Asian or Pacific Islander
Residential (Independent Living)	196	67 (34.1%)	129 (65.9%)	192 (98%)	1 (0.6%)	0 (0%)	3 (1.6%)
Assisted Living	16	2 (12.5%)	14 (87.5%)	16 (100%)	0 (0%)	0 (0%)	0 (0%)
Healthcare (SNF)	101	25 (24.8%)	76 (75.2%)	99 (98%)	2 (2%)	0 (0%)	0 (0%)
<b>Total</b>	<b>313</b>	<b>94 (30.1%)</b>	<b>219 (69.9%)</b>	<b>307 (98%)</b>	<b>3 (1%)</b>	<b>0 (0%)</b>	<b>3 (1%)</b>

**Lake Prince Woods (CCRC) Suffolk, VA**

	Number of Residents	Male	Female	White	Black or African American	Hispanic or Latin American	Asian or Pacific Islander
Residential (Independent Living)	199	69 (34.7%)	130 (65.3%)	197 (99%)	2 (1%)	0 (0%)	0 (0%)
Assisted Living	42	9 (21.5%)	33 (78.5%)	40 (95.2%)	2 (4.8%)	0 (0%)	0 (0%)
Healthcare (SNF)	32	14 (43.8%)	18 (56.2%)	29 (90.7%)	3 (9.4%)	1 (0.7%)	0 (0%)
<b>Total</b>	<b>273</b>	<b>92 (33.7%)</b>	<b>181 (66.3%)</b>	<b>266 (97.5%)</b>	<b>7 (2.6%)</b>	<b>1 (0.4%)</b>	<b>0 (0%)</b>

**Non-Obligated Group Affiliates:**

**Carolina SeniorCare (Program of All-Inclusive Care for the Elderly (PACE)), Lexington, NC**

	Number of Participants	Male	Female	White	Black or African American	Hispanic or Latin American	Asian or Pacific Islander
Participants	206	56 (27.2%)	150 (72.8%)	163 (79.1%)	41 (19.9%)	2 (1%)	0 (0%)

**Affordable Housing Communities**

	Number of Tenants	Male	Female	White	Black or African American	Hispanic or Latin American	Asian or Pacific Islander
Covenant Place, Chapel Hill	39	4 (10.3%)	35 (89.7%)	23 (77%)	5 (13%)	1(2%)	3 (8%)
The Willows, Burlington	39	3 (7.7%)	36 (92.3%)	29 (77%)	8 (20%)	2 (5%)	1 (2%)
NOAH, New Bern	37	5 (13.5%)	32 (86.5%)	22 (59%)	13 (35%)	0 (0%)	0 (0%)
St. Joseph's Place, Durham	32	6 (18.8%)	26 (81.2%)	0 (0%)	27 (84%)	0 (0%)	0 (0%)
Matthew's Place, Albemarle	34	7 (20.6%)	27 (79.4%)	21 (62%)	11 (32%)	0 (0%)	0 (0%)
Emmanuel's Place, Statesville	37	5 (13.5%)	32 (86.5%)	27 (73%)	8 (22%)	0 (0%)	0 (0%)
Carolina Senior Living, Lexington	30	4 (13.3%)	26 (86.7%)	20 (66%)	9 (33%)	1 (3%)	2 (6%)
<b>Total</b>	<b>248</b>	<b>34 (13.7%)</b>	<b>214 (86.3%)</b>	<b>143 (58%)</b>	<b>81 (33%)</b>	<b>4 (1%)</b>	<b>6 (2%)</b>

\*total may not equal 100 due to non-reporting of race by some tenants

Abernathy Laurels						
Unit Type		Number of Units/Beds	Square Footage	(2017 \$'s)	(2017 Entrance Fees)	
				MSF	Fully Declining	50% Refund
<b>Independent Living</b>						
<b>Apartments</b>						
<i>Pavillion</i>						
Studio A		16	240	\$4,988	\$35,887	\$50,242
Studio B		4	240	\$4,745	\$41,675	\$58,345
Efficiency Apartment		21	400	\$2,738	\$48,000	\$67,200
Efficiency Deluxe Apartment		2	410	\$2,995	\$48,000	\$67,200
One-Bedroom Apartment		17	500	\$3,479	\$60,197	\$84,276
<i>Village</i>						
One Bedroom Apartment		2	800	\$1,362	\$83,599	\$117,039
One Bedroom Apartment		8	900	\$1,362	\$90,929	\$127,301
Two Bedroom Apartment		17	1,100	\$1,470	\$97,420	\$136,387
Two Bedroom Apartment		6	1,100	\$1,470	\$100,323	\$140,452
Two Bedroom Apartment		4	1,100	\$1,470	\$102,890	\$144,046
Two Bedroom Apartment		4	1,100	\$1,470	\$119,610	\$167,454
<b>Total/WA Apts</b>		<b>101</b>	<b>648</b>	<b>\$2,800</b>	<b>\$76,174</b>	<b>\$106,643</b>
<b>Villas/Cottages</b>						
Cottage		26		\$1,579	\$155,447	\$359,157
Villa		62		\$1,720	\$100,909	\$289,370
<b>Subtotal Cottages</b>		<b>88</b>	<b>1,524</b>	<b>\$1,678</b>	<b>\$170,225</b>	<b>\$238,314</b>
<b>Total ILUs/Weighted Averages</b>		<b>189</b>	<b>1,056</b>	<b>\$2,278</b>	<b>\$125,147</b>	<b>\$175,206</b>
Second Person Fee - Pavillion				\$1,046		
Second Person Fee - Village				\$647		
<b>Assisted Living</b>						
Private	Sq. Feet	Number	MSF	Daily Fee		
Low	240	18	\$4,745	\$156		
High			\$4,988	\$164		
<b>Total ALUs/Weighted Averages</b>		<b>18</b>				
Second Person Fee						
<b>Nursing</b>						
Private	Sq. Feet	Number		Daily Fee		
Semi-private	206 - 249	28		\$271 - \$278		
	224 - 256	146		\$244 - \$253		
<b>Total SNF/Weighted Averages</b>		<b>174</b>		<b>\$248</b>		
<b>TOTAL UNITS</b>		<b>381</b>				

Piedmont Crossing						
Unit Type		Number of Units/Beds	Square Footage	(2017 \$'s)	(2017 Entrance Fees)	
				MSF	Fully Declining	50% Refund
<b>Independent Living</b>						
<b>Apartments</b>						
<i>Pavillion</i>						
Studio		10	500	\$2,220	\$46,750	\$65,450
One Bedroom		26	640	\$2,674	\$59,840	\$83,776
Two Bedroom		8	950	\$3,028	\$73,500	\$102,900
<i>Gallery Apartments</i>						
One Bedroom		4	650	\$1,922	\$62,998	\$88,198
One Bedroom		8	675	\$1,997	\$62,998	\$88,198
Two Bedroom		24	975	\$2,150	\$90,997	\$127,396
<i>Veranda B</i>						
One Bedroom		4	800	\$1,439	\$62,998	\$88,198
Two Bedroom		25	1,100	\$1,533	\$90,997	\$127,396
<b>Total/WA Apts</b>		<b>109</b>	<b>838</b>	<b>\$2,159</b>	<b>\$74,112</b>	<b>\$103,756</b>
<b>Villas/Cottages/Patio Homes</b>						
<b>Patio Homes</b>						
Patio Home - Ver C		1	800	\$1,478	\$73,440	\$102,816
Patio Home - Ver C		6	1,100	\$1,591	\$105,754	\$148,055
Patio Home - Kenn Court		4	780	\$1,478	\$73,440	\$102,816
Patio Home - Kenn Court		8	1,152	\$1,591	\$105,754	\$148,055
<b>Cottages</b>						
Cottage - Shuler		3	1,339	\$1,675	\$149,084	\$208,718
Cottage - Shuler		3	1,339	\$1,675	\$153,816	\$215,342
Cottage - Frank Circle		1	1,425	\$1,675	\$167,206	\$234,088
Cottage - Frank Circle		1	1,425	\$1,675	\$169,036	\$236,651
Cottage - Frank Circle		1	1,425	\$1,675	\$185,198	\$259,277
Cottage - Frank Circle		1	1,425	\$1,675	\$199,200	\$278,880
Cottage - Flick Circle		1	1,564	\$1,675	\$194,696	\$272,956
Cottage - Flick Circle		6	1,589	\$1,675	\$197,699	\$276,778
Cottage - Pierce		1	1,622	\$1,675	\$226,231	\$316,724
<b>Villas/Cottages/Patio Homes</b>						
Villa - Frank Circle		4	1,288	\$1,547	\$133,038	\$186,253
Villa - Frank Circle		7	1,288	\$1,547	\$138,217	\$193,504
Villa - Frank Circle		1	1,425	\$1,547	\$144,883	\$202,836
Villa - Flick Circle		5	1,430	\$1,547	\$166,232	\$232,725
Villa - Flick Circle		6	1,430	\$1,547	\$171,372	\$239,921
Villa - Flick Circle		1	1,478	\$1,547	\$173,943	\$243,319
Villa - Flick Circle		1	1,478	\$1,547	\$187,371	\$262,319
<b>Subtotal Cottages</b>		<b>62</b>	<b>1,298</b>	<b>\$1,589</b>	<b>\$144,346</b>	<b>\$202,088</b>
<b>Total ILUs/Weighted Averages</b>		<b>171</b>	<b>1,005</b>	<b>\$1,952</b>	<b>\$99,577</b>	<b>\$139,409</b>
<b>Second Person Fee - Pavillion</b>				<b>\$607 - \$816</b>		
<b>Second Person Fee - Village</b>				<b>\$610</b>		
<b>Assisted Living</b>						
	<b>Sq. Feet</b>	<b>Number</b>	<b>MSF</b>	<b>Daily Fee</b>		
Private	350	14	\$4,867	\$160		
Semi-Private	350	6	\$3,650	\$120		
<b>Total ALUs/Weighted Averages</b>		<b>20</b>	<b>4,502</b>	<b>148</b>		
<b>Second Person Fee</b>						
<b>Nursing</b>						
	<b>Sq. Feet</b>			<b>Daily Fee</b>		
Private w/shower	280	54		\$244		
Private w/o shower	280	28		\$244		
Semi-private	280	32		\$230		
<b>Total SNF/Weighted Averages</b>		<b>114</b>		<b>\$240</b>		

Lake Prince Woods						
Unit Type		Number of Units/Beds	Square Footage	(2017 \$'s)	(2017 Entrance Fees)	
				MSF	Fully Declining	50% Refund
<b>Independent Living</b>						
<b>Apartments</b>						
Studio		4	425	\$1,215	\$73,356	\$102,698
Studio Combo		1	850	\$2,003	\$125,988	\$176,383
One Bedroom - One Bath		18	660	\$1,932	\$90,678	\$136,470
One Bedroom - Bay		4	700	\$1,932	\$105,154	\$147,216
One Bedroom - Grand		4	803	\$2,052	\$120,505	\$168,707
One Bedroom/Living/Dining		4	965	\$2,052	\$141,339	\$197,874
Two Bedroom/Den/Two Baths		3	965	\$2,127	\$131,478	\$184,069
Two Bedroom/Den/Two Baths		25	965	\$2,127	\$141,339	\$197,874
Two Bedroom/Bay		8	1,000	\$2,132	\$149,014	\$208,620
Two Bedroom/Two Baths		12	1,075	\$2,132	\$156,690	\$219,366
Two Bedroom Deluxe		2	1,107	\$2,132	\$167,655	\$234,717
Two Bedroom Contemporary		4	1,158	\$2,252	\$176,427	\$246,998
Two Bedroom/Study		1	1,256	\$2,252	\$174,318	\$244,045
Two Bedroom/Study		3	1,256	\$2,252	\$187,392	\$262,349
<b>Total/WA Apts</b>		<b>93</b>	<b>904</b>	<b>\$2,046</b>	<b>\$132,230</b>	<b>\$186,965</b>
<b>Cottages/Villas</b>						
Villas		34	1,350	\$1,712	\$171,599 - \$271,343	\$240,239 - \$379,880
Cottage		51	1,535	\$1,988	\$200,738 - \$312,970	\$281,033 - \$438,157
<b>Subtotal Cottages</b>		<b>85</b>	<b>1,461</b>	<b>\$1,878</b>		
<b>Total ILUs/Weighted Averages</b>		<b>178</b>	<b>1,170</b>	<b>\$1,965</b>	<b>\$175,480</b>	<b>\$246,634</b>
Second Person Fee - Apartments				\$656		
Second Person Fee - Cottage				\$656		
<b>Assisted Living</b>						
	Sq. Feet	Number	MSF	Daily Fee		
Studio	300	32	\$4,563	\$150		
One Bedroom	300	4	\$6,235	\$205		
Memory Care (studio)	300	16	\$6,357	\$209		
<b>Total ALUs/Weighted Averages</b>		<b>52</b>	<b>5,243</b>	<b>\$172</b>		
Second Person Fee						
<b>Nursing</b>						
	Sq. Feet			Daily Fee		
Private	300	4		\$260		
Semi-private	300	36		\$218		
<b>Total SNF/Weighted Averages</b>		<b>40</b>		<b>\$222</b>		

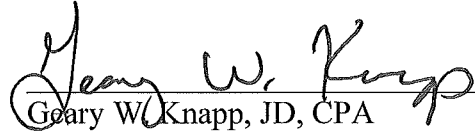
**NC MCC Bond Sale Approval Form**  
**Facility Name: United Church Homes and Services**

	Time of Preliminary Approval	Time of Mailing POS (if applicable)	Time of Final Approval
<b>SERIES:</b>			
PAR Amount	\$33,305,000.00		
Estimated Interest Rate	5.00%		
All-in True Interest Cost	5.50%		
Maturity Schedule (Interest) - Date	March 1 and September 1		
Maturity Schedule (Principal) - Date	September 1		
Bank Holding Period (if applicable) - Date	N/A		
Estimated NPV Savings (\$) (if refunded bonds)	N/A converting from bank to fixed		
Estimated NPV Savings (%) (if refunded bonds)	N/A converting from bank to fixed		

4. Adjournment

There being no further business, the meeting was adjourned at 12:18 p.m.

Respectfully submitted,

  
Geary W. Knapp, JD, CPA  
Assistant Secretary