

(Form of Accountant's Compliance Letter)

(Accountants Letterhead)

Independent Accountants Report on Applying Agreed Upon Procedures

Date:

To: Board of Directors of Healthcare Facility (Specify the Entity)
North Carolina Medical Care Commission

We have performed the procedures enumerated below, for (specify the entity) ("the Healthcare Entity") for the Year Ended _____, 200_- which were agreed to by the Healthcare Entity and the North Carolina Medical Care Commission, solely to meet the requirement of the issuance of a debt compliance letter by us in connection with Article(s) _____, Section(s) _____ of the Master Trust Indenture, dated ____ between _____ as Master Trustee and the Healthcare Entity and Article _____ Section(s) _____ of the Loan Agreement(s) dated _____ between The North Carolina Medical Care Commission and the Healthcare Entity.

The procedures enumerated below, were agreed to by (specify the entities) and the North Carolina Medical Care Commission, solely to assist you in evaluating compliance with Articles(s) _____ of the Master Trust Indenture, dated ____ between _____ as Master Trustee and the Healthcare Entity and Article(s) of the Loan Agreements(s), dated _____ between the North Carolina Medical Care Commission and the Healthcare Entity. The Healthcare Entity's management is responsible for complying with the terms of the Master Trust Indenture and the Loan Agreement(s) referred to above. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our Procedures are as Follows:

(1) As to the Master Trust Indenture ("MTI"), we read Article III Particular Covenants of the Obligated Group and Article IV Defaults and Remedies and inquired of management as to whether or not any actions and or transactions taken or undertaken by the Healthcare Entity or its Governing Board during the year ended _____ were governed by Article III and or Article IV. We obtained a list of said actions and or transactions or obtained a representation that none were undertaken or completed. We obtained a representation from management as to compliance or noncompliance with the MTI and specifically the requirements of Article III and Article IV. As to those actions and or

transactions which were of a financial and or accounting nature for which data was available we tested and or recalculated to determine if the Entity's conclusions as to compliance or noncompliance were consistent with the requirements of the applicable sections of the MTI.

(2) As to the Loan Agreement (s), we read Article IV Construction of the Project, Article V Special, Covenants and Article VI Events of Default and Remedies and inquired of management as to whether or not any actions and or transactions taken or undertaken by the Healthcare Entity or its Governing Board during the year ended _____ were governed by Article IV, Article V and or Article VI of the Loan Agreement(s). We obtained a representation from management as to compliance or noncompliance with the Loan Agreement(s) and specifically the requirements of Article IV, Article V and Article VI. We obtained a list of said actions and or transactions or obtained a representation that none were undertaken or completed. As to those actions and or transactions which were of a financial and or accounting nature for which data was available we tested and or recalculated to determine if the Healthcare Entity's conclusions as to compliance or noncompliance were consistent with the requirements of the applicable articles/sections of the Loan Agreements(s).

(3) As to the actions and or transactions covered by the Articles of the MTI and Loan Agreement(s) referenced above which were of a non-accounting and or non-financial nature we requested the documentation maintained by the Healthcare Entity as support of its representation of compliance or non compliance. We applied such tests and conducted such inquiry as we determined to be necessary to conclude that the Entity's representations as to compliance or noncompliance were consistent with the requirements of the applicable articles/sections of the MTI and Loan Agreements(s).

(4) As to "reimbursement agreements" related to credit enhancement for the bond issue(s) we read the covenants of the borrower and default sections and applied the same criteria as set forth in items 1,2 and 3 above.

(5) As to the "tax certificate" we read the sections dealing with "private activity bond requirements" and obtained a representation from management as to compliance or noncompliance with the requirements thereof. As to "the use of proceeds for exempt purposes" we tested the accounting records for disposition of "bond financed property."

(6) We reviewed our audit work papers for the year then ended and to the extent we found any evidence of noncompliance with any of the agreements referenced herein we have set forth those below.

Our Findings are as Follows:

As to Procedure No. 1:

As to Procedure No. 2:

As to Procedure No. 3:

As to Procedure No. 4:

As to Procedure No. 5:

As to Procedure No. 6

The Procedures and Findings set forth herein do not by themselves constitute an examination and we do not express an opinion thereon. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this letter for events and circumstances occurring after the date of this letter.

This letter is intended solely for the information and use of the Healthcare Entity and the North Carolina Medical Care Commission and should not be used by anyone other than those specified parties.

Signed _____
Firm _____
Date _____