

THE
NORTH CAROLINA
MEDICAL CARE COMMISSION

THE
HEALTH CARE
FACILITIES FINANCE ACT
ANNUAL REPORT

JUNE 30, 2010

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, 2010, the Commission had issued revenue bonds or notes for 379 projects. The total authorized principal amount of all such financings was \$16,362,697,052 and the total outstanding principal amount of all such financings as of June 30, 2010, was \$6,989,322,431 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, 2010 the Commission consisted of the following 17 members:

Name	Term	Principal Occupation	Residence
Lucy Hancock Bode Chairman	1993-2013	Housewife/Health Consultant	Raleigh
Joseph D. Crocker Vice-Chairman	1988-2012	Director, Poor and Needy Division Kate B. Reynolds Charitable Trust	Winston-Salem
Martha Barham, RN MSN, CNAA	2005-2010	Registered Nurse	High Point
George A. Binder, MD	2004-2011	Physician	Fayetteville
George H. V. Cecil	1987-2011	Chairman, Biltmore Dairy Farms, Inc.	Asheville
Gerald P. Cox	2002-2010	Health Care Executive	Rocky Mount
John A. Fagg, MD	2004-2011	Physician	Winston-Salem
Charles T. Frock	2008-2012	Hospital Administrator	Pinehurst
Clifford B. Jones, Jr., DDS	1995-2011	Dentist	Elizabeth City
Elizabeth P. Kanof, MD	2008-2012	Physician	Raleigh
James H. Leonard	2008-2012	Financial Advisor	Cary
Albert F. Lockamy, RPh	1986-2014	Pharmacist	Raleigh
Mary L. Piepenbring	2005-2013	Director, Health Care Division The Duke Endowment	Charlotte
Carl K. Rust, II, MD	2002-2013	Physician	Wilmington
Robert E. Schaaf, MD	2005-2014	Physician	Raleigh
Henry A. Unger, MD	1998-2013	Physician	Cary
Margaret Weller-Stargell	2006-2013	President/CEO Coastal Horizons Center	Wilmington

STAFF OF THE COMMISSION

The Division of Health Service Regulation of the Department of Health and Human Services employs a staff of approximately 450 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

William J. Horton, Acting Director, Division of Health Service Regulation, Acting 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

Diana Barbry, Administrative Assistant, Division of Health Service Regulation

Alice S. Creech, Bond Program Assistant, NC Medical Care Commission

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010	
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	0 (b)
Carolinas Hospital and Health Services Charlotte, North Carolina	7/22/1980	200,000	0	

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
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
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)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
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
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)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
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)
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)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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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	27,100,000
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 6/30/2010
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)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
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
Fletcher Hospital, Incorporated dba Park Ridge Hospital Fletcher, North Carolina	12/1/1988	20,300,000	0 (eeee)
Gaston Health Care Support, Inc. Gastonia, North Carolina	5/1/1989	42,472,967	0 (pp)
Roanoke-Chowan Hospital Ahoskie, North Carolina	7/1/1989	12,165,000	0 (ddd)
Transylvania Community Hospital Brevard, North Carolina	9/1/1989	4,060,000	0 (yy)
Stanly Memorial Hospital Albemarle, North Carolina	11/1/1989	17,285,000	0 (qq)
The Forest at Duke, Inc. Durham, North Carolina	4/16/1990	3,150,000	0 (s)
Angel Community Hospital Franklin, North Carolina	5/1/1990	7,050,000	0 (zz)
Presbyterian Hospital Charlotte, North Carolina	10/1/1990	101,108,090	0 (dd)
Community General Hospital Thomasville, North Carolina	10/1/1990	6,860,000	0 (aaa)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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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 Series B	11/1/1990 11/15/1990	53,630,000 965,000	0 (kk) 0
Wilson Memorial Hospital Wilson, North Carolina		12/1/1990	53,658,422	0 (uu)
St. Joseph of the Pines, Inc. Southern Pines, North Carolina		1/1/1991	3,350,000	0 (eee)
Memorial Mission Hospital Asheville, North Carolina		2/5/1991	2,055,870	0
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	1,700,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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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
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 (ffff)
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 (jjj)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010	
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)
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	36,385,000	
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	28,650,000	
Memorial Mission Hospital Asheville, North Carolina		7/15/1993	24,245,000	0	(www)
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	(xxx) 0
Moore Regional Hospital Pinehurst, North Carolina		10/1/1993	50,150,373	0	(ppp)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
Wesley Long Community Hospital Greensboro, North Carolina	11/15/1993	\$39,065,000	\$0 (hhhh)
Scotland Memorial Hospital Laurinburg, North Carolina	12/1/1993	20,905,000	3,375,000
St. Joseph's Hospital Asheville, North Carolina	1/1/1994	35,970,000	0 (jjj)
Davidson Retirement Community, Inc. Davidson, North Carolina	1/1/1994	17,090,000	100,000 (ddddd)
The Forest at Duke, Inc. Durham, North Carolina	3/1/1994	35,685,000	300,000 (yyy)
C. J. Harris Community Hospital Sylva, North Carolina	3/15/1994	15,000,000	0 (qqq)
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 (rrr)
United Church Retirement Home Newton, North Carolina	9/15/1994	19,065,000	0 (kkk)
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 (eeee)
Pavillon International (Michigan nonprofit corporation)	12/14/1995	5,100,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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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	11,605,000
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	13,455,000
Saint Joseph of the Pines Pinehurst, North Carolina		9/24/1996	10,000,000	0 (eee)
Duke University Durham, North Carolina		10/1/1996	121,379,383	0 (jjj)
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	5,055,000
Carolina Medicorp, Inc. Winston-Salem, North Carolina		11/1/1996	104,428,199	26,155,000
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 Durham, North Carolina		12/11/1996	20,130,000	0 (aaaa)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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ACTS West Point, Pennsylvania	12/19/1996	\$37,655,000	\$0 (sss)
Wilson Memorial Hospital Wilson, North Carolina	2/1/1997	50,953,361	5,723,361 (fffff)
Well Spring Retirement Community, Inc. Greensboro, North Carolina	2/15/1997	40,060,000	4,630,000 (bbbb)
Wake County Hospital System, Inc. Raleigh, North Carolina	3/1/1997	108,550,000	0 (xxxxx)
Cabarrus Memorial Hospital Concord, North Carolina	3/13/1997	20,175,000	0 (ttt)
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	1,735,000
Deerfield Episcopal Retirement Community Asheville, North Carolina	11/1/1997	73,780,000	50,000 (ccc)
Transylvania Community Hospital Brevard, North Carolina	11/1/1997	4,855,000	2,895,000
High Point Regional Health System High Point, North Carolina	11/1/1997	29,880,000	7,700,000
Givens Estates, Inc. Asheville, North Carolina	11/18/1997	12,000,000	0 (dddd)
Angel Medical Center Franklin, North Carolina	11/21/1997	13,475,000	0 (uuuu)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

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Glenaire, Inc. Cary, North Carolina	12/1/1997	\$14,395,000	\$11,675,000
Pungo District Hospital Belhaven, North Carolina	12/23/1997	4,000,000	1,800,000
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	74,415,000
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	19,095,000
Stanley Total Living Center Stanley, North Carolina	4/23/1998	4,210,000	2,010,000
Cornelia Nixon Davis Health Care Center Wilmington, North Carolina	6/17/1998	7,500,000	5,265,000
Carolina Meadows Chapel Hill, North Carolina	6/23/1998	5,000,000	0 (kkkk)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
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	\$17,810,000 0 (hhhhh)
United Church Retirement Homes Newton, North Carolina		7/1/1998	19,705,000	0 (III)
Alamance Regional Medical Center Burlington, North Carolina		7/1/1998	16,575,000	10,340,000
The Presbyterian Home at Charlotte (Sharon Towers) Charlotte, North Carolina		8/25/1998	8,500,000	0 (ooo)
Gaston Health Care Gastonia, North Carolina		8/1/1998	82,935,000	0 (qqqqq)
Duke University Health System Durham, North Carolina		8/1/1998	83,235,000	0 (jjjj)
Valdese General Hospital Valdese, North Carolina		9/3/1998	11,030,000	0 (mmmm)
Pitt County Memorial Hospital Greenville, North Carolina		9/1/1998	207,170,000	8,115,000 (pppp)
Halifax Regional Medical Center Roanoke Rapids, North Carolina		9/1/1998	33,670,000	16,715,000
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 (jjjj)
Carolina Village Hendersonville, North Carolina		10/21/1998	7,700,000	5,200,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
Novant Health Winston-Salem, North Carolina	10/1/1998	\$57,925,000	\$0 (ppppp)
Pitt County Memorial Hospital Greenville, North Carolina	10/1/1998	84,000,000	4,910,000
J. Arthur Doshier Memorial Hospital Southport, North Carolina	11/12/1998	5,000,000	2,865,000
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	33,100,000 (vvvv)
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 (wwww)
Randolph Hospital Asheboro, North Carolina	3/18/1999	25,970,000	0 (xxxx)
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	41,310,000
Transylvania Community Hospital Brevard, North Carolina	8/1/1999	1,000,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
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	7,720,000
Moravian Home, Incorporated (Salemtowne) Winston-Salem, North Carolina	10/1/1999	15,595,000	0 (yyyy)
Stanly Memorial Hospital Albemarle, North Carolina	10/15/1999	15,000,000	12,595,000
Southeastern Regional Medical Center Lumberton, North Carolina	10/15/1999	25,270,000	15,925,000
DePaul Community Facilities Rochester, New York	12/7/1999	14,315,000	0 (ggggg)
The McDowell Hospital Marion, North Carolina	12/16/1999	6,765,000	3,200,000
North Carolina Housing Foundation Winston-Salem, North Carolina	2/1/2000	11,970,000	10,480,000
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)

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
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	10,735,000 0
WakeMed Raleigh, North Carolina		4/5/2001	150,000,000	143,580,000
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)
Chapel Hill Residential Retirement Center dba Carol Woods Retirement Community Chapel Hill, North Carolina		7/2/2001	33,030,000	0 (jjjj)
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	8,880,000
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 6/30/2010	
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	12,035,000	
Baptist Retirement Homes of North Carolina, Inc. (Taylor Glen) Winston-Salem, North Carolina	Series A	10/11/2001	40,285,000	36,750,000	
	Series B	10/17/2001	8,100,000	0	
	Series C	10/17/2001	5,900,000	0	
Alamance Extended Care, Inc. (Village at Brookwood) Burlington, North Carolina	Series A	11/1/2001	32,560,000	14,720,000	(aaaaa)
	Series B	11/28/2001	8,500,000	0	(aaaaa)
	Series C	11/28/2001	17,000,000	0	
Aston Park Health Care Center, Inc. Asheville, North Carolina		2/14/2002	4,100,000	2,700,000	
FirstHealth of the Carolinas Pinehurst, North Carolina		2/27/2002	29,400,000	0	
		2/27/2002	50,000,000	29,000,000	
Arbor Acres United Methodist Retirement Community, Inc. Winston-Salem, North Carolina		3/1/2002	23,105,000	780,000	(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	6/1/2002	7,210,000	6,555,000	
	Series B	6/1/2002	800,000	800,000	
Union Regional Medical Center Monroe, North Carolina	Series A	7/11/2002	25,000,000	19,070,000	
	Series B	7/11/2002	15,000,000	15,000,000	
Southeastern Regional Medical Center Lumberton, North Carolina		8/14/2002	48,980,000	38,375,000	

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
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	9/10/2002	30,000,000	0
	Series B	9/10/2002	30,000,000	0
Southminster, Inc. Charlotte, North Carolina		10/1/2002	13,320,000	6,635,000
North Carolina Baptist Hospitals Winston-Salem, North Carolina		10/31/2002	162,400,000	0 (ssss)
WestCare Health System Sylva, North Carolina	Series A	11/14/2002	26,860,000	18,310,000
	Series B	11/14/2002	880,000	685,000
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 (tttt)
Cornelia Nixon Davis Nursing Home Wilmington, North Carolina		1/23/2003	7,000,000	5,400,000
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	35,530,000
Memorial Mission Hospital, Inc. Asheville, North Carolina		5/29/2003	25,000,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
Novant Health Winston-Salem, North Carolina		7/1/2003	\$164,325,000	\$118,925,000
Givens Estates, Inc. Asheville, North Carolina	Series A	7/15/2003	63,385,000	5,705,000 (cccc)
	Series B	7/15/2003	7,000,000	0 (cccc)
	Series C	8/14/2003	39,000,000	0 (cccc)
Maria Parham Medical Center Henderson, North Carolina		8/1/2003	50,835,000	46,700,000
Betsy Johnson Regional Hospital Dunn, North Carolina		9/24/2003	24,770,000	21,805,000
Mission St. Joseph's Health System Asheville, North Carolina		10/1/2003	18,530,000	12,400,000
Friends Homes, Inc. Greensboro, North Carolina		10/16/2003	45,165,000	39,815,000
The Forest at Duke, Inc. Durham, North Carolina	Series A	11/1/2003	25,990,000	17,815,000
	Series B	11/1/2003	5,210,000	0
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	10,695,000
	Series B	12/1/2003	2,000,000	2,000,000
	Series C	12/23/2003	10,000,000	7,065,000
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	1,095,000
	Series B	2/1/2004	2,470,000	2,470,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
Deerfield Episcopal Retirement Community	Series A	3/1/2004	\$37,505,000	\$28,770,000
Asheville, North Carolina	Series B	3/1/2004	5,000,000	5,000,000
	Series C	3/1/2004	10,000,000	0 (rrrrr)
Cypress Glen Retirement Community	Series A	3/15/2004	15,410,000	11,700,000
Greenville, North Carolina	Series B	3/15/2004	5,000,000	0 (aaaaaa)
Cleveland County Healthcare System	Series A	6/30/2004	38,600,000	37,850,000
Shelby, North Carolina				
Cleveland County Healthcare System		7/15/2004	29,475,000	17,850,000
Shelby, North Carolina				
Stanly Memorial Hospital		7/22/2004	5,000,000	648,119
Albemarle, North Carolina				
NorthEast Medical Center		8/5/2004	30,000,000	0
Concord, North Carolina				
Rowan Regional Medical Center		8/18/2004	87,125,000	79,185,000
Salisbury, North Carolina				
Cypress Glen Retirement Community	Series C	8/19/2004	12,960,000	7,960,000
Greenville, North Carolina	Series D	8/19/2004	2,500,000	0
Moses Cone Health System	Series A	10/19/2004	47,500,000	47,500,000
Greensboro, North Carolina	Series B	10/19/2004	47,500,000	0 (mmmmm)
The ARC of North Carolina	Series A	10/21/2004	34,650,000	33,035,000
Raleigh, North Carolina	Series B	10/21/2004	1,270,000	0
Carolina Meadows		11/7/2004	20,110,000	18,300,000
Chapel Hill, North Carolina				
Novant Health		11/8/2004	135,000,000	135,000,000
Winston-Salem, North Carolina				
Fletcher Hospital dba Park Ridge Hospital		1/13/2005	14,000,000	0
Fletcher, North Carolina				

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
United Methodist Retirement Homes Durham, North Carolina	Series A Series B	2/16/2005 2/16/2005	\$20,790,000 24,250,000	\$20,530,000 0 (fffff)
United Church Homes and Services Newton, North Carolina	Series A Series B	4/21/2005 4/21/2005	13,755,000 5,000,000	10,885,000 5,000,000
Presbyterian Homes Jamestown, North Carolina	Series A Series B	5/4/2005 5/4/2005	13,465,000 4,090,000	11,725,000 4,090,000
Duke University Health System Durham, North Carolina	Series A Series B Series C	5/19/2005 5/19/2005 5/19/2005	107,380,000 107,380,000 107,380,000	0 (bbbbbb) 0 (bbbbbb) 0 (bbbbbb)
Blue Ridge Health System Morganton, North Carolina	Series A Series B	6/19/2005 6/19/2005	35,000,000 43,075,000	35,000,000 38,750,000
Watauga Medical Center Boone, North Carolina		6/14/2005	31,350,000	29,985,000
Morehead Memorial Hospital Eden, North Carolina		6/15/2005	47,675,000	44,015,000
Alamance Regional Medical Center Burlington, NC		8/1/2005	10,000,000	4,038,920
Duke University Health System Durham, North Carolina		8/12/2005	40,000,000	8,352,027
United Methodist Retirement Homes Durham, North Carolina	Series C	9/8/2005	47,835,000	46,720,000
Mission Hospitals, Inc. Asheville, North Carolina		9/13/2005	25,000,000	11,744,400
Southeastern Regional Medical Center Lumberton, North Carolina		9/15/2005	20,000,000	20,000,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
Lenoir Memorial Hospital Kinston, North Carolina		9/22/2005	\$22,000,000	\$19,785,000
Novant Health Winston-Salem, North Carolina		12/12/2005	50,000,000	15,523,644
Rex Hospital Raleigh, North Carolina		12/12/2005	30,000,000	3,231,541
Transylvania Community Hospital Brevard, North Carolina		12/15/2005	1,700,000	184,625
Person Memorial Hospital Roxboro, North Carolina		12/15/2005	18,000,000	16,730,000
Pennybyrn at Maryfield High Point, North Carolina		12/29/2005	94,315,000	67,315,000
University Health Systems of Eastern Carolina Greenville, North Carolina	Series A & B	2/16/2006	227,970,000	0 (sssss)
	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 Hospital 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	20,190,000
	Series B	5/4/2006	262,650,000	0 (ttttt)
Caromont Health Gastonia, North Carolina		5/9/2006	119,800,000	119,400,000
NorthEast Medical Concord, North Carolina		6/27/2006	50,000,000	0

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
The Pines at Davidson Davidson, North Carolina		7/7/2006	\$30,980,000	\$28,405,000
Presbyterian Homes Jamestown, North Carolina	Series B	7/13/2006 8/9/2006	79,235,000 33,290,000	79,235,000 28,390,000
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	7,710,000
Moravian Homes, Inc. DBA Salemtowne Winston-Salem, North Carolina		11/14/2006	35,225,000	33,050,000
Duke University Health System Durham, North Carolina	Series A Series B Series C	11/15/2006 11/15/2006 11/15/2006	65,355,000 65,360,000 20,000,000	65,355,000 65,360,000 20,000,000
Novant Health Winston-Salem, North Carolina		12/14/2006	250,000,000	250,000,000
Mission Health Asheville, North Carolina		1/31/2007	260,430,000	255,670,000
Chatham Hospital Siler City, North Carolina		2/8/2007	30,540,000	29,165,000
Iredell Memorial Hospital Statesville, North Carolina		3/15/2007	39,465,000	36,545,000
Arbor Acres United Methodist Retirement Community Winston-Salem, North Carolina		3/21/2007	17,765,000	17,480,000
Angel Medical Center Franklin, North Carolina		3/22/2007	18,500,000	15,565,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
Givens Estates, Inc. Asheville, North Carolina		4/4/2007	\$66,900,000	\$66,150,000
United Church Homes and Services Newton, North Carolina		4/18/2007	15,780,000	15,780,000
Alamance Extended Care, Inc. (The Village at Brookwood) Burlington, North Carolina		5/18/2007	29,280,000	28,670,000
Randolph Hospital Asheboro, North Carolina		6/14/2007	49,230,000	47,130,000
The Forest at Duke, Inc. Durham, North Carolina		7/12/2007	28,200,000	27,170,000
Wilson Medical Center Wilson, North Carolina		8/7/2007	33,825,000	27,965,000
Sisters of Mercy Services Corporation Asheville, North Carolina		9/13/2007	4,400,000	4,300,000
Lutheran Retirement Ministries DBA Twin Lakes Alamance County Burlington, North Carolina		10/10/2007	39,800,000	0 (ccccc)
DePaul Community Facilities, Inc. Rochester, New York	Series A Series B	10/25/2007 10/25/2007	30,125,000 1,765,000	0 (ddddd) 0
Lower Cape Fear Hospice Wilmington, North Carolina		11/15/2007	4,000,000	3,900,000
Southminster, Inc. Charlotte, North Carolina	Series A & B Series C	11/15/2007 11/15/2007	64,180,000 25,500,000	64,180,000 25,500,000
Carol Woods Residential Retirement Center Chapel Hill, North Carolina		11/28/2007	29,510,000	27,315,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
CaroMont Health Gastonia, North Carolina		1/31/2008	\$118,400,000	\$106,460,000
Carolina Village Hendersonville, North Carolina	Series A	2/28/2008	19,575,000	19,575,000
	Series B	2/28/2008	10,000,000	10,000,000
	Series C	2/28/2008	15,000,000	0 (ggggg)
Catholic Health East Newtown Square, Pennsylvania		4/24/2008	30,475,000	28,475,000
Moses Cone Health System Greensboro, North Carolina		4/30/2008	48,140,000	48,140,000
Transylvania Community Hospital Brevard, North Carolina		6/6/2008	5,000,000	3,115,577
Deerfield Episcopal Retirement Asheville, North Carolina	Series A	8/13/2008	47,945,000	47,945,000
	Series B	8/13/2008	50,350,000	50,350,000
Novant Health Winston-Salem, North Carolina	Series A	8/19/2008	70,000,000	66,750,000
	Series B	8/19/2008	75,090,000	71,840,000
	Series C	8/19/2008	50,870,000	49,320,000
Cape Fear Valley Health System Fayetteville, North Carolina	Series 2008 A	9/23/2008	152,000,000	152,000,000
	Series 2008 B	9/23/2008	133,335,000	132,130,000
Hugh Chatham Memorial Hospital Elkin, North Carolina		9/24/2008	45,455,000	45,455,000
Wake Forest Univeristy Health Sciences Winston-Salem, North Carolina		10/16/2008	188,640,000	186,195,000
The Moses H. Cone Memorial Hospital Greensboro, North Carolina		10/23/2008	61,600,000	61,600,000
Duke University Health System Durham, North Carolina		12/4/2008	40,000,000	9,191,590

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010	
FirstHealth of the Carolinas Pinehurst, North Carolina	Series A	12/9/2008	\$75,015,000	\$44,600,000	(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	112,065,000	
	Series B	12/10/2008	123,850,000	123,065,000	
	Series C	12/10/2008	74,455,000	74,150,000	
	Series D	12/10/2008	119,715,000	119,715,000	
	Series E	12/10/2008	77,900,000	77,765,000	
Hospice of Alamance-Caswell Burlington, North Carolina		12/23/2008	5,000,000	5,000,000	
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	169,750,000	
	Series B	2/26/2009	75,000,000	75,000,000	
Transylvania Regional Hospital Brevard, North Carolina		3/9/2009	13,240,000	12,825,000	
Wayne Memorial Hospital Goldsboro, North Carolina		3/19/2009	35,720,000	35,720,000	
FirstHealth of the Carolinas Pinehurst, North Carolina	Series A	4/19/2009	45,505,000	45,505,000	
	Series B	4/15/2009	45,505,000	0	(zzzzz)
WakeMed Raleigh, North Carolina		7/16/2009	81,780,000	81,780,000	
Duke University Health System Durham , North Carolina	Series 2005 A	8/21/2009	107,380,000	107,380,000	
	Series 2005 B	8/21/2009	107,380,000	107,380,000	
	Series 2005 C	8/21/2009	107,380,000	107,380,000	
DePaul/Community Facilities, Inc. Rochester, New York	Series 2007A	9/17/2009	30,000,000	29,925,000	

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

		DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
Mission Health System Asheville, North Carolina		10/9/2009	\$30,000,000	\$5,836,883
Cypress Glen Retirement Community Greenville, North Carolina		10/15/2009	6,585,000	6,585,000
CN Davis Wilmington, North Carolina		10/29/2009	5,705,000	5,705,000
High Point Regional High Point, North Carolina		11/4/2009	9,540,000	8,295,000
Duke University Health System Durham, North Carolina		11/10/2009	180,000,000	180,000,000
FirstHealth of North Carolina Pinehurst, North Carolina	Series 2009 C	12/9/2009	54,500,000	54,500,000
	Series 2009 D	12/9/2009	40,830,000	40,830,000
Lutheran Services for the Aging Salisbury, North Carolina		12/17/2009	27,364,250	18,770,744
Lutheran Retirement Services (Twin Lakes) Burlington, North Carolina		12/29/2009	29,630,000	29,630,000
Aldersgate United Methodist Retirement Community Charlotte, North Carolina		12/30/2009	29,995,000	29,995,000
First Health 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	5,495,000

SCHEDULE OF BOND ISSUES AND OUTSTANDING DEBT

	DATE OF ISSUE	AUTHORIZED PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING AS OF 6/30/2010
The Episcopal Home for the Ageing in Diocese of North Carolina (Penick Village) Southern Pines, NC	1/20/2010	\$30,000,000	\$30,000,000
University Health Systems of Eastern Carolina Greenville, North Carolina	1/28/2010	22,425,000	19,796,000
United Methodist Retirement Homes Durham, North Carolina	2/4/2010	14,300,000	14,300,000
Mission Health System Asheville, North Carolina	2/24/2010	65,000,000	65,000,000
United Methodist Retirement Homes Durham, North Carolina	2/19/2010	12,880,000	12,880,000
Carolina Village Hendersonville, North Carolina	2/25/2010	15,000,000	15,000,000
North Carolina Baptist Hospitals Winston-Salem, North Carolina	3/1/2010	322,750,000	322,750,000
Catholic Health East / St. Joseph of the Pines Pinehurst, North Carolina	4/7/2010	15,360,000	15,360,000
Aldersgate United Methodist Retirement Community Charlotte, North Carolina	4/14/2010	8,605,000	8,265,000
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	28,875,000
Totals		<u>\$16,362,697,052</u>	<u>\$6,989,322,431</u>

- (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

(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) Defeased by July 15, 2004 Cleveland County Healthcare System Bond Issue

(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 tax purposes by May 3, 2006 bond issue in amount of \$196,050,000

(ssss) Reissued for tax purposes by May 3, 2006 NC Baptist Hospital Bond Issue

(tttt) Reissued for 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. (Salem towne) Bond Issue

(zzzz) Defeased by July 13, 2006 Presbyterian Homes, Inc. Bond Issue

(aaaa) Defeased in part by May 18, 2007 Alamance Extended Care, Inc. Bond Issue

(bbbb) Defeased by March 21, 2007 Arbor Acres (United Methodist Retirement Community) Bond Issue

(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 tax purposes on November 28, 2007

(kkkk) Defeased by July 12, 2007 The Forest at Duke Bond Issue

(mmmm) Defeased by April 30, 2008 Moses Cone Bond Issue

(nnnn) Reissued for 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
(sssss) Defeased by December 10, 2008 University Health Systems Bond Issue
(tttt) Defeased by September 23, 2008 Cumberland County Hospital System Bond Issue
(uuuuu) Converted to VRDO October 16, 2008
(vvvv) Defeased/Converted by January 29, 2009 North Carolina Baptist Hospital Bond Issue
(wwwwww) Defeased by March 1, 2010 North Carolina Baptist Hospital Bond issue
(xxxxx) Defeased by July 16, 2009 WakeMed Bond Issue
(yyyyy) Defeased by December 30, 2009 and April 8, 2010 Aldersgate Bond Issue
(zzzzz) Defeased in whole or in part by December 9, 2009 FirstHealth of the Carolinas Bond Issue
(aaaaa) Defeased by October 15, 2009 Cypress Glen Bond Issue
(bbbbb) Defeased by August 21, 2009 Duke University Health System Bond Issue
(ccccc) 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
(fffff) Defeased /Converted by UMRH February 19, 2010 Bond Issue
(ggggg) Defeased /Converted by February 25, 2010 Carolina Village Bond Issue
(hhhhh) Defeased in part by April 7, 2010 Catholic Health East Bond Issue

REVENUE BOND AND NOTE ISSUES

July 1, 2009-June 30, 2010

WakeMed - \$81,780,000

On July 16, 2009, the Commission issued its \$81,780,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (WakeMed), Series 2009 (dated as of the date of issuance July 16, 2009). The proceeds of the Bonds, are being used together with other available funds to advance refund the 1997 Bonds (the \$82,970,000 outstanding aggregate principal amount of North Carolina Medical Care Hospital Revenue Bonds (Wake County Hospital System), Series 1997 and to pay certain expenses incurred in connection with the issuance and sale of the bonds. The 1997 Bonds were used to provide funds that the Corporation used together with other available funds, to acquire from Wake County, certain hospital facilities and related property at various sites in the County and operated as a hospital system.

The Bonds are subject to mandatory sinking fund redemption in the years 2010-2026. The Bonds are rated Aaa/VMIG1 by Moody's and AA/F1+ by Fitch. The payment of the principal and tender price of and interest on the 2009C Bonds is secured by an irrevocable direct pay letter of credit issued by Wachovia Bank, National Association. The ratings are based on the letter of credit. The Bonds will initially bear interest at a weekly rate. Womble Carlyle Sandridge & Rice, PLLC served as bond counsel. Parker Poe Adams & Bernstein, LLP served as counsel to the underwriters. Citigroup Global Markets served as underwriter for the transaction. US Bank National Association serves as bond trustee.

Duke University Health System - \$322,140,000

On August, 21, 2009, the Commission reissued for federal tax purposes its \$322,140,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Duke University Health System) Series 2005 consisting of \$107,380,000 Series 2005A, \$107,380,000 Series 2005B and \$107,380,000 Series 2005C originally dated as of May 19, 2005. The reissuance of the 2005C Bonds was facilitated by the issuance of an Irrevocable Standby Letter of Credit from the Federal Home Loan Bank of Atlanta. As a result of the issuance of the 2005C Confirming Liquidity Facility (the FHLB LOC), both the SunTrust 2005C Liquidity Facility and the 2005C (Confirming Liquidity Facility) secure payment of the tender price of the Series 2005C Bonds. The Trust Agreements for the 2005 Bonds were amended to include the addition of the Window Interest Rate Period. The 2005C Bonds are rated AA/F1+ by Fitch, Aa3/VMIG1 by Moody's and AA/A-1+ by Standard & Poor's. Robinson Bradshaw & Hinson, P.A. served as bond counsel. Womble Carlyle Sandridge & Rice, PLLC served as counsel for the underwriters. Citigroup Global Markets served as underwriter and serves as remarketing agent for the bonds. The Bank of New York Mellon Trust Company, NA serves as bond trustee.

DePaul / Community Facilities, Inc. - \$30,000,000

On September 17, 2009, the Commission effected a refinancing of the Series 2007A and 2007B North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Bonds (Community Facilities Project) through the conversion of the Bond to a Bank Qualified Bond mode. The transaction is considered a reissuance for federal tax purposes. The transaction enabled the conversion of a Letter of Credit backed bond issue to a Bank Qualified Bond mode without credit enhancement resulting in costs savings for the borrower. The Bank Qualified Bond was placed with RBS Citizens, N.A. The Bonds will carry an interest rate equal to 68% of 1 month LIBOR + 2.25% for the initial put period of 5 years. McGuire Woods, LLP served as bond counsel.

Mission Health System, Inc. - \$30,000,000

On October 9, 2009, the Commission closed a tax-exempt lease program for Mission Hospital, Inc. The Master Lease and Sublease Agreement is between First Citizens Bank & Trust Company, the Commission and Mission Hospital. The Master Lease is dated as of July 1, 2009. The equipment to be leased includes medical computers, office and capital equipment. The lease is treated as debt for federal tax purposes and as an operating lease for accounting purposes. The leases will be entered into during the period of July 1, 2009 thru December 31, 2011. Robinson Bradshaw & Hinson, P.A. served as bond counsel for the transaction.

Cypress Glen Retirement Community - \$6,585,000

On October 15, 2009, the Commission issued its \$6,585,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Refunding Bonds (Cypress Glen Retirement Community) Series 2009A. The Bonds are being issued in the Bank Qualified Bond mode to provide funds, to be used with other available funds, to (1) refund all of the Commission's Outstanding Retirement Facilities First Mortgage Revenue Refunding Bonds (Cypress Glen Retirement Community) Series 2004B (2) refund all of the Commission's outstanding Retirement Facilities First Mortgage Revenue Refunding Bonds (Cypress Glen Retirement Community) Series 2004D and (3) pay certain expenses incurred in connection with the authorization and issuance of the Bonds. The Bonds will mature in the years 2023-2034. The Bonds while in the initial Bank Qualified Bond mode will carry an interest rate equal to 68% of 1 month LIBOR + 1.625% for the initial put period of 5 years. Branch Banking and Trust Company is the initial purchaser of the Bonds. The Bonds may be participated out or sold to other entities under certain restrictions as set out in the Bonds. Robinson Bradshaw & Hinson, P.A. served as bond counsel. First Citizens is bond trustee for the transaction.

Cornelia Nixon Davis - \$5,705,000

On October 29, 2009, the Commission issued its \$5,705,000 North Carolina Medical Care Commission Adjustable Rate Demand Health Care Facility Revenue Bonds (Cornelia Nixon Davis, Inc. Project) Series 2009. The proceeds of the issue are being used, together with other available funds to (1) pay or reimburse the corporation for the cost of the construction, equipping and furnishing of a one story addition to the existing skilled nursing facility which includes a 15,000 square foot rehabilitation and wellness center, (2) a 10,000 square-foot wing comprised of 20 new single occupancy rooms, (3) the conversion of the 20 existing dual occupancy rooms into 20 single occupancy rooms and the related renovation and furnishing thereof, (4) pay a portion of the interest accruing on the Bonds and (5) pay certain expenses incurred in connection with the issuance of the Bonds.

The Bonds are secured by a direct pay letter of credit issued by Wachovia Bank, National Association. The Bonds are initially issued in the weekly mode. The Bonds are rated AA/A-1+ by Standard & Poor's based on the issuance of the letter of credit.

The Bonds are subject to sinking fund redemption in the years 2010-2034. Lancaster Pollard served as underwriter for the issue. McGuire Woods, LLP served as bond counsel for the issue. Parker Poe Adams & Bernstein, LLP served as counsel to the underwriters. US Bank serves as bond trustee. Lancaster Pollard serves as remarketing agent for the Bonds.

High Point Regional Health System - \$9,540,000

On November 4, 2009, the Commission issued its North Carolina Medical Care Commission Hospital Revenue Refunding Bonds (High Point Regional Health System), Series 2009 in the aggregate principal amount of \$9,540,000 dated as of the original date of issuance and having a final stated maturity date of May 1, 2014. The proceeds of the

Bonds are being used as follows: (1) \$9,345,933 to prepay the 1985 Pool Loan, (2) \$190,294 to pay issuance costs and (3) \$3,773 to pay interest on the Bonds due December 1, 2009.

The Bonds that are being issued are Bank-Qualified Bonds and are being purchased by Branch Banking and Trust Company (BB&T). The interest rate is set at 68% of one month LIBOR plus 1.2025%. McGuire Woods, LLP served as bond counsel. The Bank of New York Mellon Trust Company, NA serves as Master Trustee. The Bonds are subject to scheduled redemption payment in the years 2009-2014.

Duke University Health System - \$180,000,000

On November 10, 2009, the Commission issued its \$180,000,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Duke University Health System) Series 2009A dated as of the date of delivery (November 10, 2009). The proceeds of the 2009A Bonds are being used to (1) finance the cost of additional health care facilities and (2) pay certain expenses of issuing the 2009A Bonds.

Duke University Health System, Inc. ("DUHS") is a private, nonprofit corporation exempt from taxation under Section 501 (a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501 (c) (3) of the Code. DUHS is a controlled affiliate of Duke University (the "University"), a private, nonprofit institution of higher education, research, and health care based in Durham, North Carolina. The University organized DUHS in March 1998 primarily for the purpose of operating the University's integrated academic health system. The University leased or transferred its health system assets to DUHS in April 1999.

DUHS's primary hospital facility is Duke University Hospital. Duke University Hospital, an academic medical center, is recognized nationally and internationally for excellence in patient care, medical education, and biomedical research. With 943 licensed beds, Duke University Hospital is one of the largest private hospitals in the Southeast and is located on the campus of the University. The hospital, together with various other facilities, is located on campus, including the Duke University School of Nursing, the faculty practice plan (organized as the Private Diagnostic Clinic, PLLC) and various research facilities.

DUHS also operates two general acute care community hospital facilities. The 369-bed Durham Regional Hospital provides both secondary and tertiary care, and the 186-bed Duke Raleigh Hospital provides secondary care.

The Project consists of:

the acquisition, construction, improvement, renovation, expansion and equipping of various health care facilities of DUHS on the campus of Duke University Hospital, which is located on the main campus of Duke University in Durham, North Carolina, including:

- o Renovation and expansion of the Intensive Care Nursery, including the renovation of approximately 6,600 square feet of space on the fifth floor of Duke University Hospital and expansion of capacity to treat high-risk neonatal patients by the addition of 14 beds,
- o Replacement of an existing operating room and construction of four new operating rooms to accommodate emerging technology and equipment,
- o Development of an intraoperative endovascular operating room suite with a mono-plane imaging system and
- o Construction of an approximately 265,000 square foot dedicated ambulatory cancer center housing on-campus cancer services and additional education and research space, while providing 61 additional exam rooms, 36 additional infusion treatment spaces, three incremental linear accelerators, four new computerized tomography scanners and two additional magnetic resonance imaging units; and

the acquisition, construction, improvement, renovation, expansion and equipping of various health care facilities of DUHS located on the campus of Duke Raleigh Hospital in Raleigh, North Carolina, including:

- o Renovation of approximately 17,535 square feet of the existing third floor patient care unit of Duke Raleigh Hospital, including patient rooms, nurse stations and public hallways of the third floor inpatient unit, and
- o Renovation of approximately 12,550 square feet of existing nursing and inpatient space on the second floor of Duke Raleigh Hospital, including patient rooms, nurse stations and public hallways of the second floor inpatient unit, and the addition of a centralized monitoring room to provide telemetry services throughout Duke Raleigh Hospital, replacement of 15 intensive-care unit beds and the purchase of telemetry equipment for five rooms on each of the third, fourth and fifth floors of Duke Raleigh Hospital to bring telemetry capability hospital-wide.

DUHS has received all required certificates of need for the Project from the State of North Carolina.

The \$180,000,000 Series 2009A Bonds are issued as term bonds maturing as follows: \$13,680,000 4.75% Term Bonds due June 1, 2030 yielding 4.85%, \$32,625,000 5.00% Term Bonds due June 1, 2034 yielding 4.98%, \$52,885,000 5.00% Term Bonds due June 1, 2039 yielding 5.03% and \$80,810,000 5.00% Term Bonds due June 1, 2042 yielding 5.08%. The Bonds are rated Aa2 by Moody's, AA by Standard & Poor's and AA by Fitch. Robinson Bradshaw & Hinson, P.A. served as bond counsel. Parker Poe Adams & Bernstein, LLP served as counsel to the underwriters. Citigroup Global Markets served as senior manager for the issue with J.P Morgan, SunTrust Robinson Humphrey, Merrill Lynch & Co. and Wells Fargo Securities as co-managers. The Bank of New York Mellon Trust Company, NA serves as bond trustee.

FirstHealth of the Carolinas - \$54,500,000 and \$40,830,000

On December 9, 2009, the Commission issued its \$54,500,000 North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (FirstHealth of the Carolinas Project), Series 2009C dated as of the date of delivery (December 9, 2009). On the same day, the Commission issued its \$40,830,000 Variable Rate Health Care Facilities Revenue Refunding Bonds (FirstHealth of the Carolinas Project) Series 2009D dated as of the date of issuance.

FirstHealth of the Carolinas, Inc. ("FirstHealth") is a private North Carolina nonprofit health care system headquartered in Pinehurst, North Carolina. FirstHealth and its affiliates own and operate a health care delivery system (the "Health System") that provides health care services to patients throughout a 15 county service area in North Carolina and South Carolina. The Health System is composed of two hospitals: FirstHealth Moore Regional Hospital ("FirstHealth Moore Regional") and FirstHealth Montgomery Memorial Hospital ("FirstHealth Montgomery Memorial Hospital"). FirstHealth Moore Regional is composed of two locations: the main location in Pinehurst, North Carolina and a remote location located in Rockingham, North Carolina. The Health System also provides in-home hospice services, primary care services at five medical clinics, specialty services at three medical clinics (neurosurgery, cardiothoracic surgery, infectious disease, medical oncology and bariatrics), home health services, health and fitness centers, dental clinics, inpatient and outpatient behavioral programs, occupational health programs, mobile health services, inpatient and outpatient rehabilitation, and regional emergency medical and non emergency medical transport services.

The proceeds of the issuance of the Bonds are being used for the purpose of providing funds to: (1) refund \$20,185,000 of the outstanding principal amount of the Commission's Variable Rate Demand Health Care Facilities Revenue Bonds (FirstHealth of the Carolinas Project), Series 2002, (2) refund all of the \$28,900,000 outstanding aggregate principal amount of the Commission's Variable Rate Demand Health Care Facilities Revenue Refunding Bonds (FirstHealth of the Carolinas Project), Series 2008B, (3) refund \$4,865,000 of the outstanding principal amount of the Commission's Variable Rate Demand Health Care Facilities Revenue Bonds (FirstHealth of the Carolinas Project),

Series 2009B and (4) pay, or reimburse the Corporation for paying, certain expenses incurred in connection with the issuance of the Bonds by the Commission; and

The Bonds are rated Aa3 by Moody's, AA- by Standard & Poor's and AA by Fitch. The \$36,800,000 Serial Bonds mature in the years 2010 through 2019 with stated interest rates ranging from 2.00% to 4.00%. The \$4,800,000 4.50% Term Bonds due October 1, 2024 are subject to sinking fund redemptions in the years 2020-2024. The \$12,900,000 5% Term Bonds due October 1, 2029 are subject to sinking fund redemption in the years 2025-2029.

Robinson Bradshaw & Hinson, PA 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. Citigroup served as senior manager. BB&T Capital Markets, Edward Jones and Wells Fargo Securities served as co-managers.

\$40,640,000 of the proceeds of the Series 2009 Bonds is being used to fund the redemption of the 2009B Bonds. The remaining proceeds from the issue will be used to fund cost of issuing the 2009D Bonds. The 2009D Bonds are being purchased by Branch Banking and Trust Company National Association under the 2% rule for Bank Qualified Bonds.

Robinson Bradshaw & Hinson, P.A. served as bond counsel. The Bank of New York Mellon Trust Company, NA serves as bond trustee. The Series 2009D Bonds mature in the years 2025-2039. The Bonds carry an interest rate of 68% of one month LIBOR plus 65 basis points for initial rate of 1.375%.

Lutheran Services for the Aging - \$27,364,250

On December 17, 2009, the Commission issued its \$27,364,250 Bank Qualified Bonds to finance a project for Lutheran Services for the Aging. The project consists of new construction, refinancing, equipment purchases and land acquisition. The new construction includes a 67,869 square foot, 100 bed skilled nursing facility in Wilmington, North Carolina. Land acquisitions include land in Catawba County and in Forsyth County for future construction. Refinancing includes a taxable loan for an existing 104 bed assisted living facility in Forsyth County and a taxable loan for two plots of land in Wilmington.

The Bank Qualified Bonds are being purchased by Branch Banking & Trust Company and have an initial put period of 10 years. The interest rate on the bonds for the initial put period is 68% of one month LIBOR + 1.30%. McGuire Woods, LLP served as bond counsel for the transaction issue.

The bond issue is structured as a draw down loan whereby Lutheran Services for the Aging's liability increases each time it funds requisitions to pay project costs up to the maximum amount of \$27,364,250.

Lutheran Retirement Ministries (Twin Lakes) - \$29,630,000 and \$5,495,000

On December 29, 2009, the Commission issued its \$29,630,000 Bank Qualified Bonds, Series 2009 for Lutheran Retirement Ministries, Inc. (dba Twin Lakes) to provide funds to refund a portion of its Series 2007 North Carolina Medical Care Commission Bonds. On January 14, 2010, the Commission issued its \$5,495,000 Series 2010 Bank Qualified Bond to provide funds to be used together with the proceeds of the Series 2009 Bank Qualified Bonds to complete the refunding of the Series 2007 Bonds.

The Bonds have an initial put period of five years and have an interest rate for the put period of 68% of one month LIBOR plus 1.4625%. Parker Poe Adams & Bernstein, LLP served as bond counsel. The Bonds are being purchased by Branch Banking and Trust Company.

Aldersgate United Methodist Retirement Center - \$29,995,000

On December 30, 2009, the Commission issued its \$29,995,000 Bank Qualified Bond, Series 2009 for the benefit of Aldersgate United Methodist Retirement Community. The proceeds of the Bank Qualified Bond are being used to refund in part the Series 2001 North Carolina Medical Care Commission Bonds. The Series 2009 Bond is being issued as a Bank Qualified Bond with an initial put period of 5 years and an initial interest rate of 68% of one month LIBOR plus 2.275%. Parker Poe Adams & Bernstein, LLP served as bond counsel for the transaction. The Bank Qualified Bonds are being purchased by Branch Banking and Trust.

First Health of the Carolinas - \$29,535,000

On January 6, 2010, the Commission issued its \$29,535,000 North Carolina Medical Care Commission Variable Rate Health Care Facilities Revenue Refunding Bonds (First Health of the Carolinas Project), Series 2010, dated as of the date of issuance, January 6, 2010. The proceeds of the Series 2010 Bonds are being used to provide funds to (1) refund \$29,400,000 of the outstanding principal amount of the Commission's Variable Rate Demand Health Care Facilities Revenue Refunding Bonds, (First Health of the Carolinas Project), Series 2008A and (2) pay, or reimburse the corporation for paying certain expenses incurred in connection with the issuance of the Bonds.

The Bonds were purchased by Branch Banking and Trust Company, N.A. as Bank Qualified Bonds and will carry an initial holding period of five years. The Bonds mature October 1, 2028 and are subject to sinking fund redemption in the years 2024-2028. The Bank of New York Mellon Trust Company, NA serves as bond trustee. Robinson Bradshaw & Hinson, P.A. served as bond counsel for the transaction.

The Episcopal Home for the Ageing in the Diocese of North Carolina (Penick Village) - \$30,000,000

On January 20, 2010, the North Carolina Medical Care Commission issued its North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Bonds (Penick Village) \$10,575,000 Series 2010A and \$19,425,000 Series 2010B for a total of \$30,000,000 in Bank Qualified Bonds (BQB).

The proceeds of the BQB are being utilized together with the proceeds of a \$2,425,000 taxable loan from BB&T and a \$500,000 line of credit from BB&T, to pay for the construction, equipping and campus utility upgrade for two buildings (Penick Woodlands and the The Village House) located on the existing campus of Penick Village. The proceeds are also being used to fund issuance costs and to pay off existing indebtedness with First Citizens Bank.

The BQB has an initial put period of 5 years and an initial interest rate of 68 % of one month LIBOR plus 1.95%. Parker Poe Adams & Bernstein, LLP served as bond counsel for the transaction. BB&T Capital Markets served as placement agent with BB&T purchasing the BQB. US Bank serves as bond trustee for the transaction

University Health Systems of Eastern Carolina - \$22,425,000

On January 28, 2010, the Commission established the \$22,425,000 Master Lease and Sublease Agreement for the benefit of University Health Systems of Eastern Carolina, Inc. and Pitt County Memorial Hospital, Incorporated. The Master Lease will provide for the financing of the acquisition of three helicopters. The first acquisition under the Master Lease Agreement closed on February 28, 2010 in the amount of \$5,277,659 for a helicopter. Banc of America Public Capital Corporation served as lessor. The leases are treated as debt for federal tax purposes but are treated as operating leases for accounting purposes and are not reflected as debt on the financial statements.

Robinson Bradshaw & Hinson, P.A. served as bond counsel for the transaction.

The United Methodist Retirement Homes - \$12,880,000

On February 18, 2010, the Commission closed its conversion of the \$12,880,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (The United Methodist Retirement Homes Project), Series 2005B to a Bank-Bought Rate Mode. The 2005B Bonds prior to the conversion were in a weekly rate mode secured by an irrevocable letter of credit issued by Branch Banking and Trust Company. Under the Bank-Bought Rate Mode (Bank Qualified Bonds) the Bonds are being purchased by Branch Banking and Trust Company and held for at least five years in that mode. The interest rate is 68% of one month LIBOR plus 1.625%.

Robinson Bradshaw & Hinson, P.A. served as bond counsel for the transaction with Branch Banking and Trust Capital Markets serving as Placement agent.

The United Methodist Retirement Homes, Inc./Wesley Pines - \$14,300,000

On February 4, 2010, the Commission issued its \$14,300,000 North Carolina Medical Care Commission Retirement Facilities First Mortgage Revenue Bonds (The United Methodist Retirement Homes Project) Series 2010A. The proceeds of the issue are being used to provide funds to be used, together with other available funds to (a) acquire, construct, equip and furnish a new, approximately 69,000 square-foot health care facility at the Corporation's Wesley Pines campus located at 1000 Wesley Pines Road, Lumberton, North Carolina 28358, which will include (i) 62 licensed skilled nursing beds, (ii) 42 licensed assisted living beds, (iii) all required living, activities, exercise and support spaces necessary to support such nursing and assisted living beds, (iv) a central commons area with administrative and marketing offices, dining facilities, central kitchen, and storage and laundry facilities, (v) a loading dock, (vi) a separate multi-purpose building and (vii) a separate maintenance building and trash enclosure, (b) pay a portion of the interest accruing on the Bonds during the construction of the Project; and (c) pay certain expenses incurred in connection with the authorization and issuance of the bonds by the Commission.

The bonds are issued in the Bank Qualified Bond mode and bear interest at the rate of 68% of one month LIBOR plus 1.625% for the initial put period of 5 years. Branch Banking and Trust Company purchased the bonds. BB & T Capital Markets served as structuring/placement agent for the transaction. Robinson Bradshaw & Hinson, P.A. served as bond counsel for the issue. U.S. Bank serves as bond and master trustee. The bonds are subject to sinking fund redemption in the years 2011-2036.

Mission Health Combined Group - \$65,000,000

On February 24, 2010, the Commission issued its \$65,000,000 North Carolina Medical Care Commission Health System Revenue Bonds (Mission Health Combined, Group) Series 2010. The proceeds of the issue will be used, together with other available funds, to (1) finance the costs of the Project, (2) pay a portion of the interest accruing on the Series 2010 Bonds during the acquisition and construction of the Project and (3) pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2010 Bonds.

Mission Health System, Inc. (the "Parent Corporation"), and certain affiliates form a combined financing group and together, with certain other affiliates that are not members of the Combined Group together form an integrated healthcare delivery system, with its principal offices in Asheville, North Carolina, that owns, operates and manages healthcare facilities providing a broad spectrum of inpatient, outpatient and long-term acute care services to a large, 18-county service area in western North Carolina. The Mission Health System includes a 730-bed regional tertiary medical center, two community-based acute care hospitals; a long-term acute care hospital; outpatient diagnostic imaging, surgery and children's centers; physical, occupational and speech therapy programs; and medical billing, collection, accounts receivable management, and medical transcription services.

The Parent Corporation, which was formerly known as Mission-St. Joseph's Health System, Inc. and Mission Health, Inc. is each a North Carolina nonprofit corporation. The Parent Corporation provides administrative, legal and financial services for Mission Health System in areas such as cash, debt, investment and benefit management and fiscal, strategic and facilities planning.

The Combined Group Includes:

- Mission Hospital, Inc., a North Carolina nonprofit corporation, which owns and operates a 730-bed tertiary care medical center known as Mission Hospital located in Asheville, North Carolina;
- Blue Ridge Regional Hospital, Inc., a North Carolina nonprofit corporation, which owns and operates a 46-bed acute care hospital located in Spruce Pine, North Carolina;
- Mission Healthcare Foundation, Inc., a North Carolina nonprofit corporation, which provides philanthropic support for Mission Health System and for community benefit activities on behalf of Mission Health System;
- Horizon Health Corp., a North Carolina for-profit corporation, which is the holding company for Horizon Management Services, Inc.; and
- Mission Medical Associates, Inc. ("Mission Medical Associates"), a North Carolina nonprofit corporation, which employs physicians in a variety of specialties and is organized to provide improved coordination and management of these practices.

The System affiliates include:

- The McDowell Hospital, Inc. ("McDowell"), a North Carolina nonprofit corporation of which the Parent Corporation is the sole member;
- Imaging Realty, LLC, a North Carolina limited liability company in which the Parent Corporation owns a 69% membership interest;
- MSJHS and CCP Joint Development Company, LLC d/b/a Asheville Specialty Hospital, a North Carolina limited liability company in which the parent Corporation owns a 67% membership interest;
- Asheville Imaging, LLP, a North Carolina limited liability partnership in which Mission Hospital, Inc. owns a 69% partnership interest; and
- Horizon Management, a North Carolina for-profit corporation, which is a wholly-owned subsidiary of Horizon Health.

The proceeds of the Series 2010 Bonds, together with other available funds, will be used to (a) finance the costs of (i) the acquisition, construction and equipping of an outpatient Cancer Care Center, (ii) the renovation and equipping of a portion of the Dogwood Building at Mission Hospital, Inc.'s Memorial Campus (the "Memorial Campus"), (iii) the renovation and equipping of the Fullerton Building at the Memorial Campus, including, but not limited to, an anesthesia care unit, surgery support areas and infrastructure improvements, (iv) the renovation and equipping of an existing facility to establish a dose packaging and preparation facility, and (v) the acquisition of real property and an office building located contiguous to the Memorial Campus (collectively, the "Project"), (b) pay a portion of the interest accruing on the Series 2010 Bonds during the acquisition and construction of the Project and (c) pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2010 Bonds. The total estimated cost of the project is \$78,340,517 and the Project will be financed with proceeds of the Series 2010 Bonds in the approximate amount of \$64,212,110, including funded interest on the Series 2010 Bonds, and cash and tax-exempt equipment leases in the approximate amount of \$14,128,407.

The Bonds are rated AA by Fitch, Aa3 by Moody's and AA by Standard & Poor's. The \$30,655,000 in Serial Bonds mature in the years 2011-2025 and carry stated interest rates ranging from 2.00% to 4.25% with yields ranging from .95% to 4.40%. The \$15,215,000 4.625% Term Bonds due October 1, 2030 yield 4.75%. The \$19,130,000 4.75% Term Bonds due October 1, 2035 yield 4.87%.

Banc of America Merrill Lynch served as senior manager for the transaction with BB&T Capital Markets and Wells Fargo Securities as co-managers. Womble Carlyle Sandridge & Rice, PLLC served as bond counsel and McGuire Woods, LLP served as counsel to the underwriters. The Bank of New York Mellon Trust Company, NA serves as bond trustee.

Carolina Village - \$15,000,000

On February 25, 2010, the Commission closed its conversion of the North Carolina Medical Care Commission Variable Rate Retirement Facilities First Mortgage Revenue Bonds (Carolina Village Project) Series 2008C to an index floating rate mode. Prior to the conversion, the Bonds were bearing interest at the weekly rate and were secured by an irrevocable letter of credit issued by Wachovia Bank National Association. In the index floating rate mode (Bank Qualified Bonds) the Bonds will carry an interest rate of a flat SIFMA index plus 2.10%. The index holding period is for three years. The Bonds were purchased by Wachovia Bank.

Robinson Bradshaw & Hinson, P.A. served as bond counsel for the transaction. First Tryon Securities served as financial advisor for the transaction.

North Carolina Baptist Hospital - \$322,750,000

On March 1, 2010, the Commission issued its \$322,750,000 North Carolina Medical Care Commission Hospital Revenue Refunding Bonds (North Carolina Baptist Hospital) Series 2010 dated as of the date of delivery, March 1, 2010.

The Commission will lend the proceeds of the Bonds to the North Carolina Baptist Hospital to be used, in part, to redeem the outstanding North Carolina Medical Care Commission (i) Hospital Revenue Bonds (North Carolina Baptist Hospitals Project) Series 1992B, of which \$55,000,000 principal amount is outstanding; (ii) Hospital Revenue Bonds (North Carolina Baptist Hospitals Project), Series 1996, of which \$18,700,000 principal amount is outstanding; (iii) Hospital Revenue Bonds (North Carolina Baptist Hospitals Project), Series 2000, of which \$103,000,000 principal amount is outstanding; (iv) Hospital Revenue Refunding Bonds (North Carolina Baptist Hospital), Series 2009A, of which \$75,530,000 principal amount is outstanding (the "2009A Bonds"); (v) Hospital Revenue Refunding Bonds (North Carolina Baptist Hospital, Series 2009B, of which \$39,235,000 principal amount is outstanding; and (vi) Hospital Revenue Refunding Bonds (North Carolina Baptist Hospital), Series 2009C, of which \$39,235,000 principal amount is outstanding. The 1992B Bonds, the 1996 Bonds, the 2000 Bonds, the 2009A Bonds, the 2009B Bonds and the 2009C Bonds are collectively referred to herein as the "Bonds To Be Refunded." In addition, a portion of the proceeds of the 2010 Bonds will be used to pay costs of issuance related to the Bonds.

North Carolina Baptist Hospital (the "Corporation") is a North Carolina nonprofit corporation and has received a determination letter from the Internal Revenue Service that it is a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation owns and operates North Carolina Baptist Hospital (the "Hospital"), located in Winston-Salem, North Carolina. The Hospital currently is licensed for 872 beds and is a tertiary and quaternary acute care regional referral center with a service area

population of almost 2,500,000. The Hospital serves patients from the Greensboro-High Point–Winston-Salem region and from across North Carolina, as well as attracting patients nationally and internationally for services.

The Hospital is the top consumer choice for health care among residents of Forsyth, Davie, Stokes and Yadkin counties, according to the National Research Corporation. The Hospital is accredited by and holds the Gold Seal of Approval from the Joint Commission.

The Corporation is affiliated with Wake Forest University Health Sciences (“WFUHS”), a private nonprofit corporation whose sole member is Wake Forest University (the “University”). WFUHS owns and operates the University’s School of Medicine (the “School of Medicine”) and Wake Forest University Physicians (“WFUP”). WFUHS is also active in research.

In 1975, the Corporation and the University established the Wake Forest University Baptist Medical Center, a North Carolina nonprofit corporation (the “Medical Center”), for the purpose of coordinating the activities of the Corporation and WFUHS through the formulation of joint general policies, fundraising activities, strategic planning, program development, marketing and community communications.

As part of an effort begun in 2006 to better align the strategic missions and operations of the Corporation and WFUHS, they, along with the Medical Center, agreed to enter into a Functional Integration Agreement (“FIA”) in 2008 for the purpose of interrelating and promoting their core missions of clinical care, education and research to establish a top-tier academic medical center of distinction. The FIA was made effective as of August 9, 2009.

As a supporting organization, the Medical Center does not have substantial net assets or debt. Substantially all of the assets are owned by the Corporation, WFUHS, or jointly by the Corporation and WFUHS. Under the FIA, the constituent organizations each reconcile and coordinate their budgets with the Medical Center’s budget, but each entity is responsible for its own budget. While the intent of the FIA is better coordination of the missions and operation of the Corporation and WFUHS through the Medical Center CEO and the reporting relationships of their presidents, these two constituent organizations retain control over their assets and are solely responsible for their debts and contractual obligations.

The “functional integration” of the Corporation and WFUHS facilitated through the FIA is a cooperative arrangement that, although much stronger than it was prior to the FIA, is not a consolidation of the constituent organizations. While the boards and management of the Corporation and WFUHS are discussing organizational models that are more formally integrated, the timeframe and specific outcome of these discussions are not known as of the date of the issuance of the Bonds.

The Bonds are rated Aa3 by Moody’s Investors Service, Inc., and AA- by Standard and Poor’s. The \$116,370,000 in Serial Bonds mature in the years 2011 through 2022. The \$9,695,000 4.375% Term Bonds due June 1, 2025 yield 4.440%. The \$31,130,000 5.250% Term Bonds due June 1, 2025 yield 4.440%. The \$16,385,000 4.750% Term Bonds due June 1, 2027 yield 4.850%. The \$43,075,000 5.25% Term Bonds due June 1, 2029 yield 4.850%. The \$23,510,000 4.75% Term Bonds due June 1, 2030 yield 4.950%. The \$82,585,000 5.000% Term Bonds due June 1, 2034 yield 5.070%.

McGuire Woods, LLP served as bond counsel for the transaction. Hawkins Delafield & Wood, LLP and Bode Call & Stroupe, LLP served as co-underwriters counsel. The Bank of New York Mellon Trust Company, NA serves as bond trustee. Morgan Stanley and BB& T Capital Markets served as co-senior underwriters while Goldman Sachs & Co. served as co-manager. Kaufman Hall & Associates served as financial advisor for the transaction.

Catholic Health East/St. Joseph of the Pines - \$15,360,000

On April 7, 2010, the Commission issued its \$15,360,000 North Carolina Medical Care Commission Health System Revenue Bonds Catholic Health East Issue Series 2010 dated as of the date of delivery (April 7, 2010). The proceeds of the issue are being used to refund \$15,505,000 of the outstanding North Carolina Medical Care Commission Health System Revenue Bonds, Catholic Health East Issue, Series 1998C. The 1998C Bonds financed a portion of the costs of constructing and equipping a retirement facility for Saint Joseph of the Pines, Inc. located in Southern Pines, NC and of the refunding of the Series 1991 Bonds and the 1996 Bonds issued by the Commission for the benefit of Saint Joseph of the Pines, Inc. The Series 2010 Bonds were issued as part of a multi state composite issue for Catholic Health East in the amount of \$418,260,000.

Catholic Health East, or CHE, was incorporated as a Pennsylvania nonprofit corporation in 1997. CHE controls, directly or indirectly, various Affiliates that together with CHE constitute the "CHE Health System". These Affiliates own and operate or manage health care facilities and provide health care and related services in eleven states: Alabama, Connecticut, Delaware, Florida, Georgia, Maine, Massachusetts, New Jersey, New York, North Carolina and Pennsylvania. The health care facilities include general acute care hospitals, long-term care facilities, skilled nursing facilities, behavior health facilities and residential facilities for the elderly. Additional health care services include physician services, home health, outpatient surgery, dental clinics, occupational health, mobile health care services, school-based health clinics and others.

The \$15,360,000 Series 2010 Serial Bonds mature in the years 2010-2020 and carry stated interest rates ranging from 2.50% to 4.125%, with yields ranging from 1.150% to 4.220%. The Bonds are rated A1 by Moody's, A by Standard & Poor's and A+ by Fitch. Hawkins Delafield & Wood, LLP served as bond counsel. Foley & Lardner served as counsel to the underwriters. Banc of America Merrill Lynch and Goldman Sachs & Co. served as underwriters for the issue. Kaufman Hall & Associates, Inc. served as financial advisor to Catholic Health East for the transaction.

Aldersgate - \$8,605,000

On April 8, 2010, the Commission issued its \$8,605,000 Bank Qualified Bonds, dated as of April 13, 2010 for Aldersgate United Methodist Retirement Community. The Proceeds of the issue are being used to complete the refunding of the North Carolina Medical Care Commission Variable Rate Demand Retirement Facilities Revenue Bonds (Aldersgate Project) Series 2001 (the balance of the outstanding Series 2001 Bonds being previously refunded by the Aldersgate Series 2009 Bank Qualified Bond Issue). The amount of the Series 2001 Bonds being refunded by the Series 2010 Bank Qualified Bonds is \$3,605,000. \$4,939,084.25 of the proceeds of the Series 2010 Bank Qualified Bonds are being used to: (1) pay the costs of the installation of a sprinkler system in the skilled nursing facility, (2) restore the brick veneer of a residential apartment building and (3) other general improvements to and equipment for the Aldersgate facilities. The balance of the funds are being used to pay costs of issuance for the Series 2010 Bank Qualified Bonds.

The Bonds are being issued as Bank Qualified Bonds with an initial put period of five years. The Bonds will bear interest at the adjusted LIBOR rate of 68% of one month LIBOR plus 1.4625%. Branch Banking and Trust Company purchased the Bonds. BB&T Capital Markets served as placement agent for the transaction. Parker Poe Adams & Bernstein, LLP served as bond counsel. The Bonds have a maturity date of 2035 with amortization commencing in 2011.

Duke University Health System - \$120,000,000

On April 28, 2010, the Commission issued its \$120,000,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Duke University Health System) Series 2010A dated as of the date of delivery, April 28, 2010. The proceeds of the issue are being used to finance the costs of additional health care facilities and to pay certain expenses of issuing the 2010A Bonds.

Duke University Health System, Inc. ("DUHS") is a private, nonprofit corporation exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501 (C) (3) of the Code. DUHS is a controlled affiliate of Duke University (the "University"), a private, nonprofit institution of higher education, research, and health care based in Durham, North Carolina. The University organized DUHS in March 1998 primarily for the purpose of operating the University's integrated academic health system. The University leased or transferred its health system assets to DUHS in April 1999.

DUHS's primary hospital facility is Duke University Hospital. Duke University Hospital, an academic medical Center, is recognized nationally and internationally for excellence in patient care, medical education, and biomedical research. With 943 licensed beds, Duke University Hospital is one of the largest private hospitals in the Southeast and is located on the campus of Duke University which includes the Duke University School of Medicine, the Duke University School of Nursing, the faculty practice plan and various research facilities.

DUHS also operates two general acute care community hospital facilities. The 369-bed Durham Regional Hospital provides both secondary and tertiary care, and the 186-bed Duke Raleigh Hospital provides secondary care.

The Project consists of the construction of a major tertiary care addition to Duke University Hospital, referred to as Duke Medicine Pavilion (DMP) and will include:

- A new 582,000 square-foot tertiary-care addition that will include four 24-bed intensive-care units, two 32-bed intermediate/step-down units, 16 additional operating rooms, expanded imaging facilities, and patient-and family-oriented amenities;
- A new two-story 9,000 square-foot South Concourse connector corridor between the existing Cancer Center and Duke Clinics and the DMP;
- A new two-story 46,000 square-foot North Concourse connector corridor between the DMP and existing Duke University Hospital-North;
- The renovation of approximately 29,000 square feet of space in the existing Duke University Hospital-North to accommodate the connection to the new building; and
- Road-improvement and vehicle-parking projects required to complete the new addition.

DUHS has received all required certificates of need for the Project from the State of North Carolina.

The Bonds are rated Aa2 by Moody's, AA by S&P and AA by Fitch. The \$12,510,000 4.50% Term Bonds, due June 1, 2030 yield 4.59%. The \$10,000,000 Term Bonds due June 1, 2035 yield 4.81%. The \$27,305,000 5.00% Term Bonds due June 1, 2035 yield 4.81%. The \$70,185,000 5.00% Term Bonds due June 1, 2042 yield 4.88%. Robinson Bradshaw & Hinson, P.A. served as bond counsel and Parker Poe Adams & Bernstein, LLP served as counsel to the underwriters. The Bank of New York Mellon Trust Company, NA serves as bond trustee. Citigroup served as senior manager with Bank of America Merrill Lynch, Wells Fargo Securities, SunTrust Robinson Humphrey and J. P. Morgan as co-managers.

Arbor Acres United Methodist Retirement Community - \$28,875,000

On June, 10, 2010, the Commission issued its \$28,875,000 Retirement Facilities First Mortgage Revenue Bonds (Arbor Acres United Methodist Retirement Community Project) Series 2010 Bank-Qualified Bonds dated as of the date of issuance. The proceeds of the issue are to be used, together with other available funds to (a) pay, or reimburse the Corporation for paying, the cost of expanding and renovating the Corporation's existing continuing care retirement community located at 1240 Arbor Road, Winston-Salem, North Carolina, including (1) construction and equipping of an approximately 117,522 square-foot, 72-bed assisted living building, including a new central kitchen for all licensed facilities and a physical, occupational, and speech therapy center, with a therapeutic pool to serve all residents, and (2) construction and equipping of an 8,725 square-foot, 12-bed addition to MemoryCare (collectively, the "Project"); (b) pay the interest accruing on the Bonds during the construction of the Project; and (c) pay certain expenses incurred in connection with the authorization and issuance of the Bonds by the Commission. Branch Banking & Trust Company is purchasing the Bank-Qualified Bonds and is holding the bonds for an initial put period of seven years at an initial interest rate of 68% of one month LIBOR Plus 1.3975%. Arbor Acres operates a not for profit continuing care retirement center in Winston-Salem, North Carolina, providing independent living, assisted living, and skilled nursing care. Arbor Acres is an accredited CCRC which opened in March 1980 and is affiliated with the Western North Carolina Conference of the United Methodist Church.

Robinson Bradshaw & Hinson, P.A. served as bond counsel. BB & T Capital Markets, Inc. served as structuring agent for the issue. Dixon Hughes, PLLC serves as feasibility consultant and BB & T serves as bond trustee. The final maturity of the bonds is July 1, 2038, with sinking fund maturities commencing in 2013.

"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.