

# SAMPLE BID FORM FOR FORWARD DELIVERY AGREEMENT

## REQUEST FOR BIDS

To: Forward Delivery Agreement Providers

From: Christopher B. Taylor, CPA  
Assistant Secretary

Date: \_\_\_\_\_, 2005

Re: \$\_\_\_\_\_ North Carolina Medical Care Commission  
Healthcare Facilities First Mortgage Revenue Bonds  
(Pennybyrn at Maryfield Project) Series 2005A , 2005B and 2005C

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The North Carolina Medical Care Commission (the "Commission"), on behalf of Maryfield, Incorporated (the "Corporation"), will be soliciting bids for a ***Forward Purchase Agreement*** (the "Agreement") for the investment of the bond proceeds arising from the issuance by the Commission of its Healthcare Facilities First Mortgage Revenue Bonds (Pennybyrn at Maryfield Project) Series 2005A, 2005B and 2005C (collectively, the "Bonds"). The Agreement will be used for the investment of proceeds of the Bonds held in the Debt Service Reserve Fund established for each series of the Bonds (Collectively, the "Reserve Account").

All items contained within this Request for Bids are to be reviewed and understood by the bidders prior to submitting a bid. An electronic version of the Preliminary Official Statement relating to the Bonds may be viewed at \_\_\_\_\_. Any questions regarding the Bonds or the Agreement should be directed to Christopher B. Taylor at (919) 855-3750.

The bids are to be submitted verbally to Christopher B. Taylor at (919) 855-3750 and immediately followed by a signed copy of Exhibit A sent via fax to Christopher B. Taylor at (919) 733-2757. Any exceptions to the terms and conditions specified in the attached term sheet or any additional terms and conditions of the bid must be specified in writing on Exhibit A. No bid will be accepted that is not confirmed via fax sent directly to Mr. Taylor. Bids will be taken on \_\_\_\_\_, \_\_\_\_\_, 2005 at 11:00 a.m., New York time, and the award made by 11:45 a.m., New York time, on the same day. The settlement date is expected to be December 29, 2005, subject to satisfactory documentation of the transaction by that date.

## General Term Sheet

1. Form of Agreement: Forward Purchase Agreement whereby the Provider agrees to deliver Eligible Securities (described below) to the Trustee for deposit in the Reserve Account on each April 1 and October 1 that mature on or prior to the next succeeding April 1 or October 1 and yielding the fixed interest rate bid.
2. Parties: The parties to the Agreement shall be solely the Trustee, the Provider and the Corporation. The Commission shall not be a party to the Agreement.
3. Date/Time of Bid: \_\_\_\_\_, 2005 at 11:00 a.m., New York time
4. Date/Time of Award: \_\_\_\_\_, 2005 at 11:45 a.m., New York time
5. Settlement Date: December 29, 2005, subject to satisfactory documentation.
6. Trustee: Wachovia Bank National Association, in its capacities as bond trustee under the Trust Agreements and as master trustee under the Master Trust Indenture (“Trustee”)
7. Bond Ratings: The Series 2005A and 2005B Bonds are not rated. The Series 2005C Bonds are rated \_\_\_\_\_.
8. Fund: Reserve Accounts of the Series 2005A, 2005B and 2005C Bonds.
9. Initial Deposit (appx): \$ \_\_\_\_\_ ( \_\_\_\_\_ from Series 2005A Bonds, \$ \_\_\_\_\_ from Series 2005B and \$ \_\_\_\_\_ from Series 2005C Bonds)
10. Eligible Securities:
  - a) Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States;
  - b) Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service; or
  - c) Commercial paper rated at least A-1/P-1 by Moody’s and S&P.
11. Withdrawals: The moneys invested pursuant to the Agreement must be available to the Trustee at par without condition and without a breakage fee or other penalty to pay the principal of or interest on the Bonds in the manner provided in the Trust Agreements and the Master Trust Indenture. In addition, in the event that the Debt Service Reserve Fund Requirement for any series of Bonds is reduced during the term

of the Agreement, the Trustee may withdraw from the Agreement any amount in excess of the Debt Service Reserve Fund Requirement without a breakage fee or other penalty.

12. Replenishment: Funds drawn under the Agreement may be replenished for a period of up to one year at the same interest rate without penalty.
13. Maturity: October 1, 2015
14. Fixed Interest Rate: The Eligible Securities delivered to the Trustee shall mature on or prior to next succeeding April 1 or October 1 to yield the fixed interest rate bid, calculated on a 30/360 day count basis, beginning January 1, 2006.
15. Qualified Providers: A national banking association, commercial bank organized under the laws of any state of the United States, a dealer which is a dealer recognized as a primary dealer by a Federal Reserve Bank or other financial institution which has a long-term credit rating of at least "A2" by Moody's and at least "A" by S&P on the day of the bid .
16. Downgrade Provisions: In the event the Provider is downgraded below A3/A- by Moody's or S&P, respectively, the Provider must immediately notify the Trustee, and the Corporation of such downgrade. Then the Provider shall, at the direction of the Trustee or the Corporation within seven (7) business days of downgrade, obtain a guaranty or an assignment of the Agreement with a Provider meeting the criteria shown above in "Qualified Providers." Choice of these two remedies will be that of the Provider. If within seven (7) business days of direction from the Trustee or the Corporation the Provider has not taken such action, then the Trustee and/or the Corporation may cancel the Agreement without penalty.  
  
Any costs associated with a Provider's downgrade shall be borne by the Provider.
17. Events of Default: Events of Default under the Agreement will include:
  - a) Failure to deliver Eligible Securities when required under the Agreement;
  - b) Failure to observe any other covenant or condition of the Agreement, including failure to adhere to the Downgrade Provisions set forth above
  - c) Provider admits its inability to pay or a petition in bankruptcy is filed by or against the Provider; or

d) Any representation of or warranty furnished in connection with the Agreement is false or misleading.

Remedies upon an Event of Default shall be acceptable to the Commission, the Corporation and the Trustee.

18. Basis of Award: The investment will be awarded to the bidder who provides the highest fixed rate for the term of the Agreement. Bids shall be quoted net of all fees and expenses incurred by the Provider in connection with the Agreement.

The Commission and Corporation reserve the right in their sole discretion to reject any and all bids, to disregard any defect in a bid and to accept the bid deemed to be in the best interest of the Commission and Corporation, subject to the approval thereof by the Bond Insurer.

19. Documentation: The Agreement and the enforceability opinion of counsel to the Provider shall be in forms acceptable to the Commission, the Corporation, the Trustee and Bond Counsel. The Provider will be required to submit a first draft of the documents within five (5) business days of the award date. The Provider will receive forms of the Master Trust Indenture, the Trust Agreements, the Loan Agreements and the Official Statements relating to the sale of the Bonds and the distribution list shortly after the award.

20. Governing Law: North Carolina or New York.

21. Provider Certificate: The winning provider will be required to sign and deliver on or prior to settlement date an executed copy of the certificate attached hereto as Exhibit B or such other form acceptable to Bond Counsel.

22. Provider Representation: Submission of a bid includes the following representation:

We hereby represent that we did not consult with any other potential bidder about our bid, that our bid was determined without regard to any other formal or informal agreement that we have with the Commission, the Corporation or any other person (whether or not in connection with the Bonds) and that the offer is not being submitted solely as a courtesy to the Commission, the Corporation or any other person for the purposes of satisfying the “three bid” requirements set forth in the Treasury Regulation Section 1.148-5(d)(6)(iii)(B)(1) or (2).

23. Reporting: The Provider will be responsible for supplying a monthly report to the Corporation and the Trustee specifying the outstanding balance, withdrawals, accrued interest and interest paid during each reporting period.

24. Bidding Agent’s Fee: No broker or bidding agent fee is allowed in connection with this

transaction.

25. Comments:

Any additional or non-conforming provisions to your bid must be stated in writing. If no additional or non-conforming provisions are declared, the offer shall be constrained to the conditions set forth herein. Neither the Commission, the Corporation, the Trustee, nor Bond Counsel shall be liable for any losses incurred or damages sustained by any party as a result of a failure to close on the Agreement solicited herein. All losses and expenses incurred as a result of a failure to execute any proposed Agreement or to submit or deliver documents under any circumstances will be solely the responsibility of the bidding institution.

All expenses associated with the Provider's performance of the Agreement, including, but not limited to, the Provider's legal fees, custodian fees, electronic funds transfer charges, etc. are the responsibility of the Provider. All bids shall be net of all fees and expenses, including but not limited to any legal fees incurred by the Provider.

All legal documents and opinions must be acceptable to the Commission, the Corporation, the Trustee, and Bond Counsel (Womble Carlyle Sandridge & Rice PLLC)

**Exhibit A**  
**To Request for Bids**

BID FORM

Forward Purchase Agreement for

\$ \_\_\_\_\_  
NORTH CARAOLINA MEDICAL CARE COMMISSION  
HEALTHCARE FACILITIES FIRST MORTGAGE REVENUE BONDS  
(PENNYBYRN AT MARYFIELD PROJECT), SERIES 2005A, 2005B AND 2005C

\_\_\_\_\_, 2005

Mr. Christopher B. Taylor  
North Carolina Medical Care Commission  
Phone: 919-855 3750  
Fax: 919-733-2757

Dear Sir:

We hereby confirm our bid and commit to deliver the Agreement at a fair market price subject to all the terms and conditions stated in the attached Request for Bids to which this bid for is attached as Exhibit A (the "Request for Bids").

In making this bid, we hereby represent as follows:

1. We are a reasonably competitive provider of repurchase agreements of the type described in the Request for Bids.
2. Neither the Commission nor the Corporation has provided us any information that induced us to bid a yield lower than the yield induced by the Request for Bids.
3. The yield bid is at least equal to the yield which we would offer for investment agreements comparable to that set forth in the Request for Bids to other persons from a source of funds other than the gross proceeds of an issue of tax-exempt bonds.
4. We did not consult with any other potential provider about our bid.
5. The yield bid was determined without regard to any other formal or informal agreement that we have with the Commission, the Corporation or any other person (whether or not in connection with the bond issue).
6. Our bid is not being submitted solely as a courtesy to the issuer or any other person for purposes of satisfying the requirements of the applicable Treasury Regulations.
7. We received the Request for Bids in a timely manner.
8. Check one of the following:
  - We do not have a material financial interest in the above-captioned bonds.
  - We do have a material financial interest in the above-captioned bonds within the meaning of Treasury Regulation Section 1.148-5(d)(6)(iii)(B)(1).

I acknowledge, on behalf of the below referenced institution that I have read, understand and agreed to the terms and conditions of the Request for Bids. Our bid is as follows:

Fixed Rate of: \_\_\_\_\_% (Net)

Institution: \_\_\_\_\_ Name/Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

Email: \_\_\_\_\_

Specific Entity Providing the Agreement (if different than above): \_\_\_\_\_

S&P Rating: \_\_\_\_\_ Moody's Rating: \_\_\_\_\_

Will any Entity Guarantee the Agreement? Yes: \_\_\_\_\_ No: \_\_\_\_\_

If so, Name of Guarantor: \_\_\_\_\_

S&P Rating: \_\_\_\_\_ Moody's Rating: \_\_\_\_\_

Additional or Non-Conforming Provisions (must be specified, if any):

**Exhibit B  
To Request for Bids**

CERTIFICATE OF PROVIDER

\_\_\_\_\_ (the "Provider") DOES HEREBY CERTIFY as follows:

1. This certification is being made by the Provider in connection with the execution and delivery of a [Forward Delivery Agreement], dated \_\_\_\_\_, 2005 (the "Agreement"), among the Provider, The United Methodist Retirement Homes, Incorporated (the "Corporation") and Wachovia Bank National Association, as trustee, relating to the issuance by the North Carolina Medical Care Commission (the "Commission") of its Healthcare Facilities First Mortgage Revenue Bonds (Pennybyrn at Maryfield Project) Series 2005A, 2005B and 2005C (the "Bonds").

2. The Provider was not given the opportunity to review other bids (i.e., a last look) before providing its bid to provide the Agreement.

3. The determination of the terms of the Agreement takes into account as a significant factor the reasonably expected deposits and draw down schedule for the amounts to be invested.

4. No administrative costs, such as brokerage or selling commissions, are being paid to third parties in connection with the Agreement.

5. To the best knowledge of the Provider, the Provider has an established industry reputation as a competitive provider of the type of investments similar to the Agreement.

6. The Provider's bid was determined without regard to any other formal or informal agreement that the Provider has with the Commission, the Corporation or any other person (whether or not in connection with the Bonds).

7. The yield on the Agreement is not less than the yield available from the Provider on the date the Agreement was priced on reasonably comparable agreements, if any, offered to other persons relating to a source of funds other than the proceeds of tax-exempt obligations and is the highest yield the Provider is willing to pay on the Agreement.

8. The Commission and its bond counsel will rely upon such representations in rendering certifications or opinions with respect to the tax-exempt status of interest on the Bonds.

WITNESS my hand on behalf of the Provider this \_\_\_ day of \_\_\_\_\_, 2005.

[NAME OF PROVIDER]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

The following is a summary of bids received by The North Carolina Medical Care Commission on \_\_\_\_\_, 2005 at 11:00 a.m. EST for the investment of certain proceeds of the following bond issue in the Reserve Account:

\$ \_\_\_\_\_  
NORTH CAROLINA MEDICAL CARE COMMISSION  
HEALTHCARE FACILITIES FIRST MORTGAGE REVENUE BONDS  
(PENNYBYRN AT MARYFIELD PROJECT) SERIES 2005A, 2005B AND 2005C

Bidder

Fixed Rate Bid