PRELIMINARY OFFICIAL STATEMENT DATED _____ __, 2022

NEW ISSUE — BOOK-ENTRY ONLY **RATINGS†:**

In the opinion of Dinsmore & Shohl LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2022A Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is of the opinion that interest on the Series 2022B Bonds is included in gross income for federal income tax purposes. Bond Counsel is also of the opinion that, under existing laws of the Commonwealth of Kentucky, interest on the Series 2022A Bonds and the Series 2022B Bonds is excluded from the gross income of the recipients thereof for Kentucky income tax purposes and the Series 2022A Bonds and the Series 2022B Bonds are exempt from ad valorem taxes by the Commonwealth of Kentucky and all political subdivisions thereof. For a more complete description, see "TAX MATTERS" herein.

[UL HEALTH LOGO]

**$_____*
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY
HOSPITAL REVENUE BONDS (UOFL HEALTH PROJECT),
SERIES 2022**

consisting of

**$_____*
Series 2022A**

**$_____*
Series 2022B (Federally Taxable)**

Dated: Date of Delivery **Due: [_____ 1]**, as shown on inside cover

On the issuance date, the Louisville/Jefferson County Metro Government, Kentucky (the "*Issuer*") will issue its (i) $_____ Hospital Revenue Bonds, Series 2022A (UofL Health Project) (the "*Series 2022A Bonds*") and (ii) $_____ Hospital Revenue Bonds, Series 2022B (UofL Health Project) (Federally Taxable) (the "*Series 2022B Bonds*" and together with the "*Series 2022A Bonds*" the "*Series 2022 Bonds*" or the "*Bonds*"). The Series 2022 Bonds are issuable only as fully registered bonds without coupons, and when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York. So long as Cede & Co. is the registered owner of the Series 2022 Bonds, principal, premium, if any, and interest payments on the Series 2022 Bonds will be made by the bond trustee to Cede & Co., which in turn will remit such payments to the DTC Direct Participants and DTC Indirect Participants for subsequent disbursement to the beneficial owners of the Series 2022 Bonds. Purchase of the Series 2022 Bonds will be made in book-entry form only and individual purchasers will not receive physical delivery of bond certificates representing their beneficial interest in the Series 2022 Bonds. So long as Cede & Co. is the registered owner of the Series 2022 Bonds, references herein to the holders or registered owners of the Series 2022 Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2022 Bonds. See "**THE SERIES 2022 BONDS -- Book-Entry-Only System**" herein.

The proceeds of the Series 2022 Bonds will be loaned to UofL Health, Inc., a Kentucky nonprofit corporation (the "*Corporation*") pursuant to a Series 2022A Loan Agreement dated as of March 15, 2022, between the Corporation and the Issuer (the "*Series 2022A Loan Agreement*") and a Series 2022B Loan Agreement dated as of March 15, 2022, between the Corporation and the Issuer (the "*Series 2022B Loan Agreement*" and, collectively with the Series 2022A Loan Agreement, the "*Loan Agreements*"). The proceeds of the Series 2022 Bonds will be used to (i) finance the acquisition, construction, improvement and equipping of certain health care facilities owned and operated by the Obligated Group, (ii) pay capitalized interest on the Bonds, if any, (iii) pay costs of credit enhancement for the Bonds, if any and (iv) pay certain costs relating to the issuance of the Series 2022 Bonds. The Series 2022A Bonds will be issued pursuant to the terms of a Series 2022A Trust Indenture dated as of March 15, 2022, between the Issuer and Regions Bank, as bond trustee (the "*Bond Trustee*") (the "*Series 2022A Trust Indenture*") and the Series 2022B Bonds will be issued pursuant to the terms of a Series 2022B Trust Indenture dated as of March 15, 2022, between the Issuer and the Bond Trustee (the "*Series 2022B Trust Indenture*" and collectively with the Series 2022A Trust Indentures, the "*Trust Indentures*").

Each series of the Series 2022 Bonds will be secured by (i) certain funds and accounts established under the applicable Trust Indenture; (ii) all right, title and interest of the Issuer, in and to the applicable Loan Agreement and all Pledged Revenues (as defined in the Trust Indentures) payable to the Issuer; and (iii) an Obligation delivered with respect to the applicable series of Series 2022 Bonds (together, the "*Series 2022 Obligations*") each issued under the Master Trust Indenture dated as of March 15, 2022 (as amended by the Supplemental Master Indentures defined below, the "*Master Indenture*"), by and among the Corporation, other Obligated Group Members, as defined and described therein, and Regions Bank, as master trustee (the "*Master Trustee*"), the First Supplemental Master Trust Indenture dated as of March 15, 2022 by and between the Corporation and the Master Trustee (the "*First Supplemental Master Indenture*") and the Second Supplemental Master Trust Indenture dated as of March 15, 2022 by and between the Corporation, as Combined Group Representative, and the Master Trustee (the "*Second Supplemental Master Indenture*" and collectively with the First Supplemental Master Indenture, the "*Supplemental Master Indentures*"). The Series 2022 Obligations are secured by a pledge of Gross Revenues (as described herein) of the Obligated Group under the Master Indenture (the "*Obligated Group*").

In accordance with the Trust Indenture, the Series 2022 Bonds will bear interest at the interest rates listed on the inside front cover page of this Official Statement until their maturity, or earlier redemption. Interest on the Series 2022 Bonds will be payable on [_____ 1, 2022] and semiannually thereafter on [_____ 1] and [_____ 1] in each year. **The Series 2022A Bonds and the Series 2022B Bonds are subject to optional, mandatory sinking fund and extraordinary redemption, each as described in this Official Statement.**

AN INVESTMENT IN THE SERIES 2022 BONDS INVOLVES A DEGREE OF RISK. A PROSPECTIVE BOND OWNER IS ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO. SPECIAL REFERENCE IS MADE TO THE SECTIONS ENTITLED "**PAYMENT AND SECURITY PROVISIONS RELATING TO THE SERIES 2022 BONDS**" AND "**BONDHOLDERS' RISKS**" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2022 BONDS.

EACH SERIES OF SERIES 2022 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE, WITH RESPECT TO THE ISSUER, SOLELY FROM THE PLEDGED REVENUES, AS DEFINED IN THE BOND INDENTURE. THE SERIES 2022 BONDS DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT OR THE COMMONWEALTH OF KENTUCKY, AND NEITHER LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT OR THE COMMONWEALTH OF KENTUCKY

† For an explanation of the ratings, see "**RATINGS**" herein.

* Preliminary, subject to change

SHALL BE LIABLE THEREON. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT OR THE COMMONWEALTH OF KENTUCKY, OR ANY OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH OF KENTUCKY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022 BONDS.

MATURITIES, AMOUNTS, INTEREST RATES, PRICES AND CUSIP NUMBERS
(See Inside Cover)

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this Series 2022 Bond issue. Investors are instructed to read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2022 Bonds are offered subject to prior sale, when, as and if issued by the Issuer and accepted by the Underwriter, subject to certain conditions, including the approval of legality by Dinsmore & Shohl LLP, Bond Counsel to the Issuer. Certain legal matters will be passed on for the Obligated Group by its special counsel, Dinsmore & Shohl LLP, for the Issuer by its counsel, the Jefferson County Attorney, and for the Underwriter by its counsel, Frost Brown Todd LLC. It is expected that the Series 2022 Bonds in definitive form will be available for delivery to The Depository Trust Company, on or about [March __, 2022].

BofA Securities

The date of this Official Statement is [March __, 2022.]

$_____
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY
HOSPITAL REVENUE BONDS (UOFL HEALTH PROJECT), SERIES 2022A

MATURITY SCHEDULE*

Due ([_____ 1])	Principal Amount	Interest Rate	Price	Yield	CUSIP† Number

$_____
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY
TAXABLE HOSPITAL REVENUE BONDS (UOFL HEALTH PROJECT), SERIES 2022B

MATURITY SCHEDULE*

Due ([_____ 1])	Principal Amount	Interest Rate	Price	Yield	CUSIP† Number

* Preliminary, subject to change

† CUSIP® is a registered trademark of the American Bankers Association (the "*ABA*"). CUSIP Global Services ("*CGS*") is managed on behalf of the ABA by S&P Capital IQ. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers have been assigned by an organization not affiliated with the Issuer, the Corporation, the Bond Trustee, the Master Trustee or the Underwriter. None of the Issuer, the Corporation, the Bond Trustee, the Master Trustee, the Underwriter or their agents or counsel makes any representation with respect to such CUSIP® numbers or assumes any responsibility for the accuracy of such numbers.

The information concerning The Depository Trust Company ("*DTC*") and the book-entry system set forth herein under the "THE SERIES 2022 BONDS – Book-Entry-Only System" has been furnished by DTC. Such other information is not guaranteed as to accuracy or completeness by, and is not to be relied upon as or construed as a promise or representation by the Corporation. None of the information contained in this Official Statement has been supplied or verified by the Master Trustee or the Bond Trustee, and the Master Trustee and the Bond Trustee make no representation, warranty or guarantee as to the accuracy or completeness of any information in this Official Statement.

THE ISSUER HAS NOT PREPARED OR ASSISTED IN THE PREPARATION OF THIS OFFICIAL STATEMENT AND, EXCEPT FOR THE INFORMATION REGARDING THE ISSUER CONTAINED UNDER THE CAPTIONS "THE ISSUER" AND "LITIGATION – The Issuer" HEREIN, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, FAIRNESS, SUFFICIENCY OR COMPLETENESS OF SUCH INFORMATION.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or other person has been authorized by the Issuer, the Corporation or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Corporations or DTC since the date hereof.

None of the Series 2022 Bonds or the Series 2022 Obligations have been registered under the Securities Act of 1933, or the securities laws of any state, nor have the Trust Indentures or the Master Indenture been qualified under the Trust Indenture Act of 1939, in reliance upon exemptions contained in such acts. The Series 2022 Bonds have not been registered or qualified under the securities laws of any state in reliance upon the state securities law exemption provisions under the Securities Act of 1933, as amended. In certain states, however, the filing of a notice with the state securities commission is required for the public sale of the Series 2022 Bonds in such states. The fact that a notice may have been filed in certain states cannot be regarded as a recommendation. No states nor any of their agencies have passed upon the merits of the Series 2022 Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

This Official Statement contains a general description of the Series 2022 Bonds, the Issuer, the Corporation, and the plan of finance, and sets forth certain provisions of the Trust Indentures, the Loan Agreements, the Master Indenture, the Supplemental Master Indentures. The description and summaries herein do not purport to be complete. Persons interested in purchasing the Series 2022 Bonds should review carefully the Appendices attached hereto as well as copies of such documents, which are held by the Master Trustee and the Bond Trustee at their respective principal offices. A wide variety of other information, including financial information, concerning the Corporation is available from publications and website of the Corporation and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of or incorporated into this Official Statement, except as expressly noted herein.

References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not a part of, this Official Statement.

Under no circumstances shall the delivery of this Official Statement or any sale made after its delivery create any implication that the affairs of the Issuer or any Member of the Obligated Group have remained unchanged after the date of this Official Statement.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute projections or estimates of future events, generally known as forward-looking statements. These statements are generally identifiable by the terminology used such as "may," "believe," "will," "expect," "project," "intend," "estimate," "anticipate," "plan," "continue," "budget" or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information under "**PLAN OF FINANCE**" and "**BONDHOLDERS' RISKS**" in the forepart of this Official Statement and the statements under the heading "**UTILIZATION SUMMARY AND FINANCIAL INFORMATION**" in **APPENDIX A** to this Official Statement. The forward-looking statements contained in this Official Statement are based on the current plans and expectations of the Obligated Group and are subject to a number of known and unknown uncertainties and risks, many of which are beyond the control of the Obligated Group, and could significantly affect current plans and expectations and the Obligated Group's future financial position and results of operations. These risk factors include, but are not limited to, (i) the highly competitive nature of the health care business, (ii) the efforts of insurers, health care providers and others to contain health care costs, (iii) possible changes in the Medicare and Medicaid programs that may affect payments to health care providers and insurers, (iv) changes in federal, state or local regulations affecting the health care industry, (v) the implementation of health care reform, (vi) the ability to attract and retain qualified management and other personnel, including affiliated physicians, nurses and medical support personnel, (vii) liabilities and other claims asserted against the Obligated Group, (viii) changes in accounting standards and practices, (ix) changes in general economic conditions, (x) future divestitures or acquisitions which may result in additional changes, (xi) changes in revenue mix and the ability to enter into and renew managed care provider arrangements on acceptable terms, (xii) the availability and terms of capital to fund expansion plans of the Obligated Group and to provide for ongoing capital expenditure needs, (xiii) changes in business strategy or development plans, (xiv) delays in receiving payments, (xv) the ability to implement shared services and other initiatives and realize decreases in administrative, supply and infrastructure costs, (xvi) the outcome of pending and any future litigation, (xvii) the Obligated Group's continuing efforts to monitor, maintain and comply with appropriate laws, regulations, policies and procedures relating to their status as tax-exempt organizations as well as their ability to comply with the requirements of the Medicare and Medicaid programs, (xviii) the ability to achieve expected levels of patient volumes and control the costs of providing services, (xix) results of reviews of the Obligated Group's cost reports, (xx) the ongoing impact of Covid-19 and other pandemic diseases and (xxi) the Obligated Group's ability to comply with recently enacted legislation and/or regulations. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ from those expressed in any forward-looking statements made by or on behalf of the Obligated Group. Investors are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this Official Statement.

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks; uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The Obligated Group does not plan to issue any updates or revisions to those forward-looking statements if or when changes in its expectations, or events, conditions or circumstances on which such statements are based, occur.

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OFFICIAL STATEMENT

$_____
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY
HOSPITAL REVENUE BONDS
(UOFL HEALTH PROJECT)
consisting of

$_____	**$_____**
Series 2022A	**Series 2022B (Federally Taxable)**

INTRODUCTORY STATEMENT

This Introductory Statement is subject in all respects to more complete information contained in this Official Statement. This entire Official Statement, including its appendices, should be read by any prospective purchaser of the Series 2022 Bonds. No person is authorized to detach this Introductory Statement from this Official Statement or otherwise to use it without this entire Official Statement, including the appendices.

Purpose of this Official Statement. The purpose of this Official Statement, including the cover page, the inside cover page and the appendices hereto, is to set forth information relating to the issuance and sale of (i) $_____ aggregate principal amount of Louisville/Jefferson County Metro Government, Kentucky Hospital Revenue Bonds, Series 2022A (UofL Health Project) (the "*Series 2022A Bonds*") and (ii) Louisville/Jefferson County Metro Government, Kentucky $_____ Hospital Revenue Bonds, Series 2022B (UofL Health Project) (Federally Taxable) (the "*Series 2022B Bonds*" and together with the Series 2022A Bonds the "*Series 2022 Bonds*" or the "*Bonds*"). The Series 2022A Bonds will be issued pursuant to the terms of a Series 2022A Trust Indenture dated as of March 15, 2022, (the "*Series 2022A Trust Indenture*") between the Issuer and Regions Bank, as bond trustee (the "*Bond Trustee*") and the Series 2022B Bonds will be issued pursuant to the terms of a Series 2022B Trust Indenture dated as of March 15, 2022, (the "*Series 2022B Trust Indenture*" and, collectively with the Series 2022A Trust Indenture, the "*Trust Indentures*") between the Issuer and the Bond Trustee.

The Issuer. The Louisville/Jefferson County Metro Government is a public body corporate and politic, duly created and existing as a political subdivision of the Commonwealth of Kentucky under the Constitution and laws of the Commonwealth of Kentucky (the "*Commonwealth*"). The Series 2022 Bonds are being issued under the authority of the Industrial Buildings for Cities and Counties Act, Sections 103.200 through 103.285 of the Kentucky Revised Statutes, as amended (the "*Act*"). For further information concerning the Issuer, its powers and the members of its governing body, see the information under the caption "**THE ISSUER**" herein.

The Obligated Group. UoL Health, Inc. (the "*Corporation*") is a nonprofit corporation organized and existing under the laws of the Commonwealth of Kentucky that has been recognized as an exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*"). The Corporation is a Member of the Obligated Group created pursuant to a Master Trust Indenture dated as of March 15, 2022 (the "*Master Indenture*") among the Corporation, other Members of the Obligated Group, as described herein, and Regions Bank, as master trustee (the "*Master Trustee*"). Additional Members of the Obligated Group include (i) University Medical Center, Inc. d/b/a University of Louisville Hospital/James Graham Brown Cancer Center (UMC); and (ii) UofL Health – Louisville, Inc. (Jewish Hospital). For further information concerning the Corporation, see the information under the caption **"THE OBLIGATED GROUP"** herein and contained in **APPENDIX A** hereto.

The Master Indenture. Concurrently with the issuance of the Series 2022 Bonds, the Corporation, the other Members of the Obligated Group and the Master Trustee will execute and deliver (i) the Master Trust Indenture, (ii) the First Supplemental Master Trust Indenture dated as of March 15, 2022 by and between the Corporation and the Master Trustee (the "*First Supplemental Master Indenture*"), providing for, among other things, the issuance thereunder of the UoL Health, Inc. Series 2022A Obligation related to the Series 2022A

Bonds (the "*Series 2022A Obligation*"), (iii) the Second Supplemental Master Trust Indenture dated as of March 15, 2022 by and between the Corporation, as Combined Group Representative, and the Master Trustee (the "*Second Supplemental Master Indenture*" and collectively with the First Supplemental Master Indenture, the "*Supplemental Master Indentures*"), providing for, among other things, the issuance thereunder of the UoL Health, Inc. Series 2022B Obligation related to the Series 2022B Bonds (the "*Series 2022B Obligation*" and together with the Series 2022A Obligation, the "*Series 2022 Obligations*").

The Master Indenture, as supplemented and amended by the Supplemental Master Indentures, as hereafter amended or supplemented, is referred to herein as the "*Master Indenture*." See "**FORM OF MASTER INDENTURE**" in **APPENDIX E** hereto.

Security for the Series 2022 Bonds. The Series 2022A Bonds will be secured by funds pledged to and held by the Bond Trustee under the Series 2022A Trust Indenture, from payments made by the Corporation pursuant to the Series 2022A Loan Agreement (as defined below) and from payments made by the Corporation, UMC, and Jewish Hospital (the "Obligated Group") and any other future Members of the Obligated Group pursuant to the Series 2022A Obligation.

The Series 2022B Bonds will be secured by funds pledged to and held by the Bond Trustee under the Series 2022B Trust Indenture, from payments made by the Corporation pursuant to the Series 2022B Loan Agreement (as defined below) and from payments made by the Obligated Group and any other future Members of the Obligated Group pursuant to the Series 2022B Obligation.

Plan of Finance. The proceeds of the Series 2022 Bonds will be loaned to the Corporation, as Combined Group Representative, pursuant to a Series 2022A Loan Agreement dated as of March 15, 2022, between the Corporation and the Issuer (the "*Series 2022A Loan Agreement*") and a Series 2022B Loan Agreement dated as of March 15, 2022, between the Corporation and the Issuer (the "*Series 2022B Loan Agreement*" and, collectively with the Series 2022A Loan Agreement, the "*Loan Agreements*"). The proceeds of the Series 2022 Bonds will be used to (i) finance the acquisition, construction, improvement and equipping of certain health care facilities owned and operated by the Obligated Group, (ii) pay capitalized interest on the Series 2022 Bonds, if any, (iii) pay costs of credit enhancement for the Series 2022 Bonds, if any and (iv) pay certain costs relating to the issuance of the Series 2022 Bonds. See "**THE PROJECT**" and "**PLAN OF FINANCE**" herein.

Payment for the Series 2022 Bonds. The Series 2022 Bonds are special and limited obligations of the Issuer payable from the Trust Estate (as such term is defined in the Trust Indentures) and from payments made by the Corporation under the Loan Agreements. Under the Loan Agreements, the Corporation is required to make payments corresponding to the principal or redemption price of and interest on the related series of Series 2022 Bonds. **NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT OR THE COMMONWEALTH OF KENTUCKY OR ANY OTHER POLITICAL SUBDIVISION OF KENTUCKY IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022 BONDS**.

Additional Indebtedness. The Obligated Group, upon compliance with the terms and conditions, and for the purposes described in the Master Indenture, may incur additional indebtedness. Such additional indebtedness may be secured or unsecured, and may or may not be issued in the form of an Obligation of the Obligated Group issued under and pursuant to the Master Indenture (as further described in the Master Indenture, an "*Obligation*"). See "**FORM OF MASTER INDENTURE**" in **APPENDIX E** hereto.

Bondholders' Risks. There are risks associated with the purchase of the Series 2022 Bonds. See "**BONDHOLDERS' RISKS**" for a discussion of certain of these risks.

Defined Terms. All capitalized terms used in this Official Statement, unless otherwise defined or the context otherwise indicates, have the same meanings set forth in **APPENDIX D** and **APPENDIX E** of this Official Statement.

Underlying Documents. The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all of its terms and conditions. All statements herein are qualified in their entirety by reference to each such document. Copies of the Master Indenture, the Supplemental Master Indentures, the Loan Agreements and the Trust Indentures are available for inspection at the designated corporate trust office of the Master Trustee and the Bond Trustee.

THE ISSUER

The Issuer is a public body corporate and politic, duly created and existing as a political subdivision of the Commonwealth under the Constitution and laws of the Commonwealth. The Issuer is governed by the Metro Council composed of an elected Mayor and twenty-six elected Council Members. The Issuer's principal address is 527 West Jefferson Street, Louisville, Kentucky 40202. The Issuer is authorized by the Act to issue the Series 2022 Bonds and to loan the proceeds to the Corporation. The issuance of the Series 2022 Bonds and the execution and delivery of the Loan Agreements and the Trust Indentures have been authorized by an Ordinance of the Issuer acting by and through its Metro Council, adopted [March 3, 2022].

The Series 2022 Bonds are limited obligations of the Issuer as described in this Official Statement. The Issuer is not generally liable for the Series 2022 Bonds or any other obligations incurred by the Issuer under the Trust Indentures or the Loan Agreements. The Series 2022 Bonds are not general obligations and do not constitute debts or pledges against the credit of the Issuer or the credit or taxing power of the Commonwealth of Kentucky or any political subdivision thereof. The Series 2022 Bonds are limited obligations of the Issuer, which will, if and when issued, be payable solely through the revenues, properties, or other funds as described in this Official Statement, the Trust Indentures and the Loan Agreements. No owner of any Series 2022 Bond shall have the right to demand payment of the principal of, premium, if any, or interest on such Series 2022 Bond out of any funds to be raised by taxation.

The Issuer has not prepared or approved any material for inclusion in this Official Statement except the matters under this heading and under the heading "**LITIGATION – The Issuer**" herein. The distribution and use of this Official Statement have been duly approved and authorized by the Issuer. Such approval and authorization, do not, however, constitute a representation or the approval by the Issuer of the accuracy or sufficiency of any information contained herein except to the extent of the information contained under this heading and under the heading "**LITIGATION – The Issuer**" herein.

THE SERIES 2022 BONDS

General Terms

The Series 2022A Bonds will be issued under the Series 2022A Trust Indenture only in fully registered form in denominations of $5,000 and any integral multiples thereof. The Series 2022A Bonds will bear interest at the respective rates per annum and will mature in the amounts and on the dates set forth on the inside cover page hereof. Each Series 2022A Bond will bear interest (based on a 360-day year of twelve 30-day months) from its date, payable on [_____ 1] and [_____ 1] of each year, commencing [_____ 1, 2022]. The Series 2022A Bonds will initially be dated their date of issuance.

The Series 2022B Bonds will be issued under the Series 2022B Trust Indenture only in fully registered form in denominations of [$100,000] and any integral multiples of $1,000 in excess thereof. The Series 2022B Bonds will bear interest at the respective rates per annum and will mature in the amounts and on the dates set

forth on the inside cover page hereof. Each Series 2022B Bond will bear interest (based on a 360-day year of twelve 30-day months) from its date, payable on [_____ 1] and [_____ 1] of each year, commencing [_____ 1, 2022]. The Series 2022B Bonds will initially be dated their date of issuance.

Each series of the Series 2022 Bonds are issuable only as fully registered bonds without coupons, and when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("*DTC*"), New York, New York. So long as Cede & Co. is the registered owner of the Series 2022 Bonds, principal, premium, if any, and interest payments on the Series 2022 Bonds will be made by the Bond Trustee to Cede & Co., which in turn will remit such payments to the DTC Direct Participants and DTC Indirect Participants for subsequent disbursement to the beneficial owners of the Series 2022 Bonds. Purchase of the Series 2022 Bonds will be made in book-entry form only and individual purchasers will not receive physical delivery of bond certificates representing their beneficial interest in the Series 2022 Bonds. So long as DTC acts as securities depository for the Series 2022 Bonds, as described under "Book-Entry-Only System" below, all references herein to "Owner," "owner," "Holder" or "holder" of any Bonds or to "Bond owner," "Bondholder," "bondowner" or "bondholder" are deemed to refer to Cede & Co., as nominee for DTC, and not to Direct Participants, Indirect Participants or Beneficial Owners (as defined herein). For a description of the method of payment of the principal, premium, if any, and interest on the Series 2022 Bonds and matters pertaining to transfers and exchanges while registered in the name of Cede & Co., see "**Book-Entry-Only System**" below.

Redemption of Series 2022 Bonds

The Series 2022 Bonds shall be subject to redemption prior to maturity at such times, to the extent and in the manner summarized below.

Optional Redemption of the Series 2022A Bonds. During the Initial Interest Period, the Series 2022A Bonds maturing on and after [_____] 1, 20[_]are subject to redemption, in whole or in part, prior to their stated maturity dates upon a request of Combined Group Representative (in such amounts and from such maturities as may be specified by Combined Group Representative), on any date on and after [_____] 1, 20[_], at a Redemption Price equal to the principal amount thereof, plus accrued interest thereon to the Redemption Date, without premium.

Optional Redemption of the Series 2022B Bonds. During the Initial Interest Period, the Series 2022B Bonds maturing on and after [_____] 1, 20[_] are subject to redemption (in such amounts and from such maturities and interest rates as may be specified by the Combined Group Representative) on any date on and after [_____] 1, 20[_], at a Redemption Price equal to the principal amount thereof, plus accrued interest to the Redemption Date, without premium.

Extraordinary Optional Redemption. The Series 2022A Bonds are subject to redemption, upon request of the Combined Group Representative given to the Issuer and the Bond Trustee (unless waived by the Issuer and the Bond Trustee) at least thirty days before the date fixed for redemption, in whole or in part (in such amounts and from such maturities and interest rates as may be specified by the Combined Group Representative) on any date, from insurance or condemnation proceeds received with respect to the facilities of any of the Members of the Obligated Group and deposited in the Series 2022A Bond Fund, at a Redemption Price equal to 100% of the principal amount thereof together with interest, if any, accrued on such Series 2022A Bonds from the most recent Interest Payment Date therefor to which interest thereon has been paid or duly provided for on or after such Interest Payment Date to the Redemption Date.

The Series 2022B Bonds are subject to redemption, upon request of the Combined Group Representative given to the Issuer and the Bond Trustee (unless waived by the Issuer and the Bond Trustee) at least thirty days before the date fixed for redemption, in whole or in part (in such amounts and from such maturities and interest rates as may be specified by the Combined Group Representative) on any date, from insurance or condemnation proceeds received with respect to the facilities of any of the Members of the Obligated Group and deposited in the Series 2022B Bond Fund, at a Redemption Price equal to 100% of the principal amount thereof together with interest, if any, accrued on such Series 2022B Bonds from the most

recent Interest Payment Date therefor to which interest thereon has been paid or duly provided for on or after such Interest Payment Date to the Redemption Date.

Mandatory Sinking Fund Redemption of the Series 2022A Bonds. During the Initial Interest Period, the Series 2022A Bonds maturing on [_____] 1, 20[__] and bearing interest at [_____]% shall be redeemed (or paid at the Stated Maturity, as the case may be) by application of Term Sinking Fund Payments in the following amounts on and on the following dates:

Series 2022A Bonds Maturing [_____] **1, 20[__] at** [_____]**%**

Term Sinking Fund Payment Date ([_____] 1)	Term Sinking Fund Payment Amount
20[__]	$ [_____]
20[__]	[_____]
20[__]	[_____]
20[__]	[_____]
20[__]†	[_____]

† Maturity.

During the Initial Interest Period, the Series 2022A Bonds maturing on [_____] 1, 20[__] and bearing interest at [_____]% shall be redeemed (or paid at the Stated Maturity, as the case may be) by application of Term Sinking Fund Payments in the following amounts on and on the following dates:

Series 2022A Bonds Maturing [_____] **1, 20[__] at** [_____]**%**

Term Sinking Fund Payment Date ([_____] 1)	Term Sinking Fund Payment Amount
20[__]	[_____]
20[__]	[_____]
20[__]	[_____]
20[__]	[_____]
20[__]†	[_____]

† Maturity.

Mandatory Sinking Fund Redemption of the Series 2022B Bonds. During the Initial Interest Period, the Series 2022B Bonds maturing on [_____] 1, 20[__] and bearing interest at [_____]% shall be redeemed (or paid at the Stated Maturity, as the case may be) by application of Term Sinking Fund Payments in the following amounts on and on the following dates:

Series 2022B Bonds maturing on [_____] **1, 20[__] at** [_____]**%**

Term Sinking Fund Payment Date ([_____] 1)	Term Sinking Fund Payment Amount
20[__]	[_____]
20[__]	[_____]
20[__]	[_____]
20[__]	[_____]
20[__]	[_____]
20[__]†	[_____]

† Maturity.

During the Initial Interest Period, the Series 2022B Bonds maturing on [_____] 1, 20[__] and bearing interest at [_____]% shall be redeemed (or paid at the Stated Maturity, as the case may be) by application of Term Sinking Fund Payments in the following amounts on and on the following dates:

Series 2022B Bonds maturing on [_____] **1, 20[__] at** [_____]**%**

Term Sinking Fund Payment Date ([_____] 1)	Term Sinking Fund Payment Amount
20[__]	[_____]
20[__]	[_____]
20[__]	[_____]
20[__]	[_____]
20[__]	[_____]
20[__]†	[_____]

† Maturity.

The mandatory sinking fund redemption amounts described above are subject to adjustment pursuant to the applicable Bond Indenture, provided, however, that the principal amount of the Bonds of such Series to be redeemed in any year may be reduced upon a request of Combined Group Representative by an amount equal to the principal amount of such Bonds (a) surrendered uncancelled and in transferable form by Combined Group Representative to the Bond Trustee not less than forty-five (45) days before such Redemption Date or (b) selected (not less than five days prior to the last day for mailing notice of such Redemption Date) for redemption in or before such year, if in either case such Bonds have not previously served as the basis for any such reduction.

Election to Redeem; Notice to Bond Trustee. The exercise by Combined Group Representative of its option to redeem any Bonds will be evidenced by a request of Combined Group Representative. Combined Group Representative shall , at least thirty days before the Redemption Date fixed by the Combined Group Representative (unless a shorter notice shall be satisfactory to the Bond Trustee), notify the Bond Trustee and Issuer of such Redemption Date and, in case of any redemption at the election of Combined Group Representative of less than all the Outstanding Bonds of a Series, of the respective principal amounts and Stated Maturities of the Series of Bonds of each Interest Mode and, if applicable, Interest Period and interest rate, to be redeemed. Combined Group Representative may revoke any exercise of its option to redeem any Series of Bonds on any date on or before the Redemption Date therefor by a request of Combined Group Representative.

Notice of Redemption. The Bond Trustee will give notice of redemption of each Series of Bonds, by mail, first-class postage prepaid, mailed (or by other means agreed to by the Bondholder to be given such notice) to each Bondholder of such Series of Bonds to be redeemed, at its address appearing in the Bond Register, (i) two Business Days prior to a date that is not less than 20 and not more than 60 days before the Redemption Date, in the case of Bonds registered in the name of the Securities Depository, or (ii) not less than 15 and not more than 60 days prior to the Redemption Date, in the case of Bonds not registered in the name of the Securities Depository.

All notices of redemption will include a statement as to the Series of Bonds to be redeemed and (i) the Redemption Date, (ii) the principal amount of such Series of Bonds to be redeemed, and, if less than all Outstanding Bonds of a Series are to be redeemed, an identification (by Bond number and CUSIP number, if any, Interest Mode, Interest Period, interest rate, and Issue Date) and, in the case of partial redemption, the respective principal amounts and interest rates of such Series of Bonds to be redeemed, (iii) a description of the Redemption Price of the Series of Bonds to be redeemed, specifying the Redemption Price of such Series of Bonds, excluding accrued interest, (iv) the fact that on the Redemption Date the Redemption Price of each of the Bonds to be redeemed will become due and payable, unless, in the case of Bonds to be redeemed at the option of Combined Group Representative, the conditions, if any, to such redemption are not met or Combined Group

Representative revokes (or is required to revoke) its election to redeem such Series of Bonds, (v) if, (a) in the case of Bonds to be redeemed at the option of Combined Group Representative, any conditions to such redemption are met and such election to redeem is not revoked (or required to be revoked), or (b) such redemption is not at the election of Combined Group Representative, and due provision is made for payment of the Redemption Price, that the interest thereon will cease to accrue from and after the Redemption Date, and (vi) the place or places where Bonds to be redeemed are to be surrendered for payment of the Redemption Price, if required to be surrendered, and (vii) in the case of Bonds to be redeemed at the option of Combined Group Representative, any conditions to the redemption of the Series of Bonds on the Redemption Date, which conditions may include the deposit with the Bond Trustee of sufficient funds to pay the Redemption Price of the Series of Bonds to be redeemed.

Selection of Series 2022A Bonds for Redemption; Partial Redemption. If less than all the Series 2022A Bonds in any Interest Mode and, if applicable, Interest Period and interest rate, are to be redeemed, the particular Series 2022A Bonds in such Interest Mode and Interest Period and bearing interest at such rate to be redeemed shall be selected not more than sixty (60) days before the Redemption Date by the Bond Trustee from among the Series 2022A Bonds which have been selected by the Borrower pursuant to Section 13.02. The Bond Trustee shall select first all Series 2022A Bank Bonds and Pledged Bonds, and second other Series 2022A Bonds from the Series 2022A Bonds of such Interest Mode and Interest Period and bearing interest at such rate which have not previously been called for redemption; provided that in the case of optional redemptions such Series 2022A Bonds shall be selected by the Bond Trustee from among the principal amounts and Stated Maturities of the Series 2022A Bonds of each Interest Mode and Interest Period and bearing interest at such rate to be redeemed which have been selected by the Borrower and which were Outstanding on the date of the election. Such Series 2022A Bonds shall be selected by lot or such other method as the Bond Trustee shall deem fair and appropriate (which may provide for the selection for redemption of portions in, and leaving Outstanding, authorized denominations of the principal of Series 2022A Bonds of a denomination larger than the smallest denomination authorized on the Redemption Date).

Selection of Series 2022B Bonds for Redemption; Partial Redemption. If less than all the Series 2022B Bonds in any Interest Mode and, if applicable, Interest Period and interest rate, are to be redeemed, the particular Series 2022B Bonds in such Interest Mode and Interest Period and bearing interest at such rate to be redeemed shall be selected not more than sixty (60) days before the Redemption Date by the Bond Trustee from among the Series 2022B Bonds which have been selected by the Combined Group Representative for redemption. The Bond Trustee shall select first all Series 2022B Bank Bonds and Pledged Bonds, and second other Series 2022B Bonds from the Series 2022B Bonds of such Interest Mode and Interest Period and bearing interest at such rate which have not previously been called for redemption; provided that in the case of optional redemptions such Series 2022B Bonds shall be selected by the Bond Trustee from among the principal amounts and Stated Maturities of the Series 2022B Bonds of each Interest Mode and Interest Period and bearing interest at such rate to be redeemed which have been selected by the Borrower and which were Outstanding on the date of the election. Such Series 2022B Bonds shall be selected by lot or such other method as the Bond Trustee shall deem fair and appropriate (which may provide for the selection for redemption of portions in, and leaving Outstanding, authorized denominations of the principal of Series 2022B Bonds of a denomination larger than the smallest denomination authorized on the Redemption Date).

Effect of Redemption. Notice of redemption having been given as provided in the applicable Bond Indenture, the Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified (unless, in the case of Bonds to be redeemed at the option of Combined Group Representative, the conditions, if any, to such redemption have not been met, or Combined Group Representative has revoked its election to redeem such Bonds on or before the Redemption Date), and from and after such date (unless (i) the conditions, if any, to such redemption are not met, (ii) Combined Group Representative has so revoked such election, or (iii) there has been a default in the payment of the Redemption Price) such Bonds will cease to bear interest. Upon surrender of any such Bond for redemption in accordance with said notice, such Bonds will be paid by the Authority at the Redemption Price, but solely from and to the extent of the sources of funds therein provided. Installments of interest with a Stated Maturity the Regular Record Date for which is prior to the Redemption Date will be payable to the Bondholders of the Bonds

registered as such on such Record Date according to the terms of such Series of Bonds and the provisions of the applicable Bond Indenture.

If any Bond called for redemption will not be so paid upon surrender thereof for redemption or as otherwise provided under the applicable Bond Indenture in lieu of surrender, the principal will, until paid, bear interest from the Redemption Date at the rate prescribed therefor in such Bond.

Book-Entry-Only System

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from DTC or DTC's website, but the Corporation, the Issuer, the Underwriter and the Bond Trustee do not take any responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2022 Bonds. The ownership of one fully registered Series 2022 Bond for each maturity of each series as set forth on the inside cover page hereof, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2022 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BOND OWNER, HOLDERS OR REGISTERED OWNERS OF THE SERIES 2022 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2022 BONDS.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking" organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. **Beneficial Owners will not receive certificates representing their ownership interests in Series 2022 Bonds, except in the event that use of the book-entry-only system for the Series 2022 Bonds is discontinued.**

To facilitate subsequent transfers, all Series 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2022 Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, tenders, and defaults. For example, Beneficial Owners of the Series 2022 Bonds may wish to ascertain that the nominee holding the Series 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

While the Series 2022 Bonds are in the book-entry-only system, redemption notices shall be sent to DTC. If less than all of the Series 2022 Bonds within a single series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer, as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2022 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Bond Trustees, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Bond Trustees, the Issuer or the Members of the Obligated Group, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services with respect to the Series 2022 Bonds at any time by giving notice to the Issuer or the Bond Trustee, as applicable. Under such circumstances, in the event that a successor depository is not obtained, Series 2022 Bond certificates are required to be printed and delivered.

In addition, the Issuer, may discontinue the book-entry-only system for the Series 2022 Bonds at any time by giving reasonable notice to DTC. In that event, Series 2022 Bond certificates will be printed and delivered to DTC.

THE ISSUER, THE OBLIGATED GROUP, THE UNDERWRITER AND THE BOND TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2022 BONDS (i) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE SERIES

2022 BONDS, (ii) ANY DOCUMENT REPRESENTING OR CONFIRMING BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2022 BONDS, OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE SERIES 2022 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH THE PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE ISSUER, THE OBLIGATED GROUP, THE UNDERWRITER OR THE BOND TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE SERIES 2022 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY AMOUNT DUE WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022 BONDS; (4) THE DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE APPLICABLE BOND INDENTURE TO BE GIVEN TO BOND OWNER; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2022 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

DTC may determine to discontinue providing its service with respect to any series of Series 2022 Bonds at any time by giving notice to the Issuer and the Bond Trustee, as applicable, and discharging its responsibilities with respect thereto under applicable law. Upon the giving of such notice, the book-entry-only system for such Series 2022 Bonds will be discontinued unless a successor securities depository is appointed by the Issuer, as applicable. In addition, the Issuer may discontinue the book-entry-only system for the Series 2022 Bonds at any time by giving reasonable notice to DTC.

In the event that the book-entry-only system for a series of Series 2022 Bonds is discontinued, the following provisions would apply to such series, subject in each case to the further conditions set forth in the applicable Trust Indenture.

Removal from the Book-Entry-Only System

Payment. In the event the book-entry-only system is discontinued, the following provisions will apply. Principal of and premium, if any, on the Series 2022 Bonds will be payable at the principal corporate trust office of the Bond Trustee, upon presentation and surrender of the Series 2022 Bonds. Except as otherwise provided in the Trust Indentures, interest on any Series 2022 Bonds which is payable, and is punctually paid or duly provided for, on any Interest Payment Date therefor shall be paid to the Person in whose name that Series 2022 Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest (1) by check or draft mailed to such Person at the address specified in the Bond Register; (2) if such Series 2022 Bond is a Series 2022 Bank Bond or Book-Entry Only Bond and otherwise, at the option of the Bondholder thereof (if the Bondholder of not less than $1,000,000 principal amount of Series 2022 Bonds) exercised by written notice delivered to the Paying Agent therefor not later than the Business Day preceding the relevant Regular Record Date therefor, by Federal Funds wire to any designated account within the United States of America; or (3) pursuant to other customary arrangements made by such Person and acceptable to the Paying Agent for such interest..

Transfers and Exchanges. Upon surrender for transfer of any Series 2022 Bond (other than a Book-Entry Only Bond) to a Paying Agent, the Issuer shall execute and the Bond Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2022 Bonds of any

authorized denominations and of the same aggregate principal amount, Stated Maturity, Interest Mode, Interest Period, and interest rate as the Series 2022 Bond surrendered for transfer; provided that, if a book-entry securities depository system for the Series 2022 Bonds has theretofore been in effect, then no Series 2022 Bond registered in the name of the Securities Depository or its nominee may be so transferred except to a successor Securities Depository or a nominee thereof, unless the Bond Trustee shall have discharged the Securities Depository for the Book-Entry Only Bonds as described in such Subsection.

At the option of the Bondholder, Series 2022 Bonds (other than Book-Entry Only Bonds) may be exchanged for other Series 2022 Bonds of any authorized denominations and of the same aggregate principal amount, Stated Maturity, Interest Mode, Interest Period, and interest rate as the Series 2022 Bonds to be exchanged, upon surrender of the Series 2022 Bonds to be exchanged to a Paying Agent. Whenever any Series 2022 Bonds (other than Book-Entry Only Bonds) are so to be surrendered for exchange, the Issuer shall execute and the Bond Trustee shall authenticate and deliver the Series 2022 Bonds which the Bondholder making the exchange is entitled to receive.

PAYMENT AND SECURITY PROVISIONS RELATING TO THE SERIES 2022 BONDS

General

Each series of Series 2022 Bonds are special and limited obligations of the Issuer payable solely from (i) payments or prepayments made by the Obligated Group and any additional members of the Obligated Group on the related Series 2022 Obligation, (ii) payments or prepayments by the Corporation under the related Loan Agreement (other than certain payments to the Issuer that constitute unassigned rights), (iii) certain moneys and investments held by the Bond Trustee under, and to the extent provided in, the applicable Trust Indenture, and (iv) income from the temporary investment of any of the foregoing.

Pursuant to the Loan Agreements and the related Series 2022 Obligation, the Corporation will agree to make payments to the Bond Trustee in such amounts and at such times as are sufficient to pay, when due, the principal of, redemption premium, if any, and interest on the related Series 2022 Bonds.

The Master Indenture provides that each member of the Obligated Group is jointly and severally liable with respect to the payment of each Obligation issued thereunder, including the Series 2022 Obligations. As security for each series of Series 2022 Bonds, the Issuer will assign to the Bond Trustee the related Series 2022 Obligation and all of its right, title and interest in the Loan Agreements, except for the Reserved Rights (as defined in the Loan Agreements). See the form of the Master Indenture in **APPENDIX E** hereto.

EACH SERIES OF SERIES 2022 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE LOAN PAYMENTS (AS DEFINED IN THE LOAN AGREEMENTS) AND THE TRUST ESTATE (AS DEFINED IN THE BOND INDENTURES)**. THE SERIES 2022 BONDS DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE COMMONWEALTH OF KENTUCKY OR LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, AND NEITHER THE COMMONWEALTH OF KENTUCKY NOR LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT SHALL BE LIABLE THEREON. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT OR THE COMMONWEALTH OF KENTUCKY, OR ANY OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH OF KENTUCKY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022 BONDS.**

Security Interest in Gross Revenues

Pursuant to the Master Indenture, as security for any payment, whether at maturity, by acceleration, upon proceeding for redemption or otherwise, on the Series 2022 Obligations, the Obligated Group has pledged, assigned and granted a security interest in, all revenues, income, receipts, cash and negotiable instruments

received by or on behalf of the Obligated Group or any Member, including, but without limiting the generality of the foregoing, all Accounts, Bank Accounts, Contract Rights, General Intangibles, and Related Rights of the Obligated Group Members, whether now owned or hereafter acquired or arising and wherever located, and all proceeds (including Cash Proceeds and cash equivalents), products, accessions, and replacements thereof, *but only* to the extent not prohibited by applicable law, and *excluding*, *however*, (1) the proceeds of borrowing, and interest earned thereon if and to the extent such interest is required to be excluded by the terms of the borrowing, and (2) gifts, grants, bequests, donations, and contributions heretofore or hereafter made, and the income and gains therefrom, that are specifically restricted by the donor or grantor to a particular purpose that is inconsistent with their use for the payment of (a) Required Payments, (b) Indebtedness, or (c) operating expenses (as defined in the Master Indenture), (the "*Gross Revenues*") to the Master Trustee as security for the payment of all Obligations issued thereunder. The Series 2022 Obligations are secured on a parity as to the pledge of and security interest in the Gross Revenues with all other Obligations outstanding from time to time under the Master Indenture. The Corporation and Obligated Group, or any other entity which may become a member of the Obligated Group under the Master Indenture, may incur indebtedness evidenced by additional Obligations issued thereunder on a parity with any and all Obligations outstanding under the Master Indenture. Each member of the Obligated Group has agreed in the Master Indenture that it will not create or suffer to be created or exist any lien on Gross Revenues or any Property owned by it other than Permitted Encumbrances (as defined in the Master Indenture, "*Permitted Encumbrances*"). In addition, the members of the Obligated Group are subject to covenants under the Master Indenture containing restrictions or limitations with respect to the incurrence of indebtedness, consolidation or merger, and transfer of assets, among others. See **APPENDIX E** for the form of the Master Indenture.

The security interest in the Gross Revenues will be perfected to the extent, and only to the extent, that such security interest may be perfected by filing under the Uniform Commercial Code of the Commonwealth of Kentucky (the "*UCC*"). Such pledge may be subordinated to the interests and claims of others in several instances. The enforceability and effectiveness of the security interest in the Gross Revenues granted in the Master Indenture may be limited by a number of factors, including: (i) provisions prohibiting the direct payment of amounts due to health care providers from Medicare and Medicaid programs to persons other than such providers; (ii) the absence of an express provision permitting assignment of receivables owed to the Obligated Group under contracts, and present or future prohibitions against assignment contained in any applicable statutes or regulations; (iii) certain judicial decisions which cast doubt upon the right of the Master Trustee, in the event of the bankruptcy of a Member of the Obligated Group, to collect and retain accounts receivable from Medicare, Medicaid and other governmental programs; (iv) commingling of the proceeds of Gross Revenues with other moneys not subject to the security interest in the Gross Revenues; (v) statutory liens; (vi) rights arising in favor of the United States of America or any agency thereof; (vii) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (viii) federal bankruptcy laws or state insolvency laws which may affect the enforceability of the security interest in the Gross Revenues of the Members of the Obligated Group which are earned by the Obligated Group within 90 days, preceding or, in certain circumstances with respect to related corporations, within one year preceding and after any effectual institution of bankruptcy proceedings by or against the Obligated Group; (ix) rights of third parties in Gross Revenues converted to cash and not in the possession of the Master Trustee; and (x) claims that might arise if appropriate financing or continuation statements are not filed or other documents are not executed in accordance with the UCC as from time to time in effect. In addition, such pledge is subject to the ability of the members of the Obligated Group to incur Permitted Encumbrances affecting the Gross Revenues.

Additional Indebtedness; Additional Obligations

Subject to compliance with the provisions of the Master Indenture, any Member of the Obligated Group may in the future incur Indebtedness, including Guaranties, which may, but need not, be evidenced or secured by an additional Obligation issued under the Master Indenture. Any such additional Obligation shall, except as described herein, be equally and ratably secured on a parity with the Obligations then outstanding under the

Master Indenture, including the Series 2022 Obligations. Subject to certain conditions set forth in the Master Indenture, such additional Obligations and other Indebtedness may be secured by security in addition to that provided for the Series 2022 Obligations, including Permitted Encumbrances on the Property (including health care facilities) of the Obligated Group, which additional security or Liens need not be extended to any other Indebtedness (including, without limitation, the Series 2022 Obligations). See **APPENDIX E** for the form of the Master Indenture.

Outstanding Obligations

Upon issuance of the Series 2022 Bonds, the only Obligations outstanding under the Master Indenture will be the Series 2022 Obligations. [*DRAFTER'S NOTE: ADD/REVISE LANGUAGE IF AN OBLIGATION IS ISSUED TO KEDFA TO SECURE THE KEDFA LOAN*]

Debt Service Coverage

Pursuant to the Master Indenture, each Obligated Group Member shall (and shall cause each Restricted Affiliate and Designated Affiliate within its control to) establish, charge, and collect rates, fees, and charges for goods and services furnished by it or by, or for the use of, the properties of such Persons such that the Debt Service Coverage Ratio is not less than 1.10, calculated at the end of each Fiscal Year (the period beginning on July 1 of each year and ending on the next succeeding June 30, as further described in the Master Indenture, the "Fiscal Year"), commencing with the Fiscal Year ending June 30, 2022, will not be less than 1.10:1.00 (the "*Debt Service Coverage Test*").

If in any Fiscal Year the Debt Service Coverage Ratio is less than 1.10, the Combined Group Representative shall engage a Management Consultant within 180 days after the close of such Fiscal Year to make, and each Member of the Obligated Group shall implement, recommended changes permitted under then existing state and federal laws and regulations in the rates, fees, and charges or expenses or in such other affairs of such Member of the Combined Group such that the Debt Service Coverage Ratio for the then current Fiscal Year will be at least 1.10. If the Debt Service Coverage Ratio for any two consecutive Fiscal Years be less than 1.00:1.00, such occurrence would be considered an Event of Default under the Master Indenture. [The Debt Service Coverage Ratio and requirements related to a Management Consultant can be suspended in certain circumstances]. See the form of Master Indenture in **APPENDIX E** hereto.

Substitution of Obligations

Under certain circumstances, the Series 2022 Obligations may be exchanged, without the consent of any of the Holders of the Series 2022 Bonds, for an obligation of a different obligated group. Under certain circumstances, this could lead to the substitution of different security in the form of an obligation backed by an obligated group that is financially and operationally different from the then existing Obligated Group. That new obligated group could have substantial debt outstanding that would rank on a parity basis with the obligation substituted for the Series 2022 Obligation. See Section 8.04 in the form of Master Indenture in **APPENDIX E** hereto.

Obligated Group

The Master Indenture provides for an "Obligated Group." The Obligated Group consists of (i) the Corporation; (ii) University Medical Center, Inc. d/b/a University of Louisville Hospital/James Graham Brown Cancer Center (UMC); and (iii) UofL Health – Louisville, Inc. (Jewish Hospital). The Master Indenture permits additional persons to become members of the Obligated Group and to become obligated under the Master Indenture to the same extent to which the Corporation, UMC and Jewish Hospital are obligated to make payments and perform actions under the Master Indenture. Because it is not known which entities, if any, may become additional members of the Obligated Group, it is unknown what risks the addition of such entities to the Obligated Group, in light of their financial condition and the nature of their businesses, may present to the

holders of the Series 2022 Bonds. In addition, persons may withdraw from the Obligated Group if certain conditions are met. See the form of Master Indenture in **APPENDIX E** hereto.

Amendments to the Master Indenture

The Master Indenture may also be amended from time to time, in certain circumstances without the consent of the holders of Obligations or without the consent of the Bond owners. Such amendments could be substantial and result in the modification, waiver or removal of any existing covenant or restriction contained in the Master Indenture. See the form of Master Indenture in **APPENDIX E** hereto.

Enforceability of Remedies

The actual realization of amounts to be derived upon the enforcement of any security for the Series 2022 Bonds will depend upon the exercise of various remedies specified by the Loan Agreements, the Trust Indentures, and the Master Indenture. These and other remedies may, in many respects, require judicial action of a nature which is often subject to discretion and delay. Further, the UCC does not apply to governmental transfers, so any security interest granted or pledged by the Issuer will not have the benefit of the security provisions of the UCC, or be perfected under the UCC. The various legal opinions to be delivered concurrently with the delivery of the Series 2022 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, reorganization or laws affecting the enforcement of creditors' rights generally. See "**BONDHOLDERS' RISKS**" herein.

Security and Enforceability

The state of the insolvency, fraudulent conveyance and bankruptcy laws relating to the enforceability of guaranties or obligations issued by one corporation in favor of the creditors of another or the obligations of a Member of the Obligated Group to make debt service payments on behalf of a Member of the Obligated Group is unsettled, and the ability to enforce the Master Indenture and the Obligations against any Member of the Obligated Group that would be rendered insolvent thereby could be subject to challenge.

The legal right and practical ability of the Bond Trustee to enforce its rights and remedies against the Corporation and the Obligated Group under the Loan Agreements and related documents and of the Master Trustee to enforce its rights and remedies against the Members of the Obligated Group under the Series 2022 Obligations may be limited by laws relating to bankruptcy, insolvency, reorganization, fraudulent conveyance or moratorium and by other similar laws affecting creditors' rights. In addition, the Bond Trustee's and the Master Trustee's ability to enforce such rights will depend upon the exercise of various remedies specified by such documents which may in many instances require judicial actions that are often subject to discretion and delay or that otherwise may not be readily available or may be limited. See "**BONDHOLDERS' RISKS**" herein.

THE OBLIGATED GROUP

The Corporation is a nonprofit corporation which was incorporated on September 4, 2019, under the laws of the Commonwealth of Kentucky. The Corporation has been recognized by the Internal Revenue Service as an exempt organization described in Section 501(c)(3) of Code.

The business and affairs of the Corporation are conducted by its Board of Directors (the "*Board*"), which consists of 11 voting directors: five directors are appointed by the University of Louisville (the "*University*"), and six at-large community directors are nominated and voted on by the Board. The issuance of the Series 2022 Bonds and the execution and delivery of the Loan Agreements, the Trust Indentures, the Series 2022 Obligations and all other related documents have been authorized by a Resolution of the Board, adopted _____, 2022.

The Corporation is a fully integrated regional academic health system based in Louisville, Kentucky, consisting of six hospitals with an aggregate total of 1,765 licensed beds located in the Louisville metropolitan statistical area ("MSA"). The Corporation additionally provides four community-based ambulatory care centers within the Louisville MSA. The Corporation has approximately 12,000 employees and is supported by University of Louisville Physicians, Inc., which has over 800 employed practitioners with nearly 250 service locations, See **APPENDIX A** hereto.

The Corporation has adopted the following mission statement: "As an academic health care system, we will transform the health of the communities we serve through compassionate, innovative, patient-centered care."

The Corporation is the exclusive academic partner of the University. University students and Corporation employees engage in teaching, learning, researching, and innovating medicine in the Corporation's hospitals, clinics, and practices every day.

The Corporation is the sole member of:

(i) University Medical Center, Inc. d/b/a University of Louisville Hospital/James Graham Brown Cancer Center ("*UMC*");
(ii) UofL Health – Louisville, Inc. ("*Jewish Hospital*");
(iii) UofL Health – Shelbyville, Inc. ("*Shelbyville Hospital*"); and
(iv) University of Louisville Physicians, Inc. ("*ULP*").

UMC is a nonprofit corporation incorporated on June 27, 1995. It was initially owned by the University, Norton Healthcare, Inc., and Jewish Hospital & St. Mary's Healthcare, Inc. It became a wholly-owned subsidiary of the Corporation effective November 1, 2019.

Jewish Hospital and Shelbyville Hospital were each incorporated on September 23, 2019. On November 1, 2019, the Corporation acquired assets in both entities, with a portion of the acquisition allocated and assigned to ULP.

ULP was established as a private, nonprofit corporation in August 2011 to function as the corporate structure for clinical practices of the faculty of UofL School of Medicine. It became a wholly-owned subsidiary of the Corporation effective November 1, 2019.

The Corporation, University Medical Center, Inc. and UofL Health – Louisville, Inc. are members of the Obligated Group. Pursuant to the Master Indenture, each has pledged its Gross Revenues to payment of Obligations issued under the Master Indenture, including the Series 2022A Obligation and the Series 2022B Obligation.

Shelbyville Hospital and ULP are not members of the Obligated Group; as a result, their Gross Revenues are not pledged to payment of Obligations issued under the Master Indenture.

For further information concerning the Corporation and the Obligated Group, see **APPENDIX A** hereto.

THE PROJECT

The Project has three major components – the construction and equipping of a new tower adjoining the existing hospital facility of UMC in downtown Louisville; the expansion of the Corporation's Medical Center South located in northern Bullitt County, Kentucky; and the acquisition and upgrading of the equipment and healthcare facilities of the Corporation over a period of the next [ten years] (the foregoing, collectively, the "*Project*").

The New West Tower at University Medical Center in Downtown Louisville

The Corporation is undertaking the construction and equipping of a new facility adjacent to UMC's existing main hospital located at Jackson and East Chestnut Streets in downtown Louisville, Kentucky (referred to as "*University Hospital*" or "*University Medical Center*"). The initiative has been prompted by increasing patient volumes. A new nine-story tower (referred to as the "*West Tower*") will be constructed at the northeast corner of Jackson Street and East Chestnut Street, adjoining the existing University Medical Center. The West Tower is expected to provide 24 observation beds, 34 PACU beds, four new operating rooms and at least 68 private beds. Once the West Tower is completed, the total number of licensed beds of UMC at the downtown Louisville facility will continue at the current level of 404 licensed beds. UMC has a Certificate of Need from the Commonwealth of Kentucky for 404 licensed beds. A portion of the nine-story West Tower will be left unfinished but will be available for possible future expansion of healthcare operations.

The estimated cost of constructing and equipping the West Tower is [$144 million]. Construction of the West Tower is expected to begin in March, 2022 and to be completed by the end of 2024.

The Expansion of Medical Center South in Bullitt County

The Corporation has an existing outpatient facility located at the Brooks Road exit off I-65, in Bullitt County, just south of the Jefferson County/Bullitt County line (referred to as "*Medical Center South*"). The Corporation has experienced increasing growth of medical services at this facility, while the population growth of Bullitt County continues to accelerate. Bullitt County is currently the largest county in the Commonwealth of Kentucky without an acute care hospital or licensed critical access hospital. These factors have prompted the Corporation's decision to build a full-service hospital at the existing facility, with 40 licensed beds. UMC has a Certificate of Need from the Commonwealth of Kentucky for 40 licensed beds at this location.

The estimated cost of constructing and equipping the expansion of Medical Center South is [$50 million]. Construction of this part of the Project is expected to begin in July, 2022 and to be completed by the end of 2023.

The Acquisition and Upgrading of Healthcare Facilities

The Corporation plans to invest in new equipment and upgrades to existing facilities other as described above at the rate of approximately $_____ per year, which would total $_____ over 10 years. $_____ of the proceeds of the Series 2022B Bonds is being provided to enable the Corporation to make such investments and upgrades.

PLAN OF FINANCE

The Series 2022 Bonds

The proceeds of the Series 2022 Bonds will be loaned to the Corporation, as Combined Group Representative, pursuant to the Loan Agreements. The proceeds of the Series 2022 Bonds will be used to (i) finance the acquisition, construction, improvement and equipping of the Project, (ii) pay capitalized interest on

the Series 2022 Bonds, if any, (iii) pay costs of credit enhancement for the Series 2022 Bonds, if any and (iv) pay certain costs relating to the issuance of the Series 2022 Bonds.

Estimated Sources and Uses of Funds

The following table sets forth the total estimated sources and uses of funds on the date of the issuance of the Series 2022 Bonds (with all amounts rounded to the nearest whole dollar):

	Series 2022A Bonds	Series 2022B Bonds	Total
Sources of Funds			
Principal Amount			
Bond Premium			
Other Available Funds			
Total Sources of Funds			
Uses of Funds			
Proceeds Fund			
Costs of Issuance[(1)]			
Total Uses of Funds			

(1) Includes Underwriter's discount, fees and reimbursable expenses of bond counsel, counsel to the Corporation, counsel to the Underwriter, counsel to the Issuer, the auditors, the Master Trustee and the Bond Trustee, [credit enhancement], printing costs, rating agencies' fees, costs associated with the Policy and other fees and expenses.

ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each fiscal year ending June 30, (i) the debt service payments to be made on the Series 2022 Bonds during such fiscal year; (ii) the debt service on all other Outstanding prior bonds of the Obligated Group; and (iii) the total debt service requirements on all bonds. Totals may not add due to rounding.

Fiscal Year Ending (June 30)	The Series 2022A Bonds		The Series 2022B Bonds		Other Outstanding Indebtedness	Total Debt Service
	Principal	Interest	Principal	Interest		
Total						

BONDHOLDERS' RISKS

Some of the identifiable risks which should be considered when making an investment decision regarding the Series 2022 Bonds are discussed below. The discussion herein of risks to the Holders (including the Beneficial Owners) of the Series 2022 Bonds is not intended as dispositive, comprehensive or definitive, but rather is intended to summarize certain matters which could affect payment on the Series 2022 Bonds. The risks discussed below should be read in conjunction with ***APPENDIX A*** *which describes the Obligated Group. Other sections of this Official Statement, as cited herein, should be referred to for a more detailed description of risks described in this section, which descriptions are qualified by reference to any documents discussed therein. The operations and financial condition of the Corporation (and any future Obligated Group Members) may be affected by factors other than those described in this section and elsewhere in this Official Statement. No assurance can be given as to the nature of such factors or the potential effects thereof on the Obligated Group Members. Copies of all such documents are available for inspection at the designated corporate trust office of the Master Trustee and Bond Trustee*.

General

Payment of the Series 2022 Bonds depends directly on the ability of the members of the Obligated Group, to collectively generate revenues sufficient to cover the debt service on the Series 2022 Bonds and all other indebtedness of the Obligated Group. In the last decade, health care providers, especially hospitals, have faced increasing economic pressures from both governmental health care programs and private purchasers of health care such as insurance companies and health maintenance organizations (collectively "*third party payers*"). The dependence of hospitals on governmental programs requires them to accept limitations on payments and comply with regulations and other restrictions and requirements triggered by participation in such programs. Some governmental and private third-party payers have entered into contracts with health care providers that require "capitated" or other fixed payments, which have the effect of shifting significant economic risks to health care providers.

Health care, especially at the hospital level, is a highly regulated industry with complicated and frequently changing regulations arising both from payment programs and extensive governmental oversight. Health care providers are increasingly subject to audits, investigations and litigation that may threaten access to governmental payment programs, require substantial fines and payments, generate adverse publicity and create significant legal and other transaction costs. In addition, because the Corporation is a 501(c)(3) organization under the Code, it is subject to regulation and restrictions that may have adverse effects on its economic performance or threaten its tax-exempt status and the economic benefits derived from such status. In particular, such regulations and restrictions may require the provision of health care services without payment to a greater degree than is currently the case.

Set forth below is a limited discussion of certain of the risks affecting the Corporation and its ability to provide for payment of the Series 2022 Bonds. Investors should recognize that the discussion below does not cover all such risks, that payment provisions and regulations and restrictions change frequently and that additional material payment limitations and regulations and restrictions may be created, implemented or expanded while the Series 2022 Bonds are outstanding. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any Series 2022 Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following special factors along with all other information described elsewhere or incorporated by reference in this Official Statement, including the Appendices hereto, in evaluating the Series 2022 Bonds.

Adequacy of Revenues

Except to the extent otherwise noted herein, the Series 2022 Bonds are payable solely from the payments required to be made by the Corporation to the Issuer under the Loan Agreements and the Series 2022 Obligations. No representation or assurance can be made that revenues will be realized by the Corporation in

amounts sufficient to pay maturing principal of, redemption premium, if any, and interest on the Series 2022 Bonds. The ability of the Corporation to make payments under the Loan Agreements and the ability of the Issuer to make payments on the Series 2022 Bonds under the Trust Indentures depends, among other things, upon the capabilities of management of the Corporation and the ability of the Corporation to maximize revenues under various third-party payment programs and to minimize costs and to obtain sufficient revenues from their operations to meet such obligations. Revenues and costs are affected by and subject to conditions which may change in the future to an extent and with effects that cannot be determined at this time. The risk factors discussed below should be considered in evaluating the ability of the Corporation to make payments in amounts sufficient to meet its obligations under the Loan Agreements, the Master Indenture and the Series 2022 Obligations. This discussion is not, and is not intended to be, exhaustive.

The ability of the Corporation to make required payments under the Loan Agreements and the Series 2022 Obligations is subject to, among other things, future economic and other conditions, which are unpredictable and which may affect revenues and costs and, in turn, the payment of principal of, premium, if any, and interest on the Series 2022 Bonds. Future revenues and expenses of the Corporation will be affected by events and conditions relating generally to, among other things, demand for the Corporation's services, its ability to provide the services required by patients, physicians' relationships with the Corporation, patient and physician satisfaction with the Corporation and its facilities, management capabilities, the design and success of the Corporation's strategic plans, demographic, financial and economic developments in the United States, the Commonwealth of Kentucky and the Corporation's service area, the Corporation's ability to control expenses, maintenance by the Corporation of relationships with managed care organizations ("*MCOs*") and preferred provider organizations ("*PPOs*"), competition, rates, costs, third party payment, legislation and governmental regulation. The ability of the Corporation to operate successfully over the life of the Series 2022 Bonds may also be dependent upon its ability to finance, acquire and support additional capital replacements and improvements, which ability will be affected by legislation, regulations and applicable principles of reimbursement. Federal and state statutes and regulations are the subject of intense legislative debate and are likely to change, and unanticipated events and circumstances may occur which cause variations from the Corporation's expectations, and the variations may be material. There can be no assurance that the revenues of the Corporation will be sufficient to enable the Corporation to make such payments.

None of the provisions, covenants, terms and conditions of the Master Indenture or the Loan Agreements will afford the Bond Trustee any assurance that the principal and interest owing under the Loan Agreements and the Series 2022 Obligations (which, except for money held under the Trust Indentures and the other collateral securing the Series 2022 Bonds, constitute the sole source of funds for the payment of the Series 2022 Bonds) will be paid as and when due, if the financial condition of the Corporation deteriorates to a point where it is unable to pay its debts as they come due, or otherwise become insolvent.

General Economic Factors and Credit Market Disruptions

The United States economy is unpredictable. Previous disruptions of the credit and financial markets, including the ongoing coronavirus ("*COVID-19*") pandemic, have led to volatility in the securities markets, significant volatility in investment portfolios, increased business failures and consumer and business bankruptcies and economic recession. In response to the 2008 recession, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "*Dodd-Frank Act*") was enacted in 2010. The Dodd-Frank Act included broad changes to the existing financial regulatory structure, including the creation of new federal agencies to identify and respond to the financial stability of the United States. On June 5, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act was signed into law, which relaxes restrictions on large parts of the banking industry. The effects of the new law are unclear.

In the past, the economic climate has adversely affected the health care sector generally. Patient service revenues and inpatient volumes have not increased as historic trends would otherwise indicate. When unemployment rates were increasing nationally, increases in self-pay admissions, increased levels of bad debt and uncompensated care, reduced demand for elective procedures, and reduced availability and affordability of health insurance resulted. The economic climate has also increased stresses on state budgets, potentially

resulting in reductions in Medicaid payment rates or Medicaid eligibility standards and delays in payment of amounts due under Medicaid and other state or local payment programs. Any similar economic recession in the future could have similar or worse effects.

Impact of COVID-19

The current economic climate has, and will continue to have, a direct impact on the Corporation. See "**COVID-19 PANDEMIC**" in **APPENDIX A** hereto. The rapid spread of COVID-19 has significantly and negatively affected the global, national, state and local economies. In addition to this current market disruption, in general, patient service revenues and inpatient volumes have not increased as historic trends would otherwise indicate and health care providers have also experienced increases in self-pay admissions; increased levels of bad debt and uncompensated care; and reduced availability and affordability of health insurance.

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the U.S. president declared a national emergency. Social distancing measures to slow the spread of COVID-19 were implemented across the region. Nonessential workers were required to stay home, and travel restrictions were implemented to slow the spread of the disease. The Corporation implemented emergency preparedness and response protocols related to the outbreak of COVID-19 resulting in various operational challenges. See "**COVID-19 PANDEMIC**" in **APPENDIX A** hereto. On March 18, 2020, the Centers for Medicare and Medicaid Services ("*CMS*") issued guidance that all elective surgeries and procedures should be postponed nationwide to mitigate the burden on health systems due to increasing COVID-19 incidence and make necessary equipment, supplies (including personal protective equipment), and personnel available to treat patients presenting COVID-19 symptoms. In response, the Corporation suspended all optional elective procedures to allow for additional acute care capacity for those impacted by COVID-19 and implemented restrictions on patient visitors in its inpatient facilities, outpatient centers, emergency departments, labor and delivery units and psychiatric care units. See "**COVID-19 PANDEMIC**" in **APPENDIX A** hereto. Such restrictions impacted the Corporation's utilization and patient service statistics, and have materially adversely impacted its financial condition. Depending on the whether these restrictions are reinstituted, the Corporation's operations and financial condition may be further materially adversely impacted. The extent to which business interruption insurance would be available in connection with any events resulting from the COVID-19 pandemic is dependent upon the specific facts of the events, and there can be no assurance that adequate business interruption insurance coverage would be available to cover losses. Management cannot predict the likelihood or the severity of the ultimate impact on the Corporation's operations or financial condition, though such impact could be material and adverse. Management continues monitoring developments with respect to the COVID-19 pandemic and intends to follow recommendations of the Centers for Disease Control and Prevention (the "*CDC*") and other applicable federal, state and local regulatory agencies. See "**COVID-19 PANDEMIC**" in **APPENDIX A** hereto.

Effects of a weaker economy on hospitals and restrictions required as a result of COVID-19 have resulted and continue to result in, among other things, lower patient volumes; unfavorable changes in payor mix; financial pressures and decreasing membership at health care insurers; and increased difficulty attracting philanthropy. See "**COVID-19 PANDEMIC**" in **APPENDIX A** hereto. State budgets, including that of the Commonwealth of Kentucky, are also under increased stress, resulting in increased review and possible reductions in their Medicaid programs. The COVID-19 pandemic and the adverse global economic consequences thereof may further exacerbate state budgetary pressures by reducing state tax collections. Any such state financial pressures could result in further delays and/or decreases in Medicaid reimbursement. See "**COVID-19 PANDEMIC**" in **APPENDIX A** hereto.

Financial markets in the U.S. and globally have recently seen significant volatility attributed to COVID-19 concerns. The continued spread of COVID-19 or any other similar outbreaks in the future may materially adversely impact global, national, state and local economies and, accordingly, may materially adversely impact the financial condition of the Corporation.

A variety of federal, state and local government efforts have been initiated in response to the COVID-19 outbreak. On March 27, 2020, the approximately $2 trillion Coronavirus Aid, Relief, and Economic Security Act (the "*CARES Act*") was enacted into law to provide stimulus to individuals and businesses impacted by the COVID-19 outbreak. The CARES Act and subsequent government action, such as the enactment on April 24, 2020 of the Paycheck Protection Program and Health Care Enhancement Act, include several provisions important to health care providers, including provisions for certain emergency funds, making available $175 billion to reimburse eligible health care providers for health care-related expenses or lost revenues not otherwise reimbursed that are directly attributable to COVID-19. Eligible providers include Medicare or Medicaid enrolled suppliers and providers, for-profit entities and nonprofit entities in the United States that provide diagnoses, testing or care for individuals with possible or actual cases of COVID-19. The CARES Act also provides for other provisions designed to boost Medicare and Medicaid reimbursement for COVID-19 related services, including, among other items, payments for inpatient hospital admissions relating to COVID-19, accelerated payment to providers (subject to recapture from Medicare payments), and the suspension of certain policies that reduced payments to providers, including a temporary elimination of the Medicare sequester. Additionally, the CARES Act expands the ability of providers to offer telehealth by changing certain restrictions on reimbursement for those services. CARES Act funding and other emergency government support is likely to lead to significant auditing, oversight, and enforcement by the government concerning such funding. Further, it is not possible to predict the scope or effect of any future legislative or regulatory actions enacted in response to the COVID-19 outbreak on the Corporation's operations and financial condition.

Further, the ongoing COVID-19 pandemic, and any other future healthcare pandemic or related crisis, could result in a spike in demand for health care services or otherwise impair operations or the generation of revenues from the facilities operated by the Corporation. The treatment of a highly contagious disease at a facility operated by the Corporation could also result in a temporary shutdown or diversion of patients. In addition, unaffected individuals may decide to defer elective procedures or otherwise avoid medical treatment, resulting in reduced patient volumes and operating revenues at the Corporation's outpatient facilities. Management is not able to predict the potential impact of such a disruption on the financial condition of the Corporation.

Event of Taxability of the Series 2022A Bonds

If the Corporation does not comply with certain covenants set forth in the Series 2022A Loan Agreement or if certain representations or warranties made by the Corporation in the Series 2022A Loan Agreement or in certain certificates of the Corporation are false or misleading, the interest paid or payable on the Series 2022A Bonds may become subject to inclusion in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022A Bonds, regardless of the date on which such noncompliance or misrepresentation is ascertained. In the event that the interest on the Series 2022A Bonds becomes subject to inclusion in gross income for federal income tax purposes, the Series 2022A Trust Indenture does not provide for payment of any additional interest on the Series 2022A Bonds, the redemption of the Series 2022A Bonds or the acceleration of the payment of principal on the Series 2022A Bonds.

Maintenance of 501(c)(3) Status

The federal tax-exempt status of the Series 2022A Bonds presently depends upon maintenance by the Corporation of its status as organizations described in Section 501(c)(3) of the Code. The Corporation has been determined to be a tax-exempt organization described in Section 501(c)(3) of the Code. To maintain such status, such entity must conduct its operations in a manner consistent with representations previously made to the Internal Revenue Service (the "*IRS*") and with current and future IRS regulations and rulings governing tax-exempt health care facilities.

Compliance with current and future regulations and rulings of the IRS could adversely affect the ability of the Corporation to charge and collect revenues, finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the Series 2022A Bonds. Although the Corporation has covenanted to maintain its status as a tax-exempt organization, loss of tax-exempt status would

likely have a significant adverse effect on the Corporation and its operations and could result in the includability of interest on the Series 2022A Bonds in gross income for federal income tax purposes retroactive to their date of issue. See "**TAX MATTERS**" herein.

The tax-exempt status of nonprofit corporations, and the exclusion of income earned by them from taxation, has been the subject of review by various federal, state and local legislative, regulatory and judicial bodies. This review has included proposals to broaden and strengthen existing federal tax law with respect to unrelated business income of nonprofit corporations.

There can be no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the Corporation by requiring it to pay income, real estate or other taxes.

Nonprofit Health Care Environment

The Corporation is a nonprofit corporation, exempt from federal income taxation as an organization described in Section 501(c)(3) of the Code. As a nonprofit tax-exempt organization, the Corporation is subject to federal, state and local laws, regulations, rulings and court decisions relating to its organization and operation, including its operation for charitable purposes.

An increasing number of the operations or practices of health care providers have been challenged or questioned to determine if they are consistent with the regulatory requirements for nonprofit tax-exempt organizations. These challenges, in some cases, are broader than concerns about compliance with federal and state statutes and regulations, such as Medicare and Medicaid compliance, and instead in some cases examine core business practices of health care organizations. Areas which have come under examination have included pricing practices, billing and collection practices, charitable care methods of providing and reporting community benefit, executive compensation, exemption of property from real property taxation, and others. These challenges and questions have come from a variety of sources, including state attorneys general, the IRS, labor unions, Congress, state legislatures, and patients, and in a variety of forums, including hearings, audits and litigation. If the Corporation were to face a challenge of this nature, it could have a material impact on the financial condition of the Corporation in the future. These challenges or examinations include the following, among others:

Litigation Relating to Billing and Collection Practices. Lawsuits have been filed against various nonprofit health care providers in federal and state courts across the country regarding billing and collection practices relating to the uninsured. The lawsuits are premised on the notion that federal and state laws require nonprofit health care providers to provide certain levels of free or discounted health care to the uninsured. Thus, the plaintiffs in those lawsuits have alleged, among other things, that the defendants violated federal and state law by billing the uninsured at undiscounted rates, that the medical bills the defendants sent to the uninsured are inflated, and that the defendants engaged in unfair debt collection practices.

Congressional Hearings. In recent years, multiple congressional committees have conducted hearings and other proceedings inquiring into various practices of nonprofit hospitals and health care providers. Among the legislation proposed or discussed as a result of these hearings and proceedings are: (i) establishment of minimum required levels of charity care to be provided by nonprofit health care providers; (ii) periodic review of hospitals' tax-exempt status by the IRS; and (iii) greater and more uniform reporting of charitable and community benefit activities.

IRS Form 990 for Nonprofit Corporations. The IRS Form 990 is used by 501(c)(3) nonprofit organizations (including the Corporation) to submit information required by the federal government for tax exemption. Form 990 requires detailed public disclosure of compensation practices, corporate governance, loans to management and others, joint ventures and other types of transactions, political campaign activities, and other areas the IRS deems to be compliance risk areas. Form 990 makes a wealth of detailed information on compliance risk areas available to the IRS and other enforcement agencies.

IRS Enforcement of Community Benefit. The IRS has undertaken a community benefit initiative directed at hospitals. The IRS determined that a lack of uniformity in definitions of community benefit used by reporting hospitals, including those regarding uncompensated care and various types of benefits, made it difficult for the IRS to assess whether any particular hospital is in compliance with current law. As a result, hospitals are required to complete Schedule H of Form 990 to report their community benefit activities, including the cost of providing charity care and other tax-exemption related information. Proposals have also been made in Congress to codify the requirements for hospitals' tax-exempt status, including requirements to conduct a regular community needs analysis and to provide minimum levels of charity care.

The Patient Protection and Affordable Care Act. The Affordable Care Act (as hereinafter defined) imposed additional requirements on nonprofit hospitals in order to maintain their tax-exempt status. First, each hospital must conduct a community health needs assessment at least once every three taxable years and adopt an implementation strategy to meet the needs identified, or be subject to an excise tax penalty of $50,000. Hospitals must disclose a summary of the assessment and implementation strategy and audited financial statements on Form 990. The Secretary of the Treasury must review the community benefit of the activities of each tax-exempt hospital at least once every three years and must submit an annual report to Congress with information regarding the levels of charity care, bad debt expenses, unreimbursed costs of government programs, and costs incurred by tax-exempt hospitals for community benefit activities. Second, each hospital must adopt, implement and publicize a financial assistance policy and a policy relating to emergency medical care. Third, hospitals must limit the charges for emergency or other medically necessary care provided to individuals eligible for assistance under the financial assistance policy to not more than the amounts generally billed to individuals who have insurance that covers such care. Finally, a hospital may not engage in extraordinary collection actions before making reasonable efforts to determine whether an individual is eligible for assistance under the organization's financial assistance policy.

The IRS has expanded the annual reporting requirements in IRS Form 990 to include information concerning a hospital's community benefit and billing practices that are required as part of the Affordable Care Act. In addition, the IRS has increased its scrutiny of the community benefits provided by nonprofit hospitals. Due to a lack of uniformity in definition of community benefit used by reporting hospitals, the IRS has created four new standardized requirements necessary to maintain tax-exempt status, which include: conducting and implementing a community health needs assessment; adopting, implementing and publicizing financial assistance policies; limiting the charges for emergency or necessary care; and refraining from engaging in extraordinary collection activities before making a reasonable effort to determine whether an individual is eligible for financial assistance. In February 2019, the Senate Finance Committee requested additional information from the IRS regarding its oversight of tax-exempt hospitals and compliance with the new requirements imposed by the Affordable Care Act.

The Treasury Department and IRS oversight and reporting on community benefit activities of 501(c)(3) hospitals may increase the likelihood that Congress will require such hospitals to provide a minimum level of charity care in order to retain their tax-exempt status and may increase IRS scrutiny of particular 501(c)(3) hospital organizations.

IRS Focus on Private Benefit and Private Inurement. The Code contains restrictions on the issuance of tax-exempt bonds for the purpose of financing and refinancing different types of health care facilities for nonprofit organizations, including facilities generating taxable income. The Code continues to subject unrelated business income of nonprofit organizations to taxation.

As a tax-exempt organization, the Corporation is limited with respect to the use of practice income guarantees, reduced rent on medical office space, below market interest loans, joint venture programs, and other means of recruiting and retaining physicians. The IRS scrutinizes a broad variety of contractual relationships commonly entered into by hospitals and affiliated entities, including the Corporation, and has issued detailed hospital audit guidelines suggesting that field agents scrutinize numerous activities of hospitals in an effort to determine whether any action should be taken with respect to limitations on, or revocation of, their tax-exempt status or assessment of additional tax. The IRS has also commenced intensive audits of select health care

providers to determine whether the activities of these providers are consistent with their continued tax-exempt status. The IRS has indicated that, in certain circumstances, violation of the fraud and abuse statutes could constitute grounds for revocation of a hospital's tax-exempt status.

Any suspension, limitation, or revocation of the tax-exempt status of the Corporation or assessment of significant tax liability would have a material adverse effect on the Corporation.

Section 501(c)(3) of the Code specifically conditions the continued exemption of all Section 501(c)(3) organizations upon the requirement, among others, that no part of the net earnings of the organization inure to the benefit of any private individual. Any violation of the prohibition against private inurement may cause the organization to lose its tax-exempt status under 501(c)(3) of the Code. The IRS has issued guidance in informal private letter rulings and general counsel memoranda on some situations that give rise to private inurement, but there is no definitive body of law and no regulations or public advisory rulings that address many common arrangements between exempt health care providers and nonexempt individuals or entities. There can be no assurances concerning the outcome of an audit or other investigation given the lack of clear authority interpreting the range of activities undertaken by the Corporation.

Intermediate sanctions legislation enacted in 1996 imposes penalty excise taxes in cases where an exempt organization is found to have engaged in an "excess benefit transaction" with a "disqualified person." Such penalty excise taxes may be imposed in lieu of revocation of exemption or in addition to such revocation in cases where the magnitude or nature of the excess benefit call into question whether the organization functions as a public charity. The tax is imposed both on the disqualified person receiving such excess benefit and on any officer, director, trustee or other person having similar powers or responsibilities who participated in the transaction willfully or without reasonable cause, knowing it will involve "excess benefit." "Excess benefit transactions" include transactions in which a disqualified person receives compensation for services that exceeds the fair market value of the services provided by the disqualified person. "Disqualified persons" include "insiders" such as board members and officers, senior management, and members of the medical staff, who in each case are in a position to substantially influence the affairs of the organization; their family members; and entities which are more than 35% controlled by a disqualified person.

Any imposition of a penalty excise tax or the loss of tax-exempt status, based upon a finding that the Corporation engaged in an excess benefit transaction could result in negative publicity and other consequences that could have a materially adverse effect on the operations, property or assets of the Corporation.

Tax Audits. Taxing authorities have historically conducted tax audits of nonprofit organizations to confirm that such organizations are in compliance with applicable tax rules and in some instances have collected significant payments as part of the settlement process. Such audit processes may be prolonged, and it may take several years to reach the final determination of allowable amounts.

The foregoing are some examples of the challenges and examinations facing nonprofit health care organizations. They are indicative of a greater scrutiny of the billing, collection and other business practices of these organizations, and may indicate an increasingly more difficult operating environment for health care organizations. The challenges and examinations, and any resulting legislation, regulations, judgments, or penalties, could have a material adverse effect on the Corporation.

Challenges to Real Property Tax Exemptions. Recently, the real property tax exemptions afforded to certain nonprofit health care providers by state and local taxing authorities have been challenged on the grounds that the health care providers were not engaged in charitable activities. These challenges have been based on a variety of grounds, including allegations of aggressive billing and collection practices and excessive financial margins. While the Corporation is not aware of any current challenge to the tax exemption afforded to any material real property of the Corporation, it is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of nonprofit corporations. There can be no assurance that future changes in the laws and regulations of state or local governments will not materially adversely affect the financial condition of the Corporation by requiring payment of income, local property or other taxes.

Charity Care. Hospitals are permitted to qualify for tax-exempt status under the Code because the provision of health care historically has been treated as a "charitable" enterprise. This treatment arose before most Americans had health insurance, when charitable donations were required to fund the health care provided to the sick and disabled. Some commentators and others have taken the position that, with the onset of employer health insurance and governmental payment programs, there is no longer any justification for special tax treatment for the health care industry, and the availability for tax-exempt status should be eliminated. Furthermore, federal and state tax authorities are beginning to demand that tax-exempt hospitals justify their tax-exempt status by documenting their charitable care and other community benefits.

As described above under the caption "**Nonprofit Health Care Environment – Litigation Relating to Billing and Collection Practices**," charity care issues also serve as the basis of certain claims against major hospital systems throughout the United States on behalf of uninsured patients. Many lawsuits filed against nonprofit hospitals raise a number of claims against the hospital defendants, including claims that the defendants, by accepting tax-exempt status, entered into agreements with the federal, state and local governments promising to provide free or reduced care to all those who need it; the uninsured patients are beneficiaries of those agreements and can bring suit on them; the defendants engaged in illegal and oppressive tactics against the uninsured; the defendants engaged in illegal price discrimination by charging the uninsured rates far in excess of the rates charged to such third party payors as Medicare and certain insurers; the defendants violated state consumer fraud statutes; the defendants allowed a portion of their properties to be used by for-profit entities at less than fair value and engaged in other inappropriate transactions with doctors and certain insiders; the defendants transferred monies illegally to their affiliates for other than charitable purposes; and the defendants and the American Hospital Association, another named defendant in many of the lawsuits, conspired with the defendants to charge illegal prices to the uninsured.

Litigation has been initiated against several hospitals in the United States by individual uninsured plaintiffs alleging, among other things, that the defendants violated their duty to the plaintiffs by charging higher rates and fees for services to those plaintiffs than the hospitals received from Blue Cross Blue Shield entities, Medicare, Medicaid or other insurers. Among the remedies sought by the plaintiffs are money damages and a court order against the defendants compelling them to reduce the rates and fees charged to uninsured patients.

Federal Legislation

On January 2, 2013, the American Taxpayer Relief Act of 2012 (the "*Taxpayer Relief Act*") was signed into law to address the federal deficit and the budget sequestration provisions of the Budget Control Act of 2011. The Taxpayer Relief Act postponed the budget sequestration provisions of the Budget Control Act of 2011 for two months to allow Congress to attempt to reach a budget compromise. With no budget compromise forthcoming, on March 1, 2013, President Obama issued a sequestration order, requiring across-the-board reductions in Federal spending. Accordingly, on March 8, 2013, CMS announced that Medicare claims for payment with a date of service or date of discharge on or after April 1, 2013, will incur a two percent (2%) reduction in Medicare payment. The Bipartisan Budget Act of 2018 extended these reductions through 2027, though the CARES Act has suspended the Medicare sequestration from May 1, 2020 to December 1, 2020. It is possible that Congress could act to extend or increase these across-the-board reductions, which would have a material adverse financial impact on the Corporation by reducing Medicare revenue.

In 2010, the Patient Protection and Affordable Care Act was signed into law along with the Health Care and Education Reconciliation Act. Together, these laws (hereinafter referred to as the "*Affordable Care Act*") introduced the most far-reaching changes in our national health care system since the creation of Medicare in 1965. The Affordable Care Act affects health care organizations in countless ways through insurance reforms, changes in Medicare and Medicaid provider payments, quality and transparency initiatives, and delivery system reforms. The most significant health insurance coverage reforms began in 2014 and included such provisions as prohibiting health insurers from denying coverage or refusing claims based on pre-existing conditions, expanding Medicaid eligibility, subsidizing insurance premiums, providing incentives for businesses to provide health care benefits, and establishing health insurance exchanges.

The Affordable Care Act is complex, and includes many new programs and initiatives and changes to existing programs, policies, practices and laws. Further, as discussed below, the Affordable Care Act is highly politicized. Some of the specific provisions of the Affordable Care Act that may affect hospital operations, financial performance or financial conditions are described below. This list is not exhaustive.

- Annual inflation adjustments to Medicare payments have been reduced.
- Many state Medicaid programs have been expanded to a broader population.
- Medicare has begun reducing payments to hospitals found to have an excess readmissions ratio for certain conditions.
- To reduce waste, fraud, and abuse in public programs, the Affordable Care Act provides for provider enrollment screening, enhanced oversight periods for new providers and suppliers, enrollment moratoria in areas identified as being at elevated risk of fraud in all public programs, increased penalties for fraud and abuse violations, and increased funding for anti-fraud activities.
- Medicare payments to certain hospitals to cover conditions acquired during hospitalization have been reduced and federal payments to states for Medicaid services related to hospital-acquired conditions are prohibited.
- A value-based purchasing program has been established under the Medicare program. Under this program, hospital payments will increase or decrease depending on a hospital's performance vis-a-vis established quality measures.
- Medicare and Medicaid Disproportionate Share Hospital ("*DSH*") allotments to each state have been reduced, based on state-wide reduction in uninsured and uncompensated care.

The Affordable Care Act has been subject to significant opposition in the political and judicial arenas. Multiple lawsuits challenging the constitutionality of the Affordable Care Act have been filed by private and state parties in federal courts. The U.S. Supreme Court decided the constitutionality of certain provisions of the Affordable Care Act in *National Federation of Independent Business v. Sebelius*: (i) the "individual mandate" that requires individuals to purchase health insurance starting in 2014 or be penalized, and (ii) the expansion of the Medicaid program. On June 28, 2012, the Supreme Court of the United States upheld a constitutional challenge to the Affordable Care Act. The Court held that the insurance mandate was constitutional under Congress's taxing power. However, the Court ruled that Congress's expansion of the Medicaid program was unconstitutional because it would have withdrawn all federal funding to states that did not abide by the expansion. Accordingly, states have the option of expanding Medicaid under the Affordable Care Act. In a subsequent case decided in June 2015, *King v. Burwell*, the Supreme Court upheld the grant of federal subsidies to individuals who obtain insurance through the federally managed health insurance exchange. In another case, *Texas v. Azar*, a group of states, including Texas challenged the Affordable Care Act on the grounds that the individual mandate with no tax penalty was not a tax and therefore unconstitutional. The U.S. Supreme Court in a 7-2 decision on June 17, 2021, held that the plaintiffs lacked standing to challenge the minimum essential coverage required by the Affordable Care Act.

Beyond court challenges, Republican leaders of Congress have repeatedly advocated for the repeal and replacement of the Affordable Care Act as a key goal. In December 2017, Congress enacted the Tax Cuts and Jobs Act of 2017 (the "*Tax Cuts and Jobs Act*"), which repealed the penalty for failing to obtain health insurance under the Affordable Care Act (this is the source of the challenge in *Texas v. Azar*). The Corporation cannot predict with any reasonable degree of certainty or reliability any interim or ultimate effects of the legislation. Moreover, uncertainties regarding the implementation of the Affordable Care Act on a national level create unpredictability for the strategic and business planning efforts of health care providers, which in itself constitutes a risk.

Administrative Actions regarding the Affordable Care Act

The implementation of the Affordable Care Act and the Affordable Care Act insurance exchange markets has been significantly affected by executive branch actions. In 2017, President Trump issued an executive order requiring all federal agencies with authorities and responsibilities under the Affordable Care Act to "exercise all authority and discretion available to them to waive, defer, grant exemptions from or delay" parts of the Affordable Care Act that place "unwarranted economic and regulatory burdens" on states, individuals or health care providers. This executive order was officially revoked by President Biden at the beginning of 2021. The Corporation cannot predict the effect of these changes in executive branch policy on the Corporation's business or financial condition, though such effects could be material.

On June 21, 2018, the U.S. Department of Labor published a final rule, amending the definition of "employer" under section 3(5) of the Employee Retirement Income Security Act ("*ERISA*") to allow for the establishment of group or association health plans ("*AHPs*") that broadens the criteria under ERISA for determining when and how employers may form associations to offer group health plans to multiple employers and self-employed individuals. The final rule was intended to expand access to group health coverage; however, the final rule also eliminates certain requirements for a health plan under the Affordable Care Act.

Tax Reform. On December 22, 2017, the Tax Cuts and Jobs Act as signed into law. The Tax Cuts and Jobs Act lowered corporate and individual tax rates and eliminated certain tax preferences and other tax expenditures. The Tax Cuts and Jobs Act also eliminated, effective 2019, the tax penalties associated with failure to comply the Affordable Care Act's individual mandate. The elimination of the individual mandate may result in a higher uninsured rate, which may adversely affect the financial condition of the Corporation.

The Tax Cuts and Jobs Act also eliminated the issuance of tax-exempt bonds to advance refund outstanding tax-exempt bonds; imposed an excise tax on exempt entities' executive compensation in excess of $1,000,000 per year; required that the tax on an exempt organization's unrelated business income be computed separately for each line of business; required the inclusion of certain fringe benefits in the calculation of unrelated business income tax; and limits the use of net operating losses in computing unrelated business income tax, each of which may, collectively or individually, adversely affect the financial condition of the Corporation.

Federal and State Policies Affecting Health Care Facilities. Legislation is periodically introduced in Congress that could result in limitations on the Corporation's revenue, third-party payments, and costs or charges, or that could result in increased competition or an increase in the level of uncompensated care required to be provided by the Corporation. From time to time, legislative and regulatory proposals are made at the federal and state level to engage in broader reform of the health care industry, including proposals to promote competition in the health care industry, to contain health care costs, eliminate the 340B drug discount program, change existing nurse staffing ratios, impose administratively burdensome regulations and to impose additional requirements and restrictions on health care insurers, providers and other health care entities. Additionally, members of Congress and candidates for President of the United States have introduced proposals to adopt a national, single-payer health system. The impact of future reform efforts on the Corporation cannot be predicted at this time, and may have a material effect on the Corporation's finances and operations.

Risks Related to Rules Governing Payment for Health Care Services

The Medicare and Medicaid Programs

Medicare provides certain health care benefits to beneficiaries who are 65 years of age or older, disabled or qualify for the End Stage Renal Disease Program. Medicare is administered by CMS, part of the federal Department of Health and Human Services ("*DHHS*"). Medicaid is funded jointly by the federal government and the states and provides medical assistance to certain needy individuals and families. Significant changes have been and may be made in the Medicare and Medicaid programs that could have a material adverse impact on the financial condition of the Corporation, for example, by decreasing the amount of payment for

services. In addition, the requirements for Medicare and Medicaid certification are subject to change, and to remain qualified for participation in such programs, it may be necessary for the Corporation to effect changes from time to time in its facilities, equipment, personnel, billing processes, policies and services.

Medicare

Medicare pays acute care hospitals for services provided on an inpatient basis according to the inpatient prospective payment system ("*IPPS*"). IPPS pays hospitals a pre-determined amount for services. The amount of the payment is the product of a nationally determined base payment rate, which is adjusted for a variety of factors on a hospital-specific basis, and a relative weight that reflects the anticipated costs of care in a particular clinical category compared with a national average of all cases. The base rate is designed to provide some payment to hospitals for both inpatient operating and capital related costs. The base rate is adjusted by factors related to market conditions of a hospital's geographic location and other circumstances of a particular hospital, such as whether it is a teaching hospital. The relative weight factor of an IPPS calculation depends on the clinical category of services rendered to a patient. The clinical category is determined by how a patient's case is classified at discharge under one of hundreds of Medicare Severity Diagnosis Related Groups ("*MS-DRG*") defined by the CMS.

The IPPS standardized base rates are updated annually based on a statistical estimate of the increase (the "*update factor*") in the cost of goods and services used by hospitals in providing care (the "*market basket*"). Currently, the update factor equals the percentage increase in the market basket, but from time to time Congress has set updates legislatively that are less than the market basket. For every year since 1983, Congress has modified the increases and given substantially less than the increase in the market basket index. The Affordable Care Act provides for additional reductions to the market basket update, as well as other payment adjustments, in future years. There is, therefore, no assurance that future updates in MS-DRG payments will keep pace with the increases in providing inpatient hospital services.

Hospitals receive additional payment for cases that exceed MS-DRG-specific cost thresholds, referred to as "outlier payments." In addition, hospitals that satisfy specific program requirements may be eligible to receive additional revenue to defray the costs of organ procurement and treatments that use new technologies. With the exception of outlier cases, IPPS payments are not adjusted for actual costs or variations in service or length of stay. The IPPS amount and adjustments described above are calculated using formulae established by CMS that are revised periodically pursuant to federal budgetary policy. There is no assurance that the Corporation will be paid amounts that adequately reflect the actual cost of providing health care or the cost of the health care technologies available to patients.

Medicare also pays providers for inpatient psychiatric services on a IPPS basis. Under that system, Medicare pays for the *per diem* routine, ancillary, and capital costs associated with those services. A base *per diem* payment is adjusted to account for differences in the cost of care related to patient characteristics (*e.g.*, age, diagnosis, and length of stay) and facility characteristics (*e.g.*, location and teaching status).

The Affordable Care Act also contains reductions in Medicare market basket updates and cuts in DSH payments for providing care to low income and uninsured patients. However, Congress has repeatedly delayed cuts to DSH payments. There is no certainty that Congress will continue to delay cuts in DSH payments in future years, so this is still an area of significant risk.

CMS has implemented a rule to change the methodology of Medicare DHS allotments according to a calculation using limited data from the Medicare Cost Report Worksheet S-10. The rule has caused the Corporation to experience payment reductions in connection with Medicare DSH allotments.

Beginning in 2013, Medicare inpatient payments to each hospital were reduced based on the dollar value of that hospital's percentage of preventable Medicare readmissions for certain medical conditions. In addition, as permitted by the Affordable Care Act, CMS expanded the conditions measured for the readmission rate penalties beginning in 2015 to include additional conditions.

Teaching hospitals receive adjustments to their Medicare IPPS payment rates for costs related to training physicians and other medical professionals (graduate medical education ("*GME*") payments), as well as for providing care to a high level of Medicaid and disabled patients (disproportionate share payments or "*DSH*" payments). There are two forms of payment for GME: Direct Graduate Medical Education ("*DGME*") and Indirect Medical Education ("*IME*") payments. DGME payments support the direct costs of training (e.g., resident stipends, supervision), while IME payments support the higher infrastructure relating to teaching, greater patient acuity and the extensive "stand-by" capabilities of teaching hospitals. While a recommendation from The Medicare Payment Advisory Commission ("*MedPAC*") and a CMS proposed rule both have suggested reducing the level of IME adjustments, such reduction has not yet been implemented. There can be no assurance that payments to the Corporation for providing medical education will be adequate to cover the costs attributable to medical education programs for training residents, nurses and allied health professionals.

Hospital outpatient services also are paid by Medicare according to a prospective payment system for hospital outpatient services ("*OPPS*"). Under OPPS, most outpatient services are grouped into one of approximately 800 Ambulatory Patient Classifications ("*APCs*") and paid a uniform national payment amount adjusted for area wage differences and the average amount of resources required to provide the service (*e.g.*, visit, chest x-ray, surgical procedure). OPPS applies to most hospital outpatient services, other than ambulance and rehabilitation services, clinical diagnostic laboratory services, dialysis for end-stage renal disease, non-implantable durable medical equipment, prosthetic devices and orthotics. Hospitals can receive three additional payments in addition to the amount determined under the standard OPPS rule: pass-through payments for certain new technologies; outlier payments for unusually costly cases; and special payments to certain children's and cancer hospitals. Outpatient services not covered by OPPS are paid on the basis of fee schedules, the lower of costs or charges, or a blend of fee schedules and costs.

In 1986 Congress enacted the Emergency Medical Treatment and Active Labor Act ("*EMTALA*") in response to allegations of inappropriate hospital transfers of low-income and/or uninsured emergency patients. EMTALA imposes strict requirements on hospitals in the treatment and transfer of patients with emergency medical conditions.

If a hospital with 100 beds or more violates EMTALA, whether knowingly and willfully or negligently, it is subject to a civil money penalty of up to $50,000 per violation. Failure to satisfy the requirements of EMTALA may also result in termination of the hospital's Medicare provider agreement. In addition, EMTALA creates a private cause of action for individuals who suffer personal harm as a result of an EMTALA violation, and for any hospital that suffers financial loss as a result of another hospital's violation of EMTALA. This is a complaint-driven process, so any patient or family member could allege an EMTALA violation. The statute of limitations for filing such a civil action is two years.

The Medicare payment rules are reviewed, and many of them are revised, annually based on recommendations from government advisory commissions, such as MedPAC, and other sources, including health care providers. MedPAC has encouraged CMS to reduce payments for hospital-based services to the levels paid for comparable services to freestanding independent facilities, which could lead to a decrease in Medicare payments received by the Corporation. In the future, continuing revisions to these rules may also lead to a decrease in Medicare payments received by the Corporation. The Medicare program has experienced frequent legislative, regulatory and administrative revisions in its payment methodologies and other provisions, many of which have sought to reduce the rate of increase in the cost of the program. It is likely that revisions will continue, some of which may adversely affect the Medicare payment which the Corporation receives.

In the 2014 Medicare inpatient prospective payment system final rule, CMS promulgated the two-midnight rule. Under this rule administrative contractors auditing the medical necessity of inpatient hospital admissions have been directed to consider admissions spanning less than two midnights to be, except in rare and unusual cases, outpatient cases.

Medicare Advantage

Medicare Advantage plans are alternate insurance products offered by private companies that engage in direct managed care risk contracting with the Medicare program. Under the Medicare Advantage program these private companies agree to accept a fixed, per-beneficiary payment from the Medicare program to cover all care that the beneficiary may require.

Future legislation or regulations may alter the financial incentives available to private insurers who offer Medicare Advantage ("*MA*") plans. For example, on January 6, 2022, CMS issued notice of a proposed rule that would impose new requirements on how MA plans operate and disclose information in order to "hold plans to a higher standard." If the proposed rule is implemented, it might increase or decrease the popularity and level of acceptance of MA plans among Medicare beneficiaries. The effect of such future regulation is unknown but could materially and adversely affect the Corporation.

Other Medicare Service Payments. Medicare payment for skilled nursing services, psychiatric services, inpatient rehabilitation services, general outpatient services and home health services are based on regulatory formulas or pre-determined rates. There is no guarantee that these rates, as they may change from time to time, will be adequate to cover the actual cost of providing these services to Medicare patients.

The Medicaid Program

Under Medicaid, the federal government provides grants to states that have medical assistance programs that meet federal standards. Competing pressures on the federal budget and the Commonwealth of Kentucky's attempt to address its own budgetary needs have also resulted in uncertainty with respect to Medicaid spending. Further, federal legislative efforts to cap Medicaid spending have been debated in Congress. Such decreases in spending could have a material adverse impact on the future financial condition of the Corporation.

Under federal law, Medicaid coverage is mandatory for persons receiving assistance from Temporary Assistance for Needy Families (previously known as Aid to Families With Dependent Children) or the federal Supplemental Social Security ("*SSI*") program and for certain categories of children and pregnant women. Implementation of the Medicaid program falls to each state, however, and there are significant variations in virtually all aspects of the Medicaid program across states. State specific variations arise from the fact that the Medicaid statute allows for optional benefits and categories of beneficiaries, as well as waivers of general statutory requirements to implement specific programs or demonstration projects.

Under provisions of the Affordable Care Act, the combinations of health insurance exchanges, increased employer insurance coverage requirements and Medicaid expansions have resulted in decreases in the number of uninsured patients. The increase in insured patients could result in lower levels of bad debt and increased utilization or profitable shifts in utilization patterns for hospitals generally.

While the Affordable Care Act provides incentives for states to expand their Medicaid eligibility requirements, the U.S. Supreme Court, in *National Federation of Independent Business v. Sebelius* limited the power of the federal government to penalize states for refusing to expand Medicaid. Therefore, states can choose to accept or not to accept the new federal Medicaid funds with the attached conditions without risking the loss of all federal Medicaid funding. Although certain states have opted to fund Medicaid expansion in the near term, no state is obligated to maintain expanded Medicaid eligibility in future years. Kentucky has expanded its Medicaid program. The traditional Kentucky Medicaid program pays for inpatient hospital services provided to Medicaid beneficiaries based on established prospective Diagnosis-Related Group ("*DRG*") rates. The actual cost of care, including capital costs, may be more or less than the DRG rate. DRG rates are subject to adjustment by the Kentucky Department for Medicaid Services and are subject to state budget considerations. There is no guarantee that DRG rates, as they change from time to time, will cover actual costs of providing services to Medicaid patients. Outpatient services are reimbursed under a mixed methodology consisting of prospectively set rates (similar to Medicare APC methodologies), fee schedules and cost reimbursement Medicaid enrollment in the state of Kentucky is expected to decrease. The traditional Kentucky Medicaid program pays for inpatient hospital services provided to Medicaid beneficiaries based on established prospective DRG rates. The actual cost of care, including capital costs, may be more or less than the DRG rate.

DRG rates are subject to adjustment by the Kentucky Department for Medicaid Services and are subject to state budget considerations. There is no guarantee that DRG rates, as they change from time to time, will cover actual costs of providing services to Medicaid patients. Outpatient services are reimbursed under a mixed methodology consisting of prospectively set rates (similar to Medicare APC methodologies), fee schedules and cost reimbursement.

Most beneficiaries of Kentucky's Medicaid program receive services through managed care organizations ("*MCOs*"). Kentucky has adopted a state-wide managed care model. Except for specified categories of individuals, Kentucky Medicaid recipients are required to enroll in an MCO. Hospitals entering into contracts with MCOs are reimbursed according to the terms of such contracts. Most medical care provided to Medicaid beneficiaries is paid for by one of these MCOs, usually on the basis of contract rates negotiated between the MCO and the provider. Under these plans, inpatient acute care services are reimbursed based on a prospective DRG system similar to the Medicare acute reimbursement methodology or a fixed per diem. Outpatient services rendered to beneficiaries are reimbursed under a mixed methodology consisting of prospectively set rates (similar to the Medicare APC methodology), fee schedules, and cost reimbursement. Components of Medicaid reimbursement are subject to annual retrospective review by the Medicaid program. In the opinion of management, adequate provision has been made in the combined financial statements for any adjustments that may result from such reviews.

Each of these MCOs has its own claims adjudication and payment procedures, resulting in increased use of providers' administrative resources to navigate the MCOs' procedures, increased opportunity for contract disputes, or claims payment concerns. Depending on the level of oversight of the MCOs provided by the state Medicaid program, some of these MCOs may engage in payment practices that affect providers' cash flow or ability to be paid for services provided.

Provider Tax

Since July of 1993, Kentucky has imposed various taxes on health care providers to help fund the state's portion of the Medicaid program, including a tax of 2.5% on the gross revenues of hospitals, for the provision of hospital services. Hospital provider taxes were capped in 2008 by state statute at the level paid in state fiscal year 2005-2006.

Audits and Withholds

Participating providers are subject to audits and retroactive audit adjustments with respect to the Medicare and Medicaid programs. Such adjustments could exceed reserves and could be substantial. Medicare and Medicaid regulations also provide for withholding payments in certain circumstances. Any withholds that may occur could have a material adverse impact on the future financial condition of the Corporation. Management of the Corporation is not aware of audits or any material payment withhold by either Medicare or Medicaid.

Compliance and Payment

Hospitals must comply with standards called "Conditions of Participation" to be eligible for Medicare and Medicaid payments. CMS is responsible for ensuring that hospitals meet these regulatory Conditions of Participation. Under applicable Medicaid rules, hospitals accredited by The Joint Commission are deemed to meet the Conditions of Participation, subject to CMS's requirement that hospitals satisfy reenrollment criteria as required by CMS. Failure to maintain The Joint Commission accreditation or to otherwise comply with the Conditions of Participation or other applicable state licensing requirements could have a material adverse effect on the revenues of the Corporation.

Children's Health Insurance Program

CHIP is a federally funded insurance program for families who are financially ineligible for Medicaid, but cannot afford commercial health insurance. CMS administers CHIP, but each state creates its own program based upon minimum federal guidelines. CHIP insurance is provided through private health plans contracting with the state.

Kentucky implemented the Kentucky Children's Health Insurance Program ("*KCHIP*") in multiple phases as an expansion of the already existing Medicaid program. Kentucky must periodically submit its KCHIP plan to CMS for review to determine if it meets the federal requirements. If it does not meet the federal requirements, a state can lose its federal funding for the program. Kentucky has expanded its CHIP coverage to include children up to 213% of the federal poverty level. A decision to tighten the eligibility requirements, thereby decreasing the number of individuals eligible for KCHIP, the loss of federal approval for KCHIP, or the failure of the federal government to appropriate funds for KCHIP, could have an adverse financial effect on the Corporation. From time to time, Congress and/or the President may seek to expand or contract CHIP. If such funding expires there can be no assurances that funding for an increase will be reestablished at either a state or federal level, or that professional and/or facility reimbursement rates will not subsequently be reduced in efforts to manage costs.

Private Health Plans and Insurers

Certain private insurance companies contract with hospitals on an "exclusive" or a "preferred" provider basis, and some insurers have plans known as "preferred provider organizations" ("*PPOs*"). Under such plans, there may be financial incentives for subscribers to use only those hospitals which contract with the plans. Under an exclusive provider plan, which includes most HMOs, private payors limit coverage to those services provided by selected hospitals within the provider plan. With this contracting authority, private payors may direct patients away from non-selected hospitals by denying coverage for services provided by them. In addition, PPOs and HMOs may limit the participation of a provider.

Such programs individually negotiate payment terms with the Corporation, which terms include discounted fee-for-service payments or discounted fixed rate per day/case of care payments. There also are additional provisions for bonuses if the Corporation meets certain criteria. There is no assurance that the Corporation's exposure to such contracts or arrangements will not increase in the future. Increased participation may maintain or increase the patient base, but the discounts offered to HMOs and PPOs may result in reduced payments and lower net revenue to the Corporation.

Some HMOs are now offering or mandating a "capitation" payment method under which hospitals are paid a predetermined periodic rate for each enrollee in the HMO who is "assigned" to, or otherwise directed to receive care at, a particular hospital. In a capitated payment system, the health care provider assumes an insurance type risk for the cost and scope of care given to the HMO's enrollees. If payment under an HMO or PPO contract is insufficient to meet the provider's costs of care, the financial condition of the provider may erode rapidly and significantly. Often, HMO or PPO contracts are enforceable for a stated term, regardless of provider losses. Recently, certain HMOs and PPOs have experienced financial difficulties, and some have resorted to bankruptcy proceedings. It is not possible, at this time, to predict the future of the managed care industry in general in relation to specific HMOs or PPOs with which the Corporation contracts.

Legislative and Regulatory Actions Affecting Health Care Facilities

Federal and state governments have enacted health care fraud and abuse laws to regulate both the provision of services to government program beneficiaries and the methods and requirements for submitting claims for services rendered to those beneficiaries. These laws penalize individuals and organizations for submitting claims for services (i) they did not provide, (ii) that were not medically necessary, (iii) provided by an improper person, (iv) that involved an illegal inducement to utilize or refrain from utilizing a service or product, or (v) billed in a manner that does not comply with applicable government requirements. The scope of

certain federal and state fraud and abuse laws has been expanded to include non-governmental, private health care plans.

Federal and state governments have a range of criminal, civil and administrative sanctions available to penalize and remediate health care fraud and abuse, including imposing civil money penalties, suspending payments and excluding the provider from participating in the federal and state health care programs. One or more government entities and/or private individuals can prosecute fraud and abuse cases, and courts and/or regulators can impose more than one of the available penalties for each violation.

Laws governing fraud and abuse apply to virtually all individuals and entities with which a hospital does business, including other hospitals, home health agencies, long term care entities, infusion providers, pharmaceutical providers, insurers, MCOs, PPOs, third party administrators, physicians, physician groups and physician practice management companies. Fraud and abuse prosecutions can have a catastrophic effect on any of these entities, which can result in a material adverse impact on the financial condition of other entities in the same health care delivery system.

Federal Fraud and Abuse Law. In recent years, both the federal and state governments have increased enforcement of laws designed to combat health care fraud and practices that the governments regard as abusive, and additional fraud legislation has been adopted at both federal and state levels. Under the federal Medicare Medicaid Fraud and Abuse Amendments of 1977 to the Social Security Act, as amended (the "*Anti-Kickback Law*"), it is a felony to knowingly and willfully offer, pay, solicit or receive any remuneration (including any kickback, bribe or rebate) directly or indirectly, overtly or covertly, in cash or in kind in order to induce business for which payment is provided, in whole or in part, under a federal health care program, including Medicare and Medicaid. Penalties for each violation of the Anti-Kickback Law include criminal fines and civil monetary penalties. The Affordable Care Act amended the Anti-Kickback Law to provide that a claim that includes items or services resulting from a violation of the Anti-Kickback Law now constitutes a false or fraudulent claim for purposes of the False Claims Act. The Anti-Kickback Law has been further amended to provide that a violation may be established without showing that an individual knew of the statute's proscriptions or acted with specific intent to violate the Anti-Kickback Law, but only that the conduct was generally unlawful. Violation of the Anti-Kickback Law is a felony, subject to a maximum fine of $100,000 for each criminal act, imprisonment for up to five years and exclusion from the Medicare and Medicaid programs. The Office of Inspector General of Department of Health and Human Services (the "*OIG*"), the enforcement arm of the DHHS, can also initiate an administrative exclusion of a provider from the Medicare and Medicaid programs. In addition, civil monetary penalties of $100,000 for each violation of the Anti-Kickback Law or damages equal to three times the amount of prohibited remuneration may be imposed and violation of this law also renders the violator civilly liable under the False Claims Act. The statute does include some exceptions, and federal regulations establish numerous "safe harbors." Arrangements that meet the safe harbor requirements are deemed not to be violations of the Anti-Kickback Law. Failure to comply with the safe harbors, however, does not mean that the activity violates the law. Arrangements that fail to qualify for safe harbor protection may or may not violate the Anti-Kickback Law depending on the facts and the intent of the parties.

The scope of the Anti-Kickback Law prohibition is, however, broadly drafted and liberally interpreted by some federal regulators and enforcement authorities. Thus, the Anti-Kickback Law may create liability in connection with a wide range of economic arrangements involving managed care entities, hospitals, physicians and other health care providers, including joint ventures, space and equipment rentals, purchases of physician practices, managed care arrangements, and management and personal services contracts.

In the Health Insurance Portability and Accountability Act of 1996 ("*HIPAA*"), Congress established a fraud and abuse control program to coordinate federal, state and local health care fraud and abuse activities. HIPAA also creates several new federal health care crimes, many of which are broadly worded and potentially applicable to a wide range of conduct. For example, HIPAA created a general prohibition on knowingly and willfully executing or attempting to execute schemes to defraud any public or private health care benefit program or making any false or fraudulent representations in any matter involving any private or public health care program.

Several federal statutes, including the Social Security Act, the Program Fraud Civil Remedies Act of 1986 and the Federal False Claims Act (the "*FCA*") (which is discussed in more detail below), also provide for imposition of civil monetary penalties for knowingly making false or improper claims to federal health care programs. Penalties under these statutes can be severe. In addition, because the Corporation has various relationships with parties located in foreign jurisdictions, the Corporation is subject to certain laws applicable to businesses generally, including the Foreign Corrupt Practices Act and other anti-corruption laws. If the Corporation fails to comply with these or other applicable laws and regulations, it could be subject to penalties or other adverse consequences.

Penalties for noncompliance with the above referenced statutes can be substantial and could include criminal or civil liability and/or exclusion from participation in Medicare, Medicaid and other health programs. Based on its internal processes, the Corporation believes that it is in material compliance with the above referenced statutes; however, there can be no assurance that enforcement authorities would agree.

State Anti-Fraud and Abuse Law. The Kentucky legislature has adopted a statute creating liability for the submission of false claims to Kentucky's Medical Assistance Program. Under the statute, any provider who knowingly submits, or causes to be submitted, a claim for payment for furnishing treatment, services or goods under a medical assistance program, which payment the provider was not entitled to receive, is in violation of such statute. A provider found in violation of the statute would be liable for restitution, civil penalties and fines, payment of legal fees and the cost of enforcement, and removal as a participating provider in the medical assistance program.

Kentucky also prohibits any person with the intent to defraud from knowingly making, inducing or seeking to induce the making of a false statement or representation of a material fact to the Medicaid program regarding the conditions or operations of a facility or institution in order to qualify for initial certification or recertification as a hospital, intermediate care facility, skilled nursing facility, home health agency or other provider of services. Persons found in violation of this statute are guilty of a felony.

Additionally, certain provisions within Kentucky's Insurance Code prohibit fraudulent insurance acts with respect to claims submitted to third-party payors. Persons or entities commit a "fraudulent insurance act" by, among other acts, knowingly, and with the intent to deceive or defraud, presenting or causing to be presented to an insurer, written or oral statements in support of a claim for payment or other benefit that contain false, incomplete or misleading information concerning facts material to the claim for payment.

Kentucky has also enacted laws which make it a crime for providers to knowingly solicit, receive, or offer any remuneration, including kickbacks, bribes, or rebates, in exchange for furnishing medical assistance benefits, for referring a patient to another provider for Medicare or Medicaid benefits, or in return for purchasing, leasing, ordering or arranging for or recommending purchasing, leasing, or ordering any goods, facility, service or item for which payment may be made by the Medicare or Medicaid programs.

Although management of the Corporation believes that it has used its best efforts to comply with the Kentucky equivalent fraud and abuse laws, as currently interpreted, there can be no assurance that the regulatory authorities will not take a contrary position or that the Corporation will not be found to have violated such laws. Sanctions under these laws, including substantial monetary penalties and exclusion from the Kentucky Medicaid program, could have a material adverse effect on the financial condition and results of operations of the Obligated Group.

Federal and State Self Referrals Prohibitions. The Federal Ethics in Patient Referrals Act (known as the "*Stark Law*") prohibits the referral of Medicare and Medicaid patients for certain "designated health services" to entities with which the referring physician (or an immediate family member of such physician) has a financial relationship. The statute also prohibits the entity furnishing the "designated health services" from billing the Medicare or Medicaid program for designated health services furnished pursuant to a prohibited referral. The designated health services subject to these prohibitions are clinical laboratory services, physical and occupational therapy services, radiology services (including magnetic resonance imaging, computerized

tomography and ultrasound), radiation therapy services and supplies (not including nuclear medicine), durable medical equipment and supplies, parenteral and enteral nutrients (including equipment and supplies), orthotic and prosthetic devices and supplies, speech language pathology, home health services, outpatient prescription drugs and inpatient and outpatient hospital services (not including lithotripsy).

A financial relationship for purposes of the Stark Law is defined as either an ownership or investment interest in the entity or a compensation arrangement between the practitioner (or immediate family member) and the entity. An ownership or investment interest may be through equity, debt, or other means and includes an interest in an entity that holds an ownership or investment interest in an entity providing the designated health services. Many ordinary business practices and economically desirable arrangements with physicians would constitute "financial relationships" within the meaning of Stark.

The Stark provisions provide certain exceptions to these restrictions, but these exceptions are narrow and an arrangement must fully comply with an exception. If the relationship (which would include compensation arrangements such as employment and other professional services relationships, and ownership or investment interests) between a physician/practitioner and the hospital cannot be made to fit within the exceptions, the hospital will not be permitted to accept referrals for designated services from the physician/practitioner who has such financial relationship.

Violations of Stark can result in denial of payment, substantial civil money penalties, and exclusion from the Medicare and Medicaid programs. In certain circumstances, knowing violations may also create liability under the FCA. Enforcement actions for any such violations could have a material adverse impact on the financial condition of a health care provider, including the Corporation.

CMS provides waivers of certain fraud and abuse laws as necessary for purposes of testing payment and service delivery models, including those implemented through certain ACOs.

The Corporation has and may have in the future various relationships with physicians that may be characterized as financial arrangements under the Stark Law. The statutes and interpretive regulations contain numerous ambiguities and are subject to varying interpretations. Under these circumstances, it is not possible to ascertain with certainty the effects that the Stark Law may have on the Corporation's operations or financial results.

The False Claims Act. The criminal False Claims Act ("*criminal FCA*") makes it illegal to submit or present a false, fictitious or fraudulent claim to the federal government. Violation of the criminal FCA can result in imprisonment and/or a fine. The civil False Claims Act ("*civil FCA*"), one of the government's primary weapons against health care fraud. Under the civil FCA, those who knowingly submit, or cause another person or entity to submit, false claims for payment of government funds are liable for three times the government's damages plus civil penalties. As of August 1, 2016, the civil FCA penalties are indexed for inflation based on the Bureau of Labor Statistics' Consumer Price Index. The civil FCA also permits individuals to initiate actions on behalf of the government in lawsuits called qui tam actions. These qui tam plaintiffs, or "whistleblowers," can share in the damages recovered by the government. The Affordable Care Act expanded the activities that are violations of the civil FCA, including, among other actions, failure to report and return to a federal health care program a known overpayment within 60 days of having identified the overpayment or, for cost-reporting entities, the date (if later) on which a hospital cost report is due.

Under the civil FCA, health care providers may be liable if they take steps to obtain improper payments from the government by submitting false claims. Civil FCA violations have been alleged solely on the basis of alleged kickbacks or self-referrals or other conduct not in full compliance with applicable legal and regulatory standards. It is impossible to predict with certainty whether courts will uniformly hold that regulatory non-compliance and anti-kickback or self-referral violations are subject to prosecutions as false claims. If a provider, is faced with a civil FCA prosecution based on one of these theories, however, allocation of the funds required to contest or settle the matter could have a material adverse impact on that provider.

Federal Civil Monetary Penalty Law. The federal Civil Monetary Penalty Act ("*CMPA*") provides for administrative sanctions against health care providers for a broad range of billing and other abuses. These include violations of the fraud and abuse and Stark Law, as noted elsewhere in this discussion. In addition, a health care provider is liable under the CMPA if it knowingly presents, or causes to be presented, improper claims for payment under Medicare, Medicaid and other federal health care programs. A hospital that participates in arrangements known as "gainsharing" by paying a physician to limit or reduce services to Medicare fee-for-service beneficiaries also would be subject to CMPA penalties. A health care provider that provides benefits to Medicare or Medicaid beneficiaries that the provider knows or should know are likely to induce the beneficiaries to choose the provider for their care also would be subject to CMPA penalties. The CMPA authorizes imposition of a civil money penalty and treble damages.

Health care providers may be found liable under the CMPA even when they did not have actual knowledge of the impropriety of their action. Knowingly undertaking the action is sufficient. Ignorance of the Medicare regulations is no defense. The imposition of civil money penalties on the Corporation if it were found to be in violation of CMPA could have a material adverse impact on the Corporation's financial condition. The Affordable Care Act also amended the CMPA laws to establish various new grounds for exclusion and civil monetary penalties, as well as increased penalty thresholds for existing civil monetary penalties.

The Health Insurance Portability Act and Accountability Act of 1996. HIPAA established criminal sanctions for health care fraud and applies to all health care benefit programs, whether public or private. HIPAA also provides for punishment of a health care provider for knowingly and willfully embezzling, stealing, converting or intentionally misapplying any money, funds, securities, premiums, credits, property or other assets of a health care benefit program. A health care provider convicted of health care fraud could be subject to mandatory exclusion from the Medicare program.

HIPAA also required DHHS to adopt national standards for electronic health care transactions, including federal privacy standards for the protection of health information kept by health care providers that conduct certain financial and administrative transactions electronically (the "*Privacy Rule*") and standards relating to the security of such health information (the "*Security Rule*"). Compliance with the requirements of the Privacy Rule, the Security Rule and other HIPAA requirements has required the Corporation to develop and use policies and procedures designed to inform patients about their privacy rights and how their protected health information may be used, to keep protected information secure, to train employees so that they understand the privacy procedures and practices of the Corporation and to designate a privacy officer responsible for seeing that privacy procedures are adopted and followed.

HIPAA imposes civil monetary penalties for violations and criminal penalties for knowingly obtaining or using individually identifiable health information. The penalties are in four tiers, the highest of which would impose a fine of $50,000 per violation and up to $1,500,000 for all such violations of an identical requirement or prohibition during a calendar year. A civil monetary penalty is not imposed if the violation was due to reasonable cause and was corrected within 30 days.

The HITECH Act. Provisions in the 2009 Health Information Technology for Economic and Clinical Health Act (the "*HITECH Act*"), enacted as part of the economic stimulus legislation, increase the maximum civil monetary penalties for violations of HIPAA and grant enforcement authority of HIPAA to state attorneys general. The HITECH Act also (1) extends the reach of HIPAA beyond "covered entities," (2) imposes a breach notification requirement on HIPAA-covered entities, (3) limits certain uses and disclosures of individually identifiable health information and (4) restricts covered entities' marketing communications.

The HITECH Act also established programs under Medicare and Medicaid to provide incentive payments for the "meaningful use" of certified electronic health record ("EHR") technology. The Medicare and Medicaid EHR incentive programs provide incentive payments to eligible professionals and eligible hospitals for demonstrating meaningful use of certified EHR technology. Health care providers demonstrate their meaningful use of EHR technology by meeting objectives specified by CMS for using health information technology and by reporting on specified clinical quality measures.

The Office for Civil Rights of HHS ("*OCR*") is putting increased emphasis on enforcement. OCR has entered into a number of highly publicized, high value settlements with HIPAA-covered entities stemming from alleged violations of HIPAA. The settlements are also noteworthy because they indicate that OCR is interested in enforcing violations of the HIPAA Security Rule, not just the HIPAA Privacy Rule. There have also been additional cases where state attorneys general, exercising the powers given them under the HITECH Act, have brought actions against covered entities for alleged HIPAA violations seeking significant penalties.

Exclusions from Medicare or Medicaid Participation. The Secretary of DHHS is required to exclude from governmental program participation (including Medicare and Medicaid) for not less than five years any individual or entity who has been convicted of a criminal offense relating to the delivery of any item or service paid under Medicare or a state health care program, any criminal offense relating to patient neglect or abuse in connection with the delivery of health care, felony fraud against any federal, state or locally financed health care program or an offense relating to the illegal manufacture, distribution, prescription or dispensing of a controlled substance. DHHS also may exclude individuals or entities under certain other circumstances, such as an unrelated conviction of fraud, theft, embezzlement, breach of fiduciary duty or other financial misconduct relating either to the delivery of health care in general or to participation in a federal, state or local government program. The ACA authorizes the Secretary of DHHS to exclude a provider from participation in Medicare and Medicaid, as well as to suspend payments to a provider pending an investigation or prosecution of a credible allegation of fraud against the provider. Exclusion of the Corporation from governmental program participation could have a material, adverse effect on the Corporation.

Enforcement. Enforcement activity against health care providers has increased and enforcement authorities have adopted aggressive approaches. In the current regulatory climate, it is anticipated that many health care providers will be subject to investigation, audit or inquiry regarding the health care fraud laws mentioned above. As with other health care providers, the Corporation may be the subject of Office of the Inspector General, U.S. Attorney General and/or Justice Department investigations, audits or inquiries in the future. Because of the complexity of these laws, the instances in which an alleged violation may arise to trigger such investigations, audits or inquiries is increasing and could result in enforcement action against the Corporation.

Enforcement authorities are in a position to compel settlements by providers charged with kickback, referral, billing practice or false claims violations by imposing or threatening to withhold Medicare, Medicaid and/or similar payments and/or exclusion and/or criminal action. In addition, the cost of defending such investigations or litigation, the time and management attention consumed thereby and the facts of a particular case may dictate settlement. Therefore, regardless of the merits of a particular case or cases, the Corporation could experience materially adverse settlement and/or litigation costs. Prolonged and publicized investigations could be damaging to the reputation, business and credit of the Corporation, regardless of the outcome, and could have material adverse consequences on the financial condition of the Corporation. In addition, the IRS has stated that violations by a tax exempt entity of certain of the fraud and abuse laws may also result in revocation of the entity's tax-exempt status. Certain acts or transactions may result in violation or alleged violation of a number of the federal health care fraud laws described above, and therefore penalties or settlement amounts often are compounded. Generally these risks are not covered by insurance.

Corporate Compliance. The Office of Inspector General ("*OIG*") has published guidelines urging hospitals to adopt and implement effective programs to promote compliance with applicable federal and state law and the program requirements of federal, state, and private health plans. Compliance with the guidance is voluntary but is nevertheless an important factor in controlling risk because the OIG will consider the existence of an effective compliance program that pre-dated any governmental investigation when addressing the appropriateness of administrative penalties.

The Corporation has adopted and implemented a voluntary corporate compliance program ("*Compliance Plan*"). The purpose of a Compliance Plan is to detect and deter violations of law. One of the major goals of such a plan is to identify and address issues involving the submission of claims to governmental payers such as Medicare and Medicaid and whether those claims comply with statutes, regulations and other

guidance provided by the programs. Integral components of the Compliance Plan include a code of conduct, adoption of written standards, education, policies and procedures, auditing and monitoring, remediation of identified issues, and encouraging employees to identify potential issues. However, the presence of a compliance program is not an assurance that health care providers will not be investigated by one or more federal or state agencies that enforce health care fraud and abuse laws or that they will not be required to make repayments to various health care insurers (including the Medicare and/or Medicaid programs).

It is possible that the Compliance Plan may bring to the attention of the Corporation issues with respect to prior practices and payments. Depending upon the nature of the issue and whether an overpayment has occurred, such a discovery may result in either voluntary or involuntary refunds to governmental payers. Enforcement authorities take into account the existence and efficacy of a provider's voluntary compliance efforts in assessing the application and severity of penalties for a violation of federal or state rules governing reimbursement to or business relationships among providers of medical services; however, the decision of whether and how much weight to attach to voluntary compliance efforts is solely within the enforcement authorities' discretion.

HIPAA – Administrative Simplification. In addition to provisions governing the portability of health insurance and health care fraud, HIPAA includes administrative simplification provisions ("*AS Provisions*") intended to reduce costs and administrative burdens in the health care industry by standardizing the electronic transmission of many administrative and financial transactions that currently are carried out manually on paper or in many different electronic formats. The AS Provisions also impose privacy and security requirements on entities covered by HIPAA ("*Covered Entities*") as well as mandate other standards such as national identifiers. Covered Entities are health plans; health care clearinghouses; and health care providers, such as the Corporation, which engage in covered transactions. Additionally, Covered Entities must enter into contracts with their business associates with whom they share protected health information to assure that such information is appropriately safeguarded and that other HIPAA requirements are met.

Under the final transaction and code set regulations promulgated by DHHS, Covered Entities must use the prescribed standards for designated electronic transactions. The final HIPAA privacy regulations impose requirements on the use and disclosure of protected health information, create individual rights, and mandate certain administrative requirements for Covered Entities. Covered Entities were expected to be in compliance with the privacy regulations. Additionally, security regulations require Covered Entities to assess risks and develop and implement appropriate security measures to protect individually identifiable health information, with particular focus on administrative procedures, physical safeguards, technical security services, and technical security mechanisms. Covered Entities such as the Corporation must comply with the security regulations as well.

Penalties for noncompliance with the AS Provisions include civil monetary penalties of up to $100 for any violation not to exceed $25,000 in any calendar year for identical violations. Criminal penalties include up to $50,000 in fines and/or one year imprisonment for wrongful disclosure of individually identifiable health information; $100,000 and/or imprisonment of not more than five years for wrongful disclosure under false pretenses; and up to $250,000 and/or 10 years imprisonment for wrongful disclosure with the intent to sell, transfer, or use individually identifiable health information for commercial advantage, personal gain, or malicious harm.

Certificate of Need. The Commonwealth of Kentucky regulates the health care industry within its borders by administering a program requiring health care facilities to obtain a Certificate of Need ("*CON*") before establishing a health facility, making certain capital expenditures, adding certain new health care services, making a substantial change in the bed capacity of a health facility, or making substantial changes in existing health services. The criteria for determining whether to issue a CON include the project's consistency with the annual State Health Plan and any biennial state budget authorizations and limitations directly affecting the proposal; need and accessibility in the defined service area; interrelationships and linkages with the existing providers; costs, economic feasibility and resource availability; and the quality of services. After receiving a CON, the holder may be subject to biennial review to determine that the holder is in compliance with the terms

as listed in its CON. The Corporation cannot predict whether it will receive approval for any health care services that are regulated by the CON process which the Corporation may deem desirable or necessary in order to compete in its service area, or whether the CON law may be changed in a way that permits new competitors to enter the markets of the Corporation.

Environmental Laws Affecting Health Care Facilities. Hospitals and other health care facilities are subject to a wide variety of federal, state and local environmental and occupational health and safety laws and regulations that address, among other things, hospital operations or facilities and properties owned or operated by hospitals. Among the types of regulatory requirements faced by hospitals are: air and water quality control requirements; waste management requirements; specific regulatory requirements applicable to asbestos, hospital, medical and infectious waste, polychlorinated biphenyls, and radioactive substances; requirements for providing notice to employees and members of the public about hazardous materials handled by or located at the hospital; requirements for worker safety and training employees in the proper handling and management of hazardous materials and waste; and other requirements. In their role as owners and operators of properties or facilities, hospitals may be subject to liability for investigating and remedying any hazardous substances that have come to be located on the property, including any such substances that may have migrated off the property. Typical health care operations include, in various combinations, the handling, use, storage, transportation, disposal and discharge of infectious, toxic, radioactive, flammable and other hazardous materials, wastes, pollutants or contaminants. For this reason, health care facility operations are particularly susceptible to the practical financial and legal risks associated with compliance with such laws and regulations. Such risks may result in damage to individuals, property or the environment; may interrupt operations or increase their costs or both; may result in legal liability, damages, injunctions or fines, or may trigger investigations, administrative proceedings, penalties or other government agency actions.

No Surprises Act. Signed into law on December 27, 2020 and effective January 1, 2022, the No Surprises Act is aimed at preventing unexpected out-of-network services and cost sharing at in-network facilities. The No Surprises Act primarily (i) bans surprise bills on most emergency services, (ii) caps cost-sharing to in-network prices for most emergency services, (iii) requires good faith estimates of services for the uninsured or those not using their insurance, and (iv) provides dispute resolution for bills which exceed the good faith estimate by more than $400. Compliance with the No Surprises Act creates additional administrative costs in complying with these requirements, including the costs of independent dispute resolution.

Antitrust. Enforcement of antitrust laws against health care providers is becoming more common, and antitrust liability may arise in a wide variety of circumstances including medical staff privilege disputes, third party contracting, physician relations, employee compensation and joint venture, merger, affiliation and acquisition activities. In some respects, the application of federal and state antitrust laws to health care is still evolving, and enforcement activity by federal and state agencies appears to be increasing. At various times, health care providers may be subject to an investigation by a governmental agency charged with the enforcement of the antitrust laws, or may be subject to administrative or judicial action by a federal or state agency or a private party. Violation of the antitrust laws could be subject to criminal or civil enforcement by federal and state agencies, as well as by private litigants. Among the remedies available against persons found liable of violating antitrust prohibitions are treble damages and payment of plaintiff's attorney fees, both of which may be significant.

From time to time, the Corporation is or will be involved in a variety of activities which could receive scrutiny under the antitrust laws, and it cannot be predicted when or to what extent liability may arise. With respect to payor contracting, the Corporation may, from time to time, be involved in joint contracting activity with other hospitals or providers. The precise degree to which this or similar joint contracting activities may expose the participants to antitrust risk from governmental or private sources is dependent on a myriad of factual matters which may change from time to time.

Hospitals, including the Corporation, regularly have disputes regarding credentialing and peer review, and may be subject to liability in this area. In addition, hospitals occasionally indemnify medical staff members who are involved in such credentialing or peer review activities, and may also be liable with respect to such

indemnity. Court decisions have also established private causes of action against hospitals which use their local market power to promote ancillary health care businesses in which they have an interest. Such activities may result in monetary liability for the participating hospitals under certain circumstances where a competitor suffers business damage.

Charity Care

Tax exempt hospitals often treat large numbers of low-income and/or underinsured patients who are unable to pay in full for their medical care. These hospitals may be susceptible to economic and political changes that could increase the number of low-income and/or underinsured patients or their responsibility for caring for this population. General economic conditions that affect the number of employed individuals who have health coverage affects the ability of patients to pay for their care. Similarly, changes in governmental policy, which may result in coverage exclusions under local, state and federal health care programs (including Medicare and Medicaid) may increase the frequency and severity of charity care treatment by such hospitals and other providers. It also is possible that future legislation could require that tax exempt hospitals and other providers maintain minimum levels of charity care as a condition to federal income tax exemption or exemption from certain state or local taxes.

Federal law and regulations reduced the amount of funding available in the future for DSH payments under the Medicare and Medicaid programs under the theory that the Affordable Care Act will result in more insured patients, and therefore, there will be less of a need to make funds available to hospitals that provide care to the uninsured.

Licensing, Surveys, Investigations and Audits

On a regular basis, health facilities, including those of the Corporation, are subject to numerous legal, regulatory, professional and private licensing, certification and accreditation requirements. These include, but are not limited to, requirements relating to Medicare and Medicaid participation and payment, State licensing agencies, private payors and The Joint Commission. Renewal and continuance of certain of these licenses, certifications and accreditations are based on inspections, surveys, audits, investigations or other reviews, some of which may require or include affirmative action or response by the Corporation. These activities generally are conducted in the normal course of business of health care facilities. Nevertheless, an adverse determination could result in a loss or reduction in the Corporation's scope of licensure, certification, or accreditation, or could reduce the payment received or require repayment of amounts previously remitted. See "**OTHER INFORMATION – Accreditations, Affiliations and Certifications**" in **APPENDIX A** hereto.

Employment and Labor Issues

As with all large employers, the Corporation bears a wide variety of risks in connection with its employees. These risks include contract disputes, difficulties in recruitment, discrimination claims, wage and hour claims, personal tort actions, work related injuries, exposure to hazardous materials, interpersonal torts, risks related to its benefit plans, and other risks that may flow from the relationships between employer and employee or between physicians, patients and employees. Many of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance. See "**EMPLOYEES**" in **APPENDIX A** hereto.

Physician, Nursing and Staff Shortages

In recent years, the health care industry has suffered from a scarcity of physician specialists and sub specialists, nursing personnel, respiratory therapists, pharmacists and other trained health care technicians. A significant factor underlying this trend includes a decrease in the number of persons entering such professions. A further factor is that competition for physicians has intensified in recent years, with frequent recruitment efforts by hospitals both locally and nationally to attract physicians away from competing hospitals in order to bolster admissions and profitability attributable to the patients such physicians frequently bring with them or are able to attract. These factors are expected to intensify in the future, aggravating the general shortage and

increasing the likelihood of hospital specific shortages. To the extent that the Corporation is unable to maintain adequate staff levels, utilization and, thus, financial performance may be adversely affected.

In order to recruit and retain professional and nursing staff to strengthen clinical services, the Corporation has offered, and in the future may have to offer, competitive salaries to both newly recruited individuals and existing staff. In some years such salaries have increased, and in the future may be required to increase, more than the rate of inflation. Such increases in the future may exceed increases in the Corporation's rates of payment. Additionally, in order to meet staffing needs, the Corporation may have to hire certain nurses, assistants and physicians on a locum tenens basis, with comparably higher levels of compensation.

Competition

Competition from other hospitals may adversely affect revenues. Hospital systems continue to consolidate, increasing competitive pressures on acute care hospitals. Development of health maintenance and other alternative delivery programs and future medical and scientific advances could result in decreased usage of the Corporation's facilities. The Corporation further faces and will continue to face increased competition from other hospitals, integrated delivery systems, ambulatory care providers, rehabilitation facilities, urgent care centers, drug stores and other retail businesses offering health care services, freestanding independent diagnostic treatment facilities and increasingly sophisticated physician group practices, among others that offer similar health care services as well as expanded preventive medicine treatment.

Insurers may further encourage competition among hospitals and providers on the basis of price, payment terms and quality. Payors have used the threat of patient steerage, restrictive physician contracting, carve outs and network exclusion to drive provider prices lower. This may lead to increased competition among hospitals based on price where insurance companies attempt to steer patients to the hospitals that have the most favorable contracts.

Insurance

In recent years, the number of professional and general liability suits and the dollar amounts of damage recoveries have increased in health care nationwide, resulting in substantial increases in malpractice insurance premiums, higher deductibles and generally less coverage. Professional liability and other actions alleging wrongful conduct are often filed against health care providers. Insurance does not provide coverage for judgments for punitive damages.

Litigation also arises from the corporate and business activities of hospitals, from a hospital's status as an employer or as a result of medical staff or provider network peer review or the denial of medical staff or provider network privileges. As with professional liability, many of these risks are covered by insurance, but some are not. For example, some antitrust claims or business disputes are not covered by insurance or other sources and may, in whole or in part, be a liability of the Corporation if determined or settled adversely.

Many hospitals and health care providers have experienced difficulty renewing or obtaining all types of commercial insurance, including insurance against malpractice and general liability claims, at reasonable cost. The insurers are mandating lower amounts of coverage, requiring greater deductibles, and charging more in premium. [See "**INSURANCE AND RISK MANAGEMENT**" in **APPENDIX A** hereto. *DRAFTER'S NOTE - PERHAPS A SECTION REGARDING INSURANCE SHOULD BE ADDED TO APPENDIX A, AT THE END, BEFORE OTHER INFORMATION*].

Affiliation, Merger, Acquisition and Divestiture

The Corporation evaluates and pursues potential acquisition, merger and affiliation candidates as part of the overall strategic planning and development process. As part of its ongoing planning and property management functions, the Corporation reviews the use, compatibility and business viability of many of its operations, and from time to time may pursue changes in the use of, or disposition of, facilities. Likewise, the

Corporation occasionally receives offers from, or conducts discussions with, third parties about the potential acquisition of operations and properties which may become subsidiaries or affiliates of the Corporation in the future, or about the potential sale of some of the operations or property which are currently conducted or owned. As a result, it is possible that the current organization and assets of the Corporation may change from time to time. Subject to the limitations contained in the Master Indenture, the operating assets of the Corporation could change from time to time, and it is possible that new entities could be added to the Obligated Group in the future.

Secondary Market

There can be no assurance that there will be a secondary market for the purchase or sale of the Series 2022 Bonds. From time to time there may be no market for them depending upon prevailing market conditions, including the financial condition or market position of firms who may make the secondary market, the evaluation of the Obligated Group's capabilities and the financial conditions and results of operations of the Obligated Group.

Enforceability of Remedies

The Series 2022 Obligations are secured by a security interest in the Gross Revenues of the Corporation and any future Member of the Obligated Group. The practical realization of money from the Obligated Group upon any default will depend upon the exercise of various remedies specified by the Master Indenture. These and other remedies may, in many respects, require judicial actions which are often subject to discretion and delay.

Under existing law, the remedies specified by the Master Indenture may not be readily available or may be limited. A court may decide not to order the performance of the covenants contained in those documents. The legal opinion to be delivered concurrently with the delivery of the Series 2022 Bonds will be qualified as to the enforceability of the various agreements and other instruments by limitations imposed by State and Federal laws, rulings and decisions affecting remedies and by bankruptcy, reorganization or other laws affecting the enforcement of creditors' rights generally.

Negative Pledge

While the Series 2022 Obligation will be secured by a pledge of Gross Revenues of the Corporation and any future Members of the Obligated Group, such parties have covenanted not to mortgage, pledge or otherwise encumber any or all of their Property, except for Permitted Encumbrances.

The security interest in the Gross Revenues created by the Master Indenture may not extend to any revenues generated from the use and operation of any facilities after any person who is not a Member of the Obligated Group obtains possession of such property, whether by voluntary transfer, foreclosure under a mortgage or other security agreement or enforcement of a statutory or judicially created lien.

Enforceability of the Master Indenture, the Loan Agreements and the Series 2022 Obligations

The legal right and practical ability of the Bond Trustee to enforce rights and remedies under the Loan Agreements and of the Master Trustee to enforce its rights and remedies under the Master Indenture and the Series 2022 Obligations may be limited by laws relating to bankruptcy, insolvency, reorganization, fraudulent conveyance or moratorium and by other similar laws affecting creditors' rights. The state of insolvency, fraudulent conveyance and bankruptcy laws relating to the enforceability of guaranties or obligations issued by one corporation in favor of another corporation's creditors or of an Obligated Group Member's obligation to make debt service payments on behalf of another Obligated Group Member is unsettled. In particular, such obligations may be voidable under the Federal Bankruptcy Code or applicable state fraudulent conveyance laws if the obligation is incurred without "fair" and/or "fairly equivalent" consideration to the obligor and the incurrence of the obligation renders the Obligated Group Member insolvent. The standards for determining the

fairness of consideration and the manner of determining insolvency are not clear and may vary under the Federal Bankruptcy Code, state fraudulent conveyance statutes and applicable case law. Consequently, the Bond Trustee's and the Master Trustee's ability to enforce the rights and remedies under the Loan Agreements, the Master Indenture and the Series 2022 Obligations against any Obligated Group Member that would be rendered insolvent thereby could be subject to challenge. In addition, enforcement of such rights and remedies will depend upon the exercise of various remedies specified by such documents, which, in many instances, may require judicial actions that are subject to discretion and delay, that otherwise may not be readily available or that may be limited by certain legal principles, including fraudulent conveyance or moratorium and other similar laws.

Joint and several obligation to make payments in respect of the Series 2022 Obligations (directly or indirectly) may be limited to the extent such payments (i) are requested with respect to any Obligation which is issued for a purpose which is not consistent with the governmental or charitable purposes of such Member, or which is issued for the benefit of any entity other than a government or a nonprofit corporation which is exempt from federal income taxes under Section 501(a) and 501(c)(3) of the Code and which is not a "private foundation" as defined in Section 509(a) of the Code; (ii) are required to be made from any moneys or assets which are donor restricted or which are subject to a direct or express trust which does not permit the use of such moneys or assets for such a payment; or (iii) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by such Member (other than the Member which directly benefited from such Obligation). The joint and several liability of the Corporation and any future Obligated Group Members may be further limited by applicable principles of charitable trust law, applicable provisions relating to fraudulent conveyances and bankruptcy, provisions of state nonprofit corporation laws and equitable principles, including the principles that such payments may be held to be against public policy.

An Obligated Group Member may not be required to make payments on or provide amounts for the payment of an Obligation, including the Series 2022 Obligations, issued by or for the benefit of another entity if and to the extent that any such payment or transfer would render such Obligated Group Member insolvent or would conflict with or not be permitted by or would be subject to recovery for the benefit of other creditors of such Obligated Group Member under applicable fraudulent conveyance, bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights. There is no clear precedent in the law as to whether payments on Obligations (including the Series 2022 Obligations) by an Obligated Group Member may be voided by a trustee in bankruptcy in the event such Obligated Group Member filed for bankruptcy protection and a trustee was appointed, or by third party creditors in an action brought pursuant to state fraudulent conveyance statutes. Under the United States Bankruptcy Code, a trustee in bankruptcy and, under state fraudulent conveyance statutes, a creditor of a related guarantor, may avoid any obligation incurred by a related guarantor if, among other bases therefor, (1) the guarantor has not received fair consideration or reasonably equivalent value in exchange for the guaranty and (2) the guaranty renders the guarantor insolvent, as defined in the United States Bankruptcy Code or state fraudulent conveyances statutes, or the guarantor is undercapitalized. Under such principles, the obligor on an Obligation (including the Series 2022 Obligations) that secures related bonds (including the Series 2022 Bonds) not issued for the direct benefit of such obligor may be considered a guarantor.

Application by courts of the tests of "insolvency," "reasonably equivalent value" and "fair consideration" has resulted in a conflicting body of case law. If a judicial action were brought to compel an Obligated Group Member to make a payment on an Obligation (including the Series 2022 Obligations), a court might not enforce such payment in the event it is determined that sufficient consideration for the Obligated Group Member's obligation was not received, or that the incurrence of such obligation has rendered or will render the Obligated Group Member insolvent, or the Obligated Group Member is or will thereby become undercapitalized.

In addition, state courts have common law authority and authority under state statutes to terminate the existence of a not-for-profit or nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that the not-for-profit or nonprofit corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such action

may arise on the court's own motion or pursuant to a petition of the state attorney general or other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

Bankruptcy

The rights and remedies of the holders of the Series 2022 Bonds are subject to various provisions of Title 11 of the United States Code (the "*Bankruptcy Code*"). If the Corporation were to file a petition for relief under the Bankruptcy Code, the filing would automatically stay the commencement or continuation of any judicial or other proceedings against the Corporation and its property. The Corporation would not be permitted or required to make payments of principal or interest under the Obligations, unless an order of the United States Bankruptcy Court were issued for such purpose. In addition, without an order of the United States Bankruptcy Court the automatic stay may serve to prevent the Bond Trustee from applying amounts on deposit in certain funds and accounts held under the Trust Indentures from being applied in accordance with the provisions of the Trust Indentures, and the application of such amounts to the payment of principal and interest on, the Series 2022 Bonds. Moreover, any motion for an order canceling the automatic stay and permitting such funds and accounts to be applied in accordance with the provisions of the Trust Indentures would be subject to the discretion of the United States Bankruptcy Court, and may be subject to objection and/or comment by other creditors of such Member of the Obligated Group, which could affect the likelihood or timing of obtaining such relief. The automatic stay may also adversely affect the ability of the Master Trustee under to exercise remedies upon default, including the acceleration of all amounts payable by the Corporation, the Master Indenture, and may adversely affect the Master Trustee's or the Bond Trustee's ability to take all steps necessary to file a claim under the applicable documents on a timely basis.

The Corporation could file a plan for the adjustment of its debts in a proceeding under the Bankruptcy Code, which plan could include provisions modifying or altering the rights of creditors generally, or any class of them, whether secured or unsecured. The plan, when confirmed by the United States Bankruptcy Court, would bind all creditors who have notice or knowledge of the plan and could discharge all claims against the Corporation provided for in the plan. No plan may be confirmed unless certain conditions are met, among which are that the plan is in the best interests of creditors, is feasible and has been (except as set forth below) accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

In the event of bankruptcy of the Corporation, transfers of property by the bankrupt entity, including the payment of debt on or after the date which is 90 days (or, in some circumstances, one year) prior to the commencement of the case in bankruptcy court may be subject to avoidance or recoupment as preferential transfers. Under certain circumstances a court may have the power to direct the use of revenues meet expenses of the Corporation before paying debt service on the Series 2022 Bonds.

Considerations Relating to Other Indebtedness

The Master Indenture permits the Corporation and any Member of the Obligated Group to incur additional indebtedness subject to compliance with provisions of the Master Indenture. See "**FORM OF MASTER INDENTURE**" in "**APPENDIX E**" hereto. Any additional indebtedness could increase the Obligated Group's debt service and repayment requirements and may adversely affect debt service coverage on the Series 2022 Bonds.

Security Breaches and Unauthorized Releases of Personal Information

State and local authorities are increasingly focused on the importance of protecting the confidentiality of individuals' personal information, including patient health information. Many states have enacted laws requiring

businesses to notify individuals of security breaches that result in the unauthorized release of personal information. In some states, notification requirements may be triggered even where information has not been used or disclosed, but rather has been inappropriately accessed. State consumer protection laws may also provide the basis for legal action for privacy and security breaches and frequently, unlike HIPAA, authorize a private right of action. In particular, the public nature of security breaches exposes the Corporation to increased risk of individual or class action lawsuits from patients or other affected persons, in addition to government enforcement. Failure to comply with restrictions on patient privacy or to maintain robust information security safeguards, including taking steps to ensure that contractors who have access to sensitive patient information maintain the confidentiality of such information, could consequently damage the Corporation's reputation and materially adversely affect business operations.

Like many other large organizations, the Corporation relies on digital technologies to conduct its customary operations. In the past several years, a number of entities have sought to gain unauthorized access to digital systems of large organizations for the purposes of misappropriating assets or information or causing operational disruption. These attempts include highly sophisticated efforts to electronically circumvent network security as well as more traditional intelligence gathering and social engineering aimed at obtaining information necessary to gain access. The Corporation maintains a network security system designed to stop "security breaches" by third parties, and minimize its impact on operations; however, no assurances can be given that such network security systems will be completely successful.

Other Risk Factors

In the future, the following factors, among others, may adversely affect the operations of health care providers, including the Corporation, or the market value of the Series 2022 Bonds, to an extent that cannot be determined at this time:

- Adoption of legislation that would establish a national or statewide single-payor health program or that would establish national, statewide or otherwise regulated rates.

- Increased unemployment or other economic conditions in the service area of the Corporation, which could increase the proportion of patients who are unable to pay fully for the cost of their care.

- Competition in the Corporation's service area could increase from alternative modes of care, including life care, assisted living facilities, and home care.

- Efforts by insurers and governmental agencies to limit the cost of hospital and physician services, to reduce the number of beds and to reduce the utilization of hospital facilities by such means as preventive medicine, improved occupational health and safety and outpatient care, or attempts by third-party payors to control or restrict the operations of certain health care facilities.

- Reduced demand for the services of the Corporation that might result from decreases in population or innovations in technology.

- Bankruptcy of an indemnity/commercial insurer, managed care plan or other payor.

- The occurrence of a natural or man-made disaster, including but not limited to acts of terrorists, which could damage the facilities of the Corporation, interrupt utility service to the facilities, result in an abnormally high demand for health care services or otherwise impair the operations and the generation of revenues from the Corporation's facilities.

- Adoption of a so-called "flat" Federal income tax, a reduction in the marginal rates of Federal income taxation or replacement of the Federal income tax with another form of taxation, any of which might adversely affect the level of charitable donations to the Corporation.

- Increases in cost and limitations in the availability of any insurance, such as fire, and/or business interruption, automobile and comprehensive general liability, that the Corporation generally carries.

- Developments affecting the Federal or state tax-exempt status of nonprofit hospitals.

- Technical issues and delays associated with development and implementation of information technology systems to support critical clinical and financial operations.

- Termination, non-renewal or renegotiation of provider participation agreements with third-party payers could reduce demand for the Corporation's services, resulting in reduced market share, reduced net patient services revenues and reduced net income.

LITIGATION

The Issuer

To the Issuer's knowledge, as of the date of this Official Statement, there is not pending or threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2022 Bonds or questioning or affecting the validity of the Series 2022 Bonds or the proceedings or authority under which they are to be issued or which in any manner questions the right of the Issuer to enter into the Trust Indentures or the Loan Agreements or to secure the Series 2022 Bonds in the manner provided therein.

The Obligated Group

The Obligated Group has advised that no litigation, proceedings or investigations are pending or, to its knowledge, threatened against it except (i) litigation, proceedings or investigations involving claims for hospital professional or general patient liability for which the probable ultimate recoveries and the estimated costs and expenses of defense will be entirely within the applicable insurance policy limits (subject to applicable deductibles) or (ii) litigation, proceedings or investigations involving other types of claims which, if adversely determined, will not have a materially adverse effect on the operation or condition, financial or otherwise, of the Obligated Group. No litigation, proceedings or investigations are pending or, to the knowledge of the Obligated Group, threatened against the Obligated Group that in any manner question the right of the Obligated Group to enter into the transactions described herein or contest or affect the validity of the Series 2022 Bonds or the proceedings of the Obligated Group with respect to the issuance and sale thereof.

LEGAL MATTERS

The legality of the authorization, issuance, sale and delivery of the Series 2022 Bonds is subject to the approval of Dinsmore & Shohl LLP, Bond Counsel to the Issuer, whose approving opinions will be delivered upon the issuance and delivery of the Series 2022 Bonds. The proposed forms of Bond Counsel's opinions are set forth in "**PROPOSED FORMS OF OPINIONS OF BOND COUNSEL**" in **APPENDIX F** hereto.

Certain legal matters will be passed on for the Obligated Group by its special counsel, Dinsmore & Shohl LLP, for the Issuer by its counsel, the Jefferson County Attorney, and for the Underwriter by its counsel, Frost Brown Todd LLC.

TAX MATTERS

The Series 2022A Bonds

General. In the opinion of Dinsmore & Shohl LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2022A Bonds (including any original issue discount properly allocable to the owner of a Series 2022A Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the Issuer and the Corporation with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2022A Bonds. Failure to comply with such covenants could cause interest on the Series 2022A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022A Bonds. The Issuer and the Corporation have covenanted to comply with such requirements. Bond Counsel is also of the opinion that, under existing laws of the Commonwealth of Kentucky, interest on the Series 2022A Bonds is excluded from the gross income of the recipients thereof for Kentucky income tax purposes and the Series 2022A Bonds are exempt from ad valorem taxes by the Commonwealth of Kentucky and all political subdivisions thereof. Bond Counsel has expressed no opinion regarding other federal or Commonwealth of Kentucky tax consequences arising with respect to the Series 2022A Bonds.

Bond Counsel's opinion is rendered in reliance on the opinion of counsel to the Corporation, relating to, among other items, the status of the Corporation as an organization described in Section 501(c)(3) of the Code.

The accrual or receipt of interest on the Series 2022A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2022A Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2022A Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2022A Bonds.

Original Issue Discount. Certain maturities of the Series 2022A Bonds may be sold at a discount from the principal amount payable on such Series 2022A Bonds at maturity (collectively, the "*Discount Bonds*"). The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described herein.

The amount of original issue discount that is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner of the Discount Bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days which are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on

such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such Discount Bonds for a price that is higher or lower than the "adjusted issue price" of such Discount Bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium. Certain maturities of the Series 2022A Bonds may be sold at a premium from the principal amount payable on such Series 2022A Bonds at maturity (collectively, the "*Premium Bonds*"). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2022A Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any beneficial owner who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2022A Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

The Series 2022B Bonds

General Matters. Bond Counsel is of the opinion that interest on the Series 2022B Bonds is included in gross income for federal income tax purposes. Bond Counsel is also of the opinion that, under existing laws of the Commonwealth of Kentucky, interest on the Series 2022B Bonds is excluded from the gross income of the recipients thereof for Kentucky income tax purposes and the Series 2022B Bonds are exempt from ad valorem taxes by the Commonwealth of Kentucky and all political subdivisions thereof. Bond Counsel has expressed no opinion regarding other federal or Commonwealth of Kentucky tax consequences arising with respect to the Series 2022B Bonds.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Series 2022B Bonds under the Code and the Regulations, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the Series 2022B Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series 2022B Bonds.

In general, interest paid on the Series 2022B Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Series 2022B Bonds, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Bond Premium. An investor that acquires a Series 2022B Bond for a cost greater than its remaining stated redemption price at maturity and holds such bond as a capital asset will be considered to have purchased such bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable bond premium that reduces interest payments under Section 171 of the Code. Bond premium is generally amortized over the bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any Series 2022B Bond purchased with a bond premium should consult their own tax advisors as to the effect of such bond premium with respect to their own tax situation and as to the treatment of bond premium for state tax purposes.

Original Issue Discount. If the Series 2022B Bonds are issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified *de minimis* amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. As a general rule, the owner of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days the owner owned the instrument. Owners of Series 2022B Bonds purchased at a discount should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income (notwithstanding the general rule described above in this paragraph) and with respect to the state and local tax consequences of owning such Series 2022B Bonds.

Market Discount. An investor that acquires a Series 2022B Bond for a price less than the adjusted issue price of such bond may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a Series 2022B Bond originally issued at a discount, the amount by which the issue price of such bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Series 2022B Bond not originally issued at a discount, the amount by which the stated redemption price of such bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Series 2022B Bond will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the bond, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a bond or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Series 2022B Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Series 2022B Bond that acquired such bond at a market discount also may be required to defer, until the maturity date of such bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred

or maintained to purchase or carry such bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2022B Bond for the days during the taxable year on which the owner held such bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2022B Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Unearned Income Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals earning certain investment income. Holders of the Series 2022B Bonds should consult their own tax advisors regarding the application of this tax to interest earned on the Series 2022B Bonds and to gain on the sale of a Series 2022B Bond.

Sales or Other Dispositions. If an owner of a Series 2022B Bond sells the bond, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such bond. Ordinarily, such gain or loss will be treated as a capital gain or loss.

If the terms of a Series 2022B Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Series 2022B Bond should consult its own tax advisor concerning the circumstances in which such bond would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance. The legal defeasance of the Series 2022B Bonds may result in a deemed sale or exchange of such bonds under certain circumstances. Owners of such Series 2022B Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding. An owner of a Series 2022B Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series 2022B Bonds, if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Foreign Investors. An owner of a Series 2022B Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series 2022B Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Series 2022B Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate

or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a United States withholding tax will apply to interest paid and original issue discount accruing on Series 2022B Bonds owned by foreign investors. In those instances in which payments of interest on the Series 2022B Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Series 2022B Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Series 2022B Bond.

Tax-Exempt Investors. In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. Unrelated business taxable income generally means the gross income derived by an organization from any unrelated trade or business as defined in Section 513 of the Code. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Series 2022B Bond incurs acquisition indebtedness with respect to such bond, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Series 2022B Bond is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations. The Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets are considered to include the assets of such plans (collectively, "*ERISA Plans*") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Series 2022B Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the Series 2022B Bonds could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Issuer or conduit borrower, if any, or any dealer of the Series 2022B Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Series 2022B Bonds are acquired by such plans or arrangements with respect to which the Issuer or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an

investment in the Series 2022B Bonds. The sale of the Series 2022B Bonds to a plan is in no respect a representation by the Issuer or the Underwriter that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the Series 2022B Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

To address the above concerns, by acceptance of a Series 2022B Bond, each purchaser and subsequent transferee will be deemed to have represented and warranted that either (a) no portion of the assets used to acquire or hold the Series 2022B Bond or an interest therein constitutes assets of any Plan or (b) the acquisition and holding of the Series 2022B Bonds or an interest therein will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation of any applicable similar law. Neither the issuer or conduit borrower, if any, of the Series 2022B Bonds nor the Underwriter is acting as a fiduciary, or undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, to such purchaser or transferee with respect to the decision to purchase or hold the Series 2022B Bonds or an interest in the Series 2022B Bonds.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed on persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Series 2022B Bonds on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any similar laws to such investment and whether an exemption would be applicable to the purchase and holding of the Series 2022B Bonds.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "**TAX MATTERS**" or adversely affect the market value of the Series 2022 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2022 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2022 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2022 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2022 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2022 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2022 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2022 BONDS.

UNDERWRITING

The Series 2022A Bonds are being purchased by BofA Securities, Inc. (the "*Underwriter*") at the purchase price of $_____ (representing the principal amount thereof, plus bond premium of $_____, less an underwriter's discount of $_____). The Series 2022B Bonds are being purchased by the Underwriter at the purchase price of $_____. (representing the principal amount thereof, less an underwriter's discount of $_____).

The Underwriter may offer and sell the Series 2022 Bonds to certain dealers (including dealers depositing Series 2022 Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page, which may be changed after the initial offering by the Underwriter. The Underwriter will be required to purchase all the Series 2022 Bonds, if any are purchased.

BofA Securities, Inc., as an underwriter of the Series 2022 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("*MLPF&S*"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2022 Bonds.

CERTAIN RELATIONSHIPS

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates have provided, and may in the future provide, a variety of these services to the Corporation and to persons and entities with relationships with the Corporation, for which they received or will receive customary fees and expenses. Under certain circumstances, the Underwriter and its affiliates may have creditors' and other rights against the Corporation or its affiliates in connection with such activities.

In the ordinary course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Corporation (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Obligated Group. The Underwriter and its affiliates may also communicate independent investment recommendations, market or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to the Corporation that it should acquire, long and/or short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE

Because the Series 2022 Bonds are special limited obligations of the Issuer, payable solely from amounts received from the Obligated Group, financial or operating data concerning the Issuer is not material to an evaluation of the offering of the Series 2022 Bonds or to any decision to purchase, hold or sell the Series 2022 Bonds. Accordingly, the Issuer is not providing any such information. The Obligated Group has undertaken all responsibilities for any continuing disclosure to Holders of the Series 2022 Bonds, as described below, and the Issuer shall have no liability to the Holders of the Series 2022 Bonds or any other Person with respect to Rule 15c2-12, referred to in this Official Statement as the "Rule", promulgated under the Securities Exchange Act of 1934 by the Securities and Exchange Commission.

The Obligated Group will covenant pursuant to the Continuing Disclosure Agreement to be entered into in connection with the Series 2022 Bonds (the "*Continuing Disclosure Agreement*") to provide (a) certain financial information and operating data relating to the Obligated Group by not later than [150] days after the end of the Corporation's fiscal year (which fiscal year currently ends on June 30), commencing with the report for the fiscal year ending June 30, 2022 (the "*Annual Report*"), (b) certain financial information relating to the Obligated Group by not later than [60] days after the end of each quarters of the Corporation's fiscal year, commencing in the fiscal quarter ending June 30, 2022 and (c) notices of the occurrence of certain enumerated events. The Corporation will file, or cause to be filed, the Annual Report and quarterly information with the

Municipal Securities Rulemaking Board (the "*MSRB*") through its Electronic Municipal Market Access ("*EMMA*") system for municipal securities disclosures. Any notice of an event required to be disclosed as a significant event under Rule 15c2-12 is also required to be filed by the Obligated Group with the MSRB through its EMMA system. The specific nature of the information to be contained in the Annual Report, the quarterly reports and the notices of material events is described in **FORM OF CONTINUING DISCLOSURE AGREEMENT** attached **APPENDIX G** hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

The Continuing Disclosure Agreement requires the Obligated Group to provide only limited information at specific times, and the information provided may not be all the information necessary to value the Series 2022 Bonds at any particular time.

The Obligated Group may from time to time disclose certain information and data in addition to the requirements of the Continuing Disclosure Agreement. Notwithstanding anything herein to the contrary, the Obligated Group shall not incur any obligation to continue to provide, or to update, such additional information or data.

The Corporation has not failed to comply in any material respect with any undertakings pursuant to Rule 15c2-12.

RATINGS

_____ ("___") has assigned the underlying rating of "__" (_____ outlook) to the Series 2022 Bonds based on the credit strength of the Corporation. ____ has assigned the underlying rating of "__" (_____ outlook) to the Series 2022 Bonds based on the credit strength of the Corporation. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Series 2022 Bonds. Any explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions by the rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if in the judgment of such rating agencies circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2022 Bonds.

FINANCIAL STATEMENTS

The consolidated financial statements of the UofL Health, Inc. as of June 30, 2021 and 2020 and for the years then ended, included herein as **APPENDIX B**, have been audited by Blue & Co., LLC, independent certified public accountants (the "*Auditor*"), as indicated in their report.

The unaudited consolidated financial statements of UofL Health, Inc. as of December 31, 2021 and 2020 and for the periods then ended included in **APPENDIX C** have not been audited or reviewed by the Auditor or any other independent certified public accountants. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for any other interim period or for the year as a whole.

OTHER MATTERS

Any statements in this Official Statement involving matters of opinion, whether or not expressly stated as such, are so intended and are not representations of fact. The summaries or descriptions of provisions of the Act, the Series 2022 Bonds, the Loan Agreements, the Trust Indentures, the Master Indenture, the Supplemental Master Indentures and the Continuing Disclosure Agreement, and all references to other materials not purported

to be quoted in full, are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. Section and table headings and captions are included for convenience only and should not be construed as modifying the text of this Official Statement.

The Issuer has authorized the distribution and use of this Official Statement, but has not prepared or approved any material for inclusion in this Official Statement except the matters under the headings "THE ISSUER" and "LITIGATION – The Issuer" herein. Such authorization does not, however, constitute a representation or the approval by the Issuer of the accuracy or sufficiency of any information contained herein except to the extent of the information contained under the headings "THE ISSUER" and "LITIGATION – The Issuer" herein.

The Obligated Group has duly authorized the execution and delivery of this Official Statement.

UofL Health, Inc.

By: */s/*
Name:
Title:

APPENDIX A

UOFL HEALTH, INC.

APPENDIX B

CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020

APPENDIX C

CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2021

APPENDIX D

SUMMARY OF LOAN AGREEMENTS AND TRUST INDENTURES

APPENDIX E

FORM OF MASTER INDENTURE

APPENDIX F

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT